

PERSONNEL COMMITTEE – 4TH APRIL 2017

Report of the Head of Strategic Support

Part A

ITEM 7 ORGANISATIONAL CHANGE POLICY AND PROCEDURE

Purpose of Report

To gain Personnel Committee approval in relation to the amendments proposed to the Organisational Change Policy and Procedure.

Recommendation

That the Personnel Committee agree the proposed amendments to the Organisational Change Policy and Procedure as set out within this report.

Reason

The Organisational Change Policy and Procedure has been updated to reflect changes to legislative requirements and recommended best practice for those involved in the process.

Policy Justification and Previous Decisions

The policy was created on 1st February 2012 and has not been amended since then. The revisions within the policy compliment the proposed amendments to the Redeployment Policy.

The revisions to the policy were agreed at SMT on 30th November 2016 and JMTUM on 2nd February 2017.

Both the Organisational Change Policy and Procedure and the Redeployment Policy and Procedure work in conjunction with each other. Therefore, it is recommended that both policies are considered when making any decisions.

Implementation Timetable including Future Decisions

The revised Organisational Change Policy and Procedure will be uploaded to the intranet following the agreement of Personnel Committee.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no immediate financial implications arising from this decision.

Risk Management

There are no specific risks associated with this decision.

Background Papers: Managers Organisational Change Checklist

Appendix: Organisational Change Policy and Procedure

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Part B

Background

1. The policy was created on 1st February 2012 and has not been amended since.
2. The Organisational Change Policy and Procedure has been reviewed and revised to ensure that it fits with the needs of the authority and complies with recommended best practice.

Proposals

3. The table below outlines the principles within the current Organisation Change policy and the proposed changes to those areas.

	Current Organisational Change Principles	Proposed Amendments to the Organisational change Policy
a	Document prepared by Head of Service or Manager which outlines the changes is called Restructure Document.	It is proposed to retitle the document and Consultation Action Plan.
b	Roles and Responsibilities for any Redundancy Appeal Panel is currently chaired by Strategic Director.	This will be amended to bring this in line with the changes to panel members and will consist of 3 managers and chaired by a Head of Service.
c	No mention of TUPE in current Policy.	The policy will now include If a proposed change is likely to result in the TUPE transfer of employees either into or out of the Council, managers must seek advice from HR Services at the earliest opportunity.
d	Planning – Establish the current structure and affected employee included 3 bullet points.	The policy will now include 6 bullet points, the new ones being: <ul style="list-style-type: none"> • Employees absent from work due to illness and/or disability so that it can be ensured that they are fully involved in the process. • Employees on different terms and conditions to other employees, usually as a result of them TUPE transferring into the Council. • Employees engaged on a casual contract, so their employment status can be confirmed and consideration can be made to terminating the contract if permissible.

e	Currently a Job Description and a Person Specification are two documents.	It is proposed to call Job Description and Person Specification one document renaming it a Job Profile.
f	Current restructure Consultation Timescales are 100 or more employees = 90 calendar days; 20-99 employees = 30 calendar days; 0-19* employees = 30 calendar days.	Due to changes in legislation and there being no statutory consultation period when less than 20 employees are affected, following negotiation it is proposed to change this to be: 100 or more employees = 45 calendar days; 10-99 employees = unchanged; 11-19 employees = 21 days; 0-10 employees = 14 days.
g	Currently there is no reference to Section 188.	The policy will be re-worded to include To fulfil its requirement under Section 188 the Council must disclose the following information to the trade unions, using the Restructure Action plan template.
h	There is no minimum limit included in the current Equality Impact Assessment.	The policy will state Where five employees or less are affected by a restructure it is not a requirement that an EIA is completed.
i	Secondments and Acting Up arrangements are not included.	A new section will be added in relation to employees who are either on a Secondment or Acting Up at the point they are involved in a restructure.
j	Employees on Maternity Leave, Adoption Leave or Shared Parental Leave are not included.	A new section will be added in relation to employees on Maternity Leave, Adoption Leave or Shared Parental Leave.
k	Where an employee is required to specify their job preferences there is no clarification on whether employees are able to include a preference at a lower grade.	The policy will be reworded with the specific bullet point: <ul style="list-style-type: none"> An employee is not prevented from indicating a preference for a job on a lower grade than their current job provided this is a new or vacant post. If the employee has a comparable post, the lower graded post must appear lower down their preference list than the comparable post.
l	Redeployment	This Policy will be updated to reflect any agreed changes on the Redeployment Policy.

Consultation

- The policy was agreed at SMT on 30th November 2016 and SMT on 2nd February 2017.



Organisational Change Policy and Procedure

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Purpose

The purpose of the Organisational Change Policy and Procedure is to set out the Council’s approach to managing organisational change. The Council is committed to full and meaningful consultation with employees and the recognised trade unions regarding proposals for organisational change. The policy and procedure establishes a fair, transparent and effective process for dealing with such situations and ensures compliance with statutory requirements.

Scope

This policy and procedure applies to all employees of Charnwood Borough Council employed under the conditions of service of the following bodies:

- Joint Negotiating Committee for Local Government Service.
- National Joint Council for Local Government Services.
- Joint Negotiating Committee for Chief Officers of Local Authorities.
- Joint Negotiating Committee for Local Authority Craft and Associated Employees.

This policy and procedure is not applicable to agency staff, casual workers or individuals who are self-employed.

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Roles and Responsibilities

Strategic Director	Responsible for initiating and approving organisational change.
Lead Officer (usually Heads of Service)	Responsible for planning, consulting on and implementing organisational change. To consider the implications of proposals on service delivery and to take the necessary steps to ensure continuity of service after reorganisation.
Employees	To consider the implications of the proposals for themselves as individuals and also in terms of service delivery and to make comments, ask questions and suggest alternative options as appropriate.

HR Services	HR Services will provide advice, coaching and support to managers on the application of the Policy and Procedure. HR will also act as panel members at hearings and will express a view on whether the case is founded and make recommendations about the appropriate outcome.
Recognised Trade Unions	The recognised trade unions will be consulted regarding all major changes affecting job security and minor changes as appropriate, and will provide advice and support to their members.
Redundancy Appeal Panel	<ul style="list-style-type: none"> • Appeals below JNC level: The chair should be Head of Service level or above, accompanied by 2 other panel members. • Appeals at or above JNC level: The panel will be a sub-Committee of the Personnel Committee.

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Supportive Measures

It is recognised that being at risk of redundancy or facing significant changes to working practices can be extremely stressful for employees, and managers have a responsibility to provide appropriate support and guidance.

Counselling Service

Employees affected by organisational change should be advised how to contact the Council's telephone counselling service, AMICA, which can offer confidential advice and support.

Mental Health

Employees who are known to have mental health problems may require additional support and reasonable adjustments during periods of change. For further guidance please refer to the [Manager's Guide on Mental Health and Supporting Employees](#).

Time Off to Seek Alternative Employment or Arrange Training

Employees being made redundant who either have redeployment status or have been continuously employed for 2 years or more will be granted reasonable time off work with pay during their notice period to look for new employment or to arrange training for future employment. This will include time off to attend job interviews and visit employment agencies or Jobcentre Plus in connection with new employment. Managers should discuss with employees who are on the redeployment register what training and development opportunities are available and appropriate to them and endeavour to meet reasonable training and development requests.

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Types of Change

Major Changes

Examples of major change include Directorate, Service or Team restructurings, changes to terms and conditions of employment (which may include relocating employees) and significant changes to working practices. Any changes, which represent a substantial change to an employee's terms and conditions or a reduction in work, necessitate formal consultation.

If a major change is planned the following steps (which are explained in more detail below) should be followed:

- [engagement and communication](#);
- [seeking to avoid or minimise redundancies](#);
- [planning](#);
- [writing the Consultation Document](#);
- [formal consultation](#);
- [implementation](#).

If a proposed change is likely to result in the TUPE transfer of employees either into or out of the Council, managers must seek advice from HR Services at the earliest opportunity.

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Minor Changes

Minor changes are those which form part of day-to-day management and do not affect an employee's terms and conditions. Examples include a change of job title, minor amendments to the job profile, a change of line management or change of title of the Directorate, Service or Team.

To adapt to changing requirements, it is likely that from time to time, the Council will need to make changes to roles, responsibilities and/or working practices. Employees are therefore expected to be flexible and accept reasonable changes appropriate to the level of their posts. Where changes are required, the reasons for these will be discussed with employees and they will be given the opportunity to state their views and suggest any alternative solutions. Affected employees will be given reasonable notice of any change and supported, as far as practical, to adapt to new ways of working.

Managers should consider carefully the impact of minor changes on employees (e.g. on any caring responsibilities) and seek advice from HR Services as necessary.

Managers do not need to follow the Organisational Change Policy and Procedure when carrying out minor changes. However, managers should consider, depending on the nature of the change, making the trade unions aware prior to speaking to the affected employee/s.

Ending a Fixed-Term Contract

Individual fixed-term contracts which are being terminated early or not renewed, in isolation from a restructuring or review, should be managed in line with the [Fixed-Term contracts – Guidance for Managers](#).

Where employees on fixed-term contracts fall within a restructure or review, the provisions of the Organisational Change Policy and Procedure will apply.

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Relocation

When it is proposed to relocate employees, managers are responsible for deciding, with advice from HR Services, if it will be necessary to follow the Organisational Change Policy and Procedure. A key consideration is whether relocation is reasonable for the employee(s) concerned and account should be taken of the following factors:

- location and/or mobility clauses in contracts of employment;
- difference between current and proposed journey to work (additional travelling time and cost);
- method of transport e.g. access to own transport, suitability of public transport, car-sharing, etc.;
- grade and duties;
- if the employee travels on Council business;
- hours of work;
- caring responsibilities (children and/or dependent adults);
- any disability related issues.

If an employee unreasonably refuses to relocate, the Lead Officer should contact HR Services for further advice.

If the Council considers that the relocation is not reasonable, this places the employee(s) at risk of redundancy. As a result, the employee(s) should be consulted on the proposals and ways to avoid compulsory redundancy. In these circumstances, if following consultation, an employee is not able to relocate, they will be given redeployment status (provided they are eligible), and be subject to the provisions of the [Redeployment Policy and Procedure](#).

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Engagement and Communication

Open and effective communication and consultation are key to organisational change being successful. Managers should communicate with affected employees and trade union representatives **at the earliest opportunity** to enable them to have sufficient time to give thorough consideration to the proposals **before formal consultation begins**.

Informal consultation with trade unions and employees is an important part of the organisational change process and managers should engage with both as soon as possible. The information available at this initial stage will vary depending upon circumstances.

Communication methods should be appropriate to the information being presented, the audience and the purpose and may include one-to-one meetings, team meetings, Directorate briefings or newsletters. Large scale change programmes involving a significant number of employees and/or partners may require a communications strategy that identifies a planned approach.

Managers should ensure that engagement stretches to any areas outside the immediate review that will also be affected, in order to gain feedback and support.

At the informal stage of the consultation process, the recognised trade unions should also be advised of the schedule of dates for implementation of each stage of the procedure, and they should be informed of the date for the first consultation meeting.

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Seeking to Avoid or Minimise Redundancies

The Council is committed to minimising the number of compulsory redundancies and therefore the following measures should be fully explored:

- deletion of vacant posts;
- restriction or suspension of recruitment;
- cessation or reduction of overtime;
- cessation or reduction of casual contracts;
- voluntary redundancy;
- voluntary reduction in hours;
- flexible retirement;
- revision of expenditure (e.g. travel mileage, reduction in absence levels, etc).
- cessation or reduction in the use of agency workers.

These measures should be considered before and during the planning of a restructuring. They should also form part of the considerations during the consultation period.

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Planning

Establish the current structure and affected employees

Managers need to identify which employees will be affected by the proposed changes and establish their employment status and working arrangements, as this may affect their position under the Organisational Change Policy and Procedure.

Advice should be sought from HR Services if the proposed reorganisation includes the following:

- Employees on fixed-term (temporary) contracts;
- Employees who are seconded into or are acting-up within the current structure OR who are seconded away to another team/Directorate;
- Employees on maternity leave, adoption leave or shared parental leave.
- Employees absent from work due to illness and/or disability so that it can be ensured that they are fully involved in the process.
- Employees on different terms and conditions to other employees, usually as a result of them TUPE transferring into the Council.
- Employees engaged on a casual contract, so their employment status can be confirmed and consideration can be made to terminating the contracts if permissible.

Determine the new structure and Job Profiles (Job Descriptions/Person Specifications)

When designing the new structure, managers should first consider what tasks will need to be carried out and what knowledge, skills, abilities and experience will be required, having regard to future service plans.

Any posts which are new or have changed significantly must be evaluated under the Council's [Job Evaluation Scheme](#) and the Consultation Action Plan Document should not be issued until evaluation has taken place. If an employee is concerned about the grading of a post in the new structure, they should raise this with the Lead Officer during the formal consultation period. Employees who are appointed into a new post cannot apply for re-evaluation until at least 6 months after their appointment.

Understanding potential costs and savings

If during the planning process redundancies are identified as a potential outcome of organisational change, managers should obtain an estimate of the potential costs before commencing formal consultation so that the financial impact can be assessed.

HR Services will support managers in obtaining estimated redundancy costs, including the cost of lump sum redundancy payments and the capital costs of early release of pension for employees who are aged 55 and over. Cost estimates should be obtained for all employees who could be at risk of redundancy.

Managers may also need to consider the cost of replacing lost skills and/or up-skilling employees following reorganisation.

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Consultation Timescales

When planning a restructuring, managers need to allocate sufficient time to plan, determine the financial implications, write a Consultation Action Plan Document, consult on it and then implement the final proposals.

The purpose of collective and individual consultation is to provide an opportunity for all concerned to understand the situation, consider the plans for addressing it and explore any options to avoid compulsory redundancy.

The timescales for consultation are:

Number of employees affected by the proposed restructure/redundancy in one establishment	Length of formal consultation period
100 or more	45 calendar days
20-99	30 calendar days
11-19*	21 calendar days unless mutually agreed otherwise*
0-10*	14 calendar days unless mutually agreed otherwise*

* There is no statutory consultation period where it is proposed to dismiss less than 20 employees at an establishment. In these circumstances, managers must consult for a period of at least 14 calendar days. Depending on the complexity of the restructure, or if issues arise during the consultation period, it may be necessary to extend this consultation period up to a maximum of 30 calendar days.

There may be other occasions (e.g. cessation of a service) that require the deletion of all posts and it may be necessary to issue redundancy notices to employees before the end of the formal consultation period. In these circumstances, with the agreement of all parties (ie, the employees, trade unions and management) issue of redundancy notice can be given however, the minimum duration recommended for consultation is 14 calendar days. Advice must be sought from HR Services. This would only be applicable in circumstances where less than 20 employees are at risk of redundancy.

Charnwood Borough Council is considered to be an “establishment”. Therefore, to determine the required consultation period, managers must consider not only the number of employees affected by the restructure that they are responsible for, but also the number of employees affected by other restructures in the Council on which formal consultation begins on the same day. Such information may be obtained from HR Services.

To fulfil its requirement under Section 188 the Council must disclose the following information to the trade unions, using the Consultation Action Plan template:

- The reasons for the proposal.
- The numbers and descriptions of employees whom it is proposed to dismiss a redundant.
- The total number of employees of that description employed at the establishment in question, and the definition of the establishment.
- The proposed method of selecting the employees who may be dismissed, including the period over which the dismissals are to take effect.
- The proposed method of calculating the amount of any redundancy payments to be made (other than statutory redundancy pay) to employees who may be dismissed.

Where it is proposed to dismiss as redundant 20 or more employees within a 90 day period, the Department for Business, Innovation and Skills (BIS) must also be notified using the Advanced Notification of Redundancies [Form HR1](#). The Lead Officer is responsible for completing this, with support from HR Services. A copy of the completed Form HR1 should be sent to each of the recognised trade unions.

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Equality Impact Assessment

The Council is committed to ensuring that, as far as possible, organisational change does not have an adverse impact on employees or members of the public defined by “protected characteristics” under the Equality Act 2010. These “protected characteristics” are:

- age;
- disability;
- gender;
- maternity or pregnancy;
- marital status or civil partnership;
- race or ethnicity;
- religion or belief;
- sexual orientation;
- gender reassignment.

To ensure that any potential adverse impact is identified and where possible mitigated, managers, with support from HR Services, are responsible for conducting an [Equality Impact Assessment \(EIA\)](#) on the proposed changes. [Guidance](#) on how to complete the EIA is also available.

Managers will need to obtain equality monitoring information about the affected service and/or employees, consider the changes being proposed and give consideration as to whether this may result in specific barriers for certain groups. Where it is identified that organisational change is likely to adversely affect a particular group, managers should consider what action can be taken to mitigate this.

Where five employees or less are affected by a restructure it is not a requirement that an EIA is completed.

A copy of the EIA should be sent to the trade unions with the Consultation Action Plan Document; there is no requirement for it to be distributed to employees.

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Fixed-Term Contracts

Managers should check the contract of employment of individuals on fixed-term contracts to determine the reason why the contract was issued.

Fixed-term employees will be entitled to equal consideration for posts and given the opportunity to apply for new or vacant posts in the new structure alongside permanent employees where their fixed-term contract states that it is to cover a short term need and the contract was issued before the Department was aware of the impending restructuring.

Fixed-term employees will not be entitled to equal consideration for posts and given the opportunity to apply for new or vacant posts in the new structure alongside permanent employees where:

- Their fixed-term contract states that it is to cover an absent employee (eg, maternity cover, secondment etc). This type of contract will end when the employee for whom the cover is provided returns to their substantive post;
- Their fixed-term contract specifically states that it is for additional work or a specific task/project which is a temporary additional to the establishment and there are no permanent employees carrying out the same role. This type of contract will end when the work is completed or funding for the work finishes;
- Their fixed-term contract states that it is to cover a short term need and/or to provide cover during the period of the restructuring and the contract was issued after the Department was aware of the impending restructuring. In this situation, to exclude a fixed-term employee from consideration for posts in the new structure, the Department must have informed employees and the trade unions of the impending restructuring within a reasonable timescale of the fixed-term contract being issued.

Secondments and Acting Up

Where an employee is seconded and their substantive post becomes subject to a Consultation Action Plan, the employee must be advised and included in the consultation as if they were in their substantive role. The employee's comparability will be based on their substantive post. Managers of the seconded employee must allow sufficient time away from their post for them to be fully engaged in the process (eg, to attend consultation meetings etc). The employee is also responsible for ensuring they engage in the process.

During this process the employee should be allowed to continue with their secondment. Where the employee is appointed to a post in the new structure, the

secondment arrangement will continue as per the variations to contract or secondment agreement.

In the case of internal secondments, if the employee is made redundant from their substantive post and their secondment is due to end after their notice end date, the employee may be given the opportunity of transferring onto a fixed-term contract for the remainder of the secondment period. If a fixed-term contract is offered, the employee can choose:

- To take the redundancy from the substantive post and their employment will terminate.

OR

- To transfer onto the fixed-term contract for the remainder of the secondment period.

Where a secondee is covering for the absence of another employee and they decide to accept a fixed-term contract when their substantive post ends, both managers must understand the redundancy implications. These are:

- The manager of the substantive post must pay the Ready Reckoner redundancy amount up to the point of the secondment.
- The manager of the secondment must then pay any additional costs associated with the Ready Reckoner calculation.

In the case of external secondments, if the secondment is due to end after their redundancy notice end date, they will revert to their substantive post at the point that their redundancy notice period ends, and the secondment agreement will terminate automatically on the same date. Any entitlement to a redundancy payment will be based on their substantive post.

Employees who are seconded into a post that is subject to a Consultation Action Plan will not be included in the restructuring process in relation to that post. In such circumstances, the secondment may be brought to an end subject to any relevant notice period or agreed terms.

Where an employee's substantive and seconded post are within the same restructuring, the employee's comparability should be considered based on their substantive post. In order to avoid unfairly disadvantaging the employee it may be appropriate to consider whether any allowance should be made during the selection process to take account of the time that they have spent out of their substantive post.

Acting Up

Employees who are Acting Up within a current structure will have their comparability considered on the basis of their substantive post within the current structure.

Employees on Maternity Leave, Adoption Leave or Shared Parental Leave

Managers must seek the advice of HR Services during the planning stage if this affects any employees.

Employers have a statutory duty to offer an employee whose post is confirmed as redundant whilst they are on maternity leave, adoption leave or shared parental leave, any suitable alternative post as an alternative to redundancy. To be classed as a suitable alternative the post must be on the same terms and conditions and in a capacity and location which is not substantially less favourable than the employee's substantive post and be suitable and appropriate for them.

The statutory duty referred to ONLY applies during an employee's maternity leave, adoption leave or shared parental leave, if either of the following occur:

1) The post they hold is being deleted

It is proposed to delete the employees post, they should be offered any suitable alternative (ie, new or vacant) post in the new structure, even if this means that they are being treated more favourably than other employees who are also at risk of redundancy. This will include any post that is identified as comparable for the employee. If no suitable post exists in the new structure, the employee should be offered any suitable alternative post elsewhere in the Council. They will be given redeployment status from the start of formal consultation and offered any suitable alternate post in the new structure or elsewhere over other employees with redeployment status.

Employees will continue to be entitled to this preferential consideration even if they return from maternity leave, adoption leave or shared parental leave prior to the new structure being implemented.

OR

2) There is a reduction in the number of employees carrying out the same role

There is a need to reduce the numbers of employees carrying out the same role as the employee; the employee will be required to participate in the selection process alongside all other employees carrying out that role. However, managers will need to consider whether any adjustments are required to the selection process so as not to unfairly disadvantage the employee. If the employee fails to obtain a post during this process and is consequently issued with their formal redundancy notice, they should be given redeployment status at this point and offered any suitable alternative post (either a new or vacant post within the new structure or a post within the Council) over and above other employees with redeployment status.

Employees who return from their maternity leave, adoption leave or shared parental leave prior to being confirmed as redundant will not be entitled to preferential treatment if they are unsuccessful in obtaining a post in the structure.

Advice from HR Services should be sought regarding the treatment of individuals with protected status when it is unclear which of the above arrangements apply.

Employees who are on maternity leave, adoption leave or shared parental leave can express an interest in higher graded new or vacant posts. However, they will be required to undertake a selection process unless the post is classed as suitable alternative employment.

Writing the Consultation Action Plan Document

To provide all the necessary information regarding the proposals to affected employees and the recognised trade unions, the Lead Officer is required to draft a formal Consultation Action Plan Document. A [template](#) is available which sets out the information that should be included. Copies of all Job Profiles, the current and proposed structure charts should all be attached to the draft Consultation Action Plan as Appendices.

Managers are encouraged to engage with trade union representatives regarding this from the outset.

Comparability

The Lead Officer should identify in the Consultation Action Plan which posts in the new structure, if any, each employee is comparable to. To determine this, the current and new Job Profiles should be compared. Once this has been completed, the manager can then see which posts in the new structure are new (i.e. no current jobs are comparable to them), vacant (i.e. there is no current job holder) or comparable.

Under normal circumstances, unless provision of a particular service is due to cease entirely, it is expected that there will be comparable posts in the current and new structures, and individual employees should be identified as having comparability where the content of a new job is substantially the same as that of their current job. An employee will normally only be deemed to be comparable with one post in the new structure. It is possible for an employee to be comparable with a post at a different grade to their current job, but it is likely that this will only be by one grade above or below their current job. It is also possible that employees with the same job profile in the current structure may, due to differences in the focus of their duties, be comparable to different posts in the new structure. It may also be identified that some employee jobs are not comparable with any jobs in the new structure.

To determine whether posts are comparable, the current and new Job Profiles should be compared. If the current Job Profile is out-of-date and/or inaccurate, managers are recommended to hold discussions with the affected employees in order to seek agreement about current duties and responsibilities. To ensure objectivity and consistency of decision-making, it is strongly recommended that decisions about comparability are made by at least 2 managers. Such decisions should be based on factual and objective reasoning which can be justified and

evidenced. Employees will have the opportunity as part of the consultation process to challenge any comparability decisions.

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Pre-consultation Approval

Once the Consultation Action Plan document has been prepared, the Lead Officer should arrange to meet with their Strategic Director to obtain their agreement to it; the manager should provide details of the costs involved and a summary of how any impact on workforce skills can be mitigated. The Consultation Action Plan document must be approved by the relevant Strategic Director before formal consultation can start.

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Formal Consultation

The formal consultation period commences with the distribution of the Consultation Action Plan document. This should be done by holding a collective meeting with affected employees, to which representatives of the recognised trade unions must be invited. Employees whose continued employment is affected by the proposals should be met with separately in advance of the collective meeting. Consideration should also be given to informing and/or consulting with stakeholders and partners, such as other Council Directorates, partner organisations, etc., once the affected employees have been informed.

The recognised trade unions should be provided with a copy of the Consultation Action Plan document during the week prior to formal consultation commencing, regardless of whether any of the individual employees are trade union members. They should also be invited to all collective meetings.

The number of meetings held during the formal consultation period should be appropriate to the change proposed, ensuring that employees and trade union representatives are given sufficient opportunity to consider the proposals, ask questions and suggest alternatives. The Lead Officer should keep a record of all meetings held, including dates, times, names of attendees and notes of matters discussed.

Any individual who is affected by the review should be offered the opportunity to meet a manager to discuss their concerns in a constructive way and explore any alternatives to redundancy. Employees are entitled to be accompanied at individual meetings by a trade union representative or work colleague.

Employees who are not in the office due to secondment, maternity leave, adoption leave, shared parental leave, maternity/adoption support leave, or absent from work for any other reason should also be consulted and arrangements must be put in place for this. This can be sending information and invitations to meetings to their home address, arranging individual meetings or communicating through appropriate

representatives. The Lead Officer should keep a record of what arrangements made.

If there are any significant developments during the consultation period that affect the group of employees subject to the Consultation Action Plan document, which have not previously been discussed with employees and the trade unions, consultation should take place to decide if further meetings will be required.

During the consultation period, an employee is entitled to challenge the decision regarding which post(s) they are deemed to be comparable with or not. Any challenge should be submitted in writing to the Lead Officer within the first 5 working days of the consultation period, in order to give adequate time for consideration and to make any alterations to the Consultation Action Plan document. Consultation will not end until after the challenge has been considered and the outcome communicated in writing to all affected employees. The Lead Officer will be responsible for organising a meeting to discuss the challenge, which will be attended by the managers involved in making the original decision and the employee. The employee concerned is entitled to be accompanied by a trade union representative or work colleague. The outcome will be communicated in writing to the employee within 3 working days of the meeting.

The Lead Officer should keep a record of when and how information has been communicated during the consultation period and retains this for 6 months after the implementation date.

Throughout the consultation period, mechanisms should be in place to receive (and publish, if applicable) questions and comments from employees and trade union representatives and to provide responses, e.g. meetings, emails, letters, etc. All responses on the consultation should be directed to the Lead Officer. At the end of the consultation period, all comments and suggestions should be thoroughly considered and responded to before the proposals are finalised.

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Implementation

Following the end of consultation, the Lead Officer will take into account all comments made during the consultation period and respond to each in writing. A report will then be submitted to the relevant Strategic Director who will either agree the recommendations, if within delegated authority, or submit the report to Cabinet in the name of the Lead Officer. This report will contain the following information:

- Background;
- Summary of consultation responses;
- Recommendations;
- Financial implications;
- Legal implications;
- Implementation timetable;
- Structure charts with grades;

- Original consultation document (as an appendix).

In urgent cases, where issues are relatively straightforward, a report may be written and submitted to Cabinet before the close of consultation, and the summary of consultation responses tabled at the meeting. If the consultation raises substantive or complex issues, the report will be withdrawn.

Delegated Decision Authorisation

Proposals affecting 5 posts or less should be approved through a delegated decision (DD) process. This requires approval from Finance, HR, Legal (Compliance) and the Chief Executive. A post is defined as a type of job covered by one job title and job description, not head count of FTE (e.g. if there are three employees involved who occupy an identical post, this would count as one post being affected).

Cabinet Authorisation

Cabinet approval is required for reorganisations that:

- Affect more than 5 posts;
- Have a financial impact of £100,000 or more (through expenditure, income or savings);
- Have an impact on service provision or communities in 2 or more wards in the Borough;
- Will close any Borough facilities;
- Reduce funding, staffing or hours by 10% or more.

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Following the decision, the Lead Officer will inform the affected employees and trade unions of the outcome. If there are implementation proposals that have not been consulted on, or any variations to the proposed selection process, the Lead Officer will issue these at this time for consultation. Any delays in decisions will be advised by the Leader Officer to the affected employees and trade unions.

Job Preferences

Once formal consultation has ended and implementation has been agreed, each employee will be required to submit to the Lead Officer indicating the jobs that they wish to be considered for, in order of preference, using the Job Preference Form. A template [Job Preference Form](#) is available.

The following guidelines should be followed when completing the form:

- If an employee has been identified as being comparable with a post in the new structure, they **must** include this comparable job on their list of preferences.
- An employee may not indicate a preference for a post in the new structure that has already been identified as a comparable post for another employee;

- An employee can only indicate a preference for a new or vacant post higher up their preference list than a comparable job if the new job/vacancy is at the same grade or higher than their current job;
- An employee is not prevented from indicating a preference for a job on a lower grade than their current job provided this is a new or vacant post. If the employee has a comparable post, the lower graded post must appear lower down their preference list than the comparable post;
- An employee may only include new jobs and/or vacancies on their preference list if they meet the essential criteria for them;
- An employee may indicate a preference for a new or vacant post which would result in a change (increase or decrease) to their working hours;
- An employee who does not have a comparable job should ensure that any jobs at their current grade or above for which they meet the essential criteria are placed at the top of their preference list.

Failure to indicate preferences will not entitle an employee to receive a redundancy payment. If an employee unreasonably refuses suitable alternative employment, they may lose their right to receive a redundancy payment.

If an employee has a comparable post in the new structure and no other employees are deemed comparable to the same post (no selection process is required) and there are no new jobs or vacancies available for the employee to consider, they will not need to complete a Job Preference Form; following conclusion of the formal consultation period, they will be confirmed into post.

If a group of employees have the same comparable posts in the new structure, but each job has a different emphasis (e.g. different geographical responsibilities or specialisms), each employee should complete a Job Preference Form and indicate on it their preferences for particular a specialism. Wherever possible, mutual agreement on assimilation should be sought, but if this cannot be reached, a selection process (see below) will be required.

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Ring Fencing

Ring Fencing Principles

Where there are more employees than posts, or where the duties of the new jobs are deemed to be not substantially the same as those jobs in the old structure, employees will be required to participate in a selection process.

Any new posts in the structure will be initially ring fenced to those employees in the scope of the Consultation Action Plan document whose posts have been deleted or substantially changed by the reorganisation proposals. Selection will be conducted in accordance with the Council's Redeployment Policy and Procedure and will

normally proceed from higher to lower graded posts. Any remaining vacancies will subsequently be advertised to all employees on the redeployment register before being advertised internally or externally as appropriate.

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Confirmation into Post

If an employee has a comparable post in the new structure and no other employees are deemed comparable to the same post, the individual will, following agreement of the action plan, be confirmed into post without a selection process being required.

In some cases, a group of similar jobs may be substantially the same but each job may have a different emphasis (e.g. jobs having different geographical responsibilities or specialisms). Wherever possible, the holders of these jobs will be given the opportunity to express interest, via the job preference form, in specific jobs with a view to mutual agreement on assimilation being reached. However, if mutual agreement cannot be reached then it will be necessary to carry out a structured, but concise selection process, which is appropriate to the situation.

If an employee declines an offer of confirmation into post, which is classed as suitable alternative employment, the redundancy payment will be withheld. See [withholding a redundancy payment](#) for further information.

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Selection

Once consultation has ended and implementation has been agreed, the Lead Officer will confirm the implementation process and timetable, and commence any required selection process.

Voluntary Redundancy

Asking for volunteers to be considered for redundancy may be appropriate where it is necessary to reduce the number of employees in a particular job. The pool of employees from which volunteers will be sought and the deadline for them to submit requests will have been set out in the Consultation Action Plan Document. The inclusion of an employee in the pool does not guarantee that their request will be agreed.

The decision to grant redundancy is discretionary and should be based on criteria which are clear, fair, non-discriminatory and easily evidenced. It is recommended that this should be carried out by two managers who can assess comparability. This decision may also include, cost, skills, knowledge, work performance, capability and disciplinary record. Managers should consider the need to retain key skills and the cost implications of granting a redundancy request and are encouraged to seek advice from HR Services regarding these decisions.

Selection Process

Once all job preference forms have been received, managers will need to determine the sequence in which selection for each job will take place. This will usually be by working from the top of the new structure down (by grade). Once an employee has been appointed to a post in the new structure, they will not be considered for jobs lower down their preference list (and therefore as selection into higher graded posts is completed, the pool of candidates for lower graded posts will usually reduce in size).

The selection methods to be used should be set out in the Consultation Action Plan Document and therefore are subject to consultation with the affected employees and trade unions. It is recommended that one or more of the following should be used.

Possible methods could include:

- [skills matrix](#);
- written submission;
- interview;
- test;
- presentation.

Managers should consider if reasonable adjustments need to be made to the selection method(s) for employees with a disability, e.g. additional time for tests.

The criteria for selection must be based on the person specification, focussing on the skills and abilities that will be required to undertake the job effectively, and should be clear, fair, non-discriminatory, easily evidenced and in line with the needs of the service. In addition, it may be appropriate to give consideration to other factors such as disciplinary and capability records.

Where there are sufficient comparable posts in the new structure, a selection process will not be required and existing employees will be confirmed into post. If there are not enough posts for all comparable employees, or there are new or vacant posts with which no employee is comparable, a selection process should be undertaken.

When selecting employees for posts, managers must not take into consideration whether there might be a more suitable external candidate. Appointees should meet the minimum essential requirements for the post, but managers should also give consideration as to whether an employee has the potential to acquire any additional skills they need to meet the minimum requirements within a reasonable timescale and cost, and may consider providing training to enable them to do this.

Decisions following selection should be communicated sensitively and wherever possible face-to-face or by another agreed method. In some cases, the outcome will put employees at risk of redundancy and it is therefore essential that managers act swiftly to provide them with support and access to redeployment opportunities.

Managers should retain copies of documentation relating to the selection process for 6 months after the implementation date.

On conclusion of the selection process, managers are expected to advise HR Administration via i-Trent of any changes to contracts or new appointments via the relevant E-form.

Right of Appeal

Employees who are selected for redundancy have the opportunity to appeal against this decision. The employee must notify the relevant Strategic Director in writing within 7 working days of receiving their redundancy notice letter.

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Redeployment

Eligible employees will be given redeployment status where:

- it is proposed that all posts will be deleted (e.g. as the result of the cessation of a service) - in these circumstances, all affected employees should receive redeployment status from the beginning of the formal consultation period;
- they do not have a comparable post - such employees should also receive redeployment status from the beginning of the formal consultation period;
- during implementation of a restructuring, if an employee has failed to obtain a job following a selection process - such employees should receive redeployment status from the point where it is confirmed that they have not been able to obtain a comparable post in the new structure.

Where possible employees will be given a period of approximately 3 months' on the redeployment register, this may be shorter or longer due to associated timescales relating to the nature of the restructure or expiry of notice period.

Line managers are responsible for assisting employees to secure redeployment. The [Redeployment Policy and Procedure](#) contains further guidance about eligibility, redeployment status, trial periods, pay protection, and other measures.

Employees with less than one year's continuous service are not eligible for redeployment status.

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Redundancy Compensation

Redundancy compensation varies depending on the age and length of continuous service of the individual employee. The same compensation is paid in the event of either voluntary or compulsory redundancy. The following provisions apply:

- **Employees with less than 2 years' continuous service (with a body listed on the Modification Order)** - no entitlement to redundancy compensation.
- **Employees with at least 2 years' continuous service (with a body listed on the Modification Order) but who are not members of the Local**

Government Pension Scheme - a redundancy payment based on age, length of service and salary (link to [Ready Reckoner](#)).

- **Employees who are members of the Local Government Pension Scheme aged under 55 with at least 2 years' continuous service (with a body listed on the Modification Order)** - a redundancy payment based on age, length of service and salary (link to [Ready Reckoner](#)). Pension benefits may be deferred or refunded depending on when the employee joined the pension scheme and their length of membership.
- **Employees who are members of the Local Government Pension Scheme (LGPS) aged 55 and over with at least 2 years' LGPS membership but less than 2 years' continuous service (with a body listed on the Modification Order)** - immediate payment of pension benefits without reduction, but no entitlement to a redundancy payment.
- **Employees who are members of the Local Government Pension Scheme (LGPS) aged 55 and over with at least 2 years' LGPS membership and at least 2 years' continuous service (with a body listed on the Modification Order)** - a redundancy payment based on age, length of service and salary (link to [Ready Reckoner](#)) and immediate payment of pension benefits without reduction.

The redundancy payment is based on the employee's salary at the date which notice is given; the employee's age and length of service are as at the date of termination. This is calculated using the Ready Reckoner. The redundancy payment **is not** subject to income tax and National Insurance if under £30,000. If the redundancy payment is over £30,000, income tax and national insurance **is** payable on any amount over £30,000.

The redundancy payment is calculated as follows:

Weekly hours x hourly rate x number of weeks (in accordance with the [Ready Reckoner](#)) x 2.

Employees have the option of using their redundancy payment, in excess of the statutory redundancy payment, to purchase a period of membership in the Local Government Pension Scheme. The amount of membership purchased by the cash sum will vary depending on the age of the employee and the number of years' service. Employees should contact the Pensions Section for further information.

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Reduction in hours resulting from a restructuring

As part of an organisational change process managers may propose a compulsory reduction in post hours. In these circumstances consideration will need to be given as to whether the proposed hours would constitute suitable alternative employment for the individual concerned. Managers are advised to contact HR Services if

considering a reduction in hours. Where a reduction is not considered to be a suitable alternative, compulsory redundancy will apply.

If an employee's hours of work are compulsorily reduced as part of an organisational change process, provided they have at least two years' continuous local government service, they will be eligible to receive a compensation payment. This payment is based on the calculation for a redundancy payment pro rata to the number of hours lost. As the employee is not being made redundant, the compensation payment **is** subject to income tax and National Insurance.

Where during a restructuring, an employee is appointed to a post in the new structure at a lower grade and their hours of work have also been compulsorily reduced, they will be entitled to receive pay protection based on their new hours of work and a compensation payment for the reduction in hours.

Where during a restructuring, an employee's hours of work are compulsorily reduced but the grade of their job has increased:

- if their new salary is higher than their previous salary (based on gross pay received), they will not be eligible to receive a compensation payment for the reduction in hours;
- if their new salary is lower than their previous salary (based on gross pay received), they will be eligible to receive a compensation payment based on the calculation for a redundancy payment for the amount of pay lost. This payment is calculated as follows:

Previous weekly salary less new weekly salary multiplied by the number of weeks' pay due according to age and length of service in the [Ready Reckoner](#) x 2. Weekly salary is calculated as: weekly hours x hourly rate.

Where during a restructuring, an employee applies for a post which is not their comparable post and it comprises fewer hours than their previous post, they will not be entitled to receive any compensation payment.

Voluntary reduction in hours by an employee or group of employees

Compensation payment

To avoid a redundancy or a compulsory reduction in hours, an employee or group of employees may agree voluntarily to reduce their contracted hours of work. When considering such requests, managers must ensure that the proposal would avoid the need for one or more redundancies or avoid the need to compulsorily reduce hours and that it will meet the needs of the service, including considerations of cost and the retention of key skills.

If the request is agreed, the employee(s) concerned will receive compensation on the same basis as employees whose hours are compulsorily deleted (see above).

Compensation payments and flexible retirement

Employees who receive a compensation payment for a reduction in hours will **not** also be granted flexible retirement under the terms of the Local Government Pension Scheme in relation to the reduction in their hours.

Employees who have been granted flexible retirement under the terms of the Local Government Pension Scheme in relation to the reduction of their hours will **not** also be eligible to receive pay protection for the reduction of hours.

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Pay Protection

If an employee is redeployed into a job which is graded below their current grade, their salary will be protected* on a red-circled basis (frozen – with no incremental progression or pay award) for three years or until the maximum salary for the new job becomes higher than the frozen salary, whichever is the earlier.

(* Excludes any shift payments, weekend working, market supplements or car allowances).

The cost of pay protection will be met by the original employing Department.

There will be no protection of any other payments (eg, allowances, enhancements etc) and all other conditions of service will be those pertaining to the new job.

Pay protection and flexible retirement

Employees who have been granted flexible retirement under the terms of the Local Government Pension Scheme in relation to the reduction of their grade will **not** also be eligible to receive pay protection for the reduction of grade.

Flexible retirement

A member of the Local Government Pension Scheme aged 55 and over who is appointed to a lower graded job may request release of their pension. Acceptance of such a request is at the discretion of the Council.

Withholding a redundancy payment

No redundancy payment will be made if an employee unreasonably refuses an offer of suitable alternative employment, including declining confirmation in post or unreasonably terminating a trial period.

When determining “suitable alternative employment” the following factors should be considered:

- whether the employee can reasonably be expected to do the work, taking into account their level of seniority and skills;
- whether the terms and conditions are substantially less favourable;
- the rate of pay and value of any contractual benefits;
- the duties, level of responsibility and status;

- the place of work and its proximity to the employee's current workplace (and whether there is a mobility clause in the employee's contract);
- the number of hours and working pattern;
- the working environment e.g. working conditions.

The employee must be advised in writing of a decision to withhold a redundancy payment, which should include the reasons for this decision. Managers should seek advice from HR Services when considering withholding a redundancy payment.

There is no entitlement to a redundancy payment if an employee accepts an offer of a new contract of employment with Charnwood Borough Council, or another employer covered by the Redundancy Payments Modification Order, where the offer is made before their redundancy notice expires and the new contract is to commence within 4 weeks of termination.

In these circumstances the employee's service will be treated as continuous. Written confirmation will be obtained from an employee made redundant that these circumstances do not apply.

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Implementation of redundancy

When the decision has been made to make an employee redundant, the following steps must take place:

1. The employee is invited to a meeting to discuss the decision, the reason for it, redeployment and support measures. If the employee challenges the decision, more than one meeting may be required to fully explore the issues. The employee may be accompanied at these meetings by a trade union representative or work colleague.
2. HR Services gives notice to the employee in writing, confirming the date of redundancy (in accordance with their statutory or contractual notice period, whichever is the greater), setting out their entitlement to redundancy pay (if applicable) and advising of their right of appeal.
3. The employee has a right to appeal against their dismissal on the grounds of redundancy. This will be heard in accordance with the Appeal Policy and Procedure.

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Payment in lieu of notice

It is usual practice for employees issued with notice of redundancy to continue to work during their notice period. In exceptional circumstances payment may be made in lieu of notice. Managers are advised to contact HR Services before progressing any such requests.

If agreed, payment for notice will be calculated in accordance with contractual or statutory notice, whichever is the greater. Depending on the employee's grade and length of service, notice may be given in months or in weeks. Where payment is made in lieu of notice at the request of the manager, annual leave will be accrued up to the date on which the notice period would have ended. Where an employee requests to waive their notice and this is agreed, the employee is entitled to accrue annual leave entitlement only up until the last day worked.

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