

South Kirkby and Moorthorpe Town Council



Managing Change Policy

Summary

What is this Policy about?

This Policy document sets out the Town Council's approach to dealing with organisational change that may lead to a reduction in employee numbers, however, the approach is applicable to any form of organisational change, in particular, the sections on consultation and communication and the business case approval process.

Who is this Policy for?

This Policy applies to all Council employees.

How does the Council check this Policy is followed?

The town clerk will maintain an overview of this policy.

Who can you contact if you have any queries about this Policy?

All enquirers may contact the town clerk.

1. Introduction

There are many factors that lead to organisational change. These may include changes in government funding; challenges of economic downturns; changes in strategic direction; technological changes; new Government initiatives. Inevitably, such changes may affect day-to-day operations which could result in changes in the pattern of activities, the organisation of work and the ability to fund work, all of which could change the requirement for staff. It is important that the way such change impacts on our employees is carefully considered.

This Policy deals with organisational change that may lead to a reduction in employee numbers, however, the approach is applicable to any form of

organisational change, in particular, the sections on consultation and communication and the business case approval process. The Policy applies to all Council employees.

It is the Council's intention to provide a stable work environment and sustain security of employment for its employees. However, the Council must retain sufficient flexibility to ensure its economic viability and efficiency in a competitive environment.

2. Policy statement

The Council strives to be a good employer, and seeks to attract and retain high quality employees. The Council regards well-qualified, trained and highly motivated employees as essential for its success.

Although change is inevitable, the Council's policy is to provide, as far as possible, security of employment through careful strategic planning of its future employee requirements, including any consequential employee development needs. Where possible, the Council will anticipate changes in funding or activities so that employee redundancies are kept to a minimum. It is the aim of the Council, agreed with its recognised trade unions, to seek to prevent situations arising which threaten job security. Redundancies will only be considered as a last resort.

Every reasonable effort will be made to avoid situations that necessitate employee reductions. In cases where such reductions cannot be avoided, the town clerk along with the chair of the employment sub-committee will handle these fairly, consistently and sympathetically, and seek to minimise the impact on the employees concerned.

The Council will seek to avoid redundancies by considering steps such as:

- the use of reorganisation
- natural wastage
- voluntary redundancies
- seeking alternative funding
- reviewing the use of external contractors
- temporary and agency staff
- change in working hours/patterns (e.g. full to part-time on an agreed basis)
- phased, flexible or early retirement

However, in order to sustain the overall health, viability and success of the institution the Council may from time to time find itself in financial or other circumstances requiring changes in the number of employees.

Throughout any proceedings under this Policy, all parties will seek to ensure that confidentiality of individuals is maintained. This will not, however, preclude the Council from disclosing information necessary for the discharge of duties or as required by law, nor, where appropriate, from disclosing information about any outcome under this Policy.

3. Equality analysis

Those undertaking organisational changes or planning redeployment or redundancy will be required, before decisions are made, to undertake equality analysis of any proposals. This will ensure that the Council is able to demonstrate due regard in relation to protected characteristics in the decision making process, ensuring that any disproportional disadvantage or impact, be it negative or positive, is highlighted, the reasons identified and actions taken if the impact cannot be justified.

4. Managing change

In planning for change, a draft business case, together with a communications and consultation plan, will be prepared by the town clerk and the chair of the employment sub-committee.

4.1 Measures to avoid redundancies

Every reasonable effort will be made to avoid redundancies and the following include, but are not limited to, the actions that could be taken.

- Reviewing the use of external contractors and consultants.
- Recruitment – the Council should suspend normal employee recruitment as soon as it becomes clear that an employee reduction may be necessary.
- Natural wastage – the Council will make every effort to utilise natural wastage to reduce the need for any other reduction (e.g. resignations, retirements, end of fixed term contracts).
- Change in working hours/patterns e.g. full to part-time on an agreed basis, if appropriate and where there is a fully costed business case.
- Phased/Flexible/Early retirement – where there is a fully costed business case.

5. Consultation and communication

At the earliest opportunity, and no later than when the draft business case has been approved, in principle, by the employment sub-committee, the Council must consult with the recognised trade unions in any situation where organisational change is being considered. Consultation must be meaningful, timely and appropriate and include an exchange of views about the draft business case where staff and/or their representatives have the opportunity to influence the final outcome.

It is essential that individual employees are also consulted in a timely and appropriate manner, including those who may be away from the Council for a range of reasons including, but not limited to, maternity leave, annual leave and long-term sickness absence.

Good communication is fundamental to effective consultation and, hence, the effective management of change. It enables both staff and management to have informed discussions as staff will understand the business reasons

behind any proposals and be better able to make constructive suggestions. It also ensures that staff are engaged with by giving them a voice that will be listened to. Also it will help the Council to move forwards after the change has been implemented as well as supporting staff throughout the process.

A record of all discussions and meetings, both formal and informal, must be made at every stage of the process, including actions and outcomes, and kept securely.

6. Pensions

In cases of redundancy, detailed, personalised information on pension benefits will be available to each eligible individual based on the pension regulations in force at that time. Employees will be advised to consider any impact redundancy may have on their pension.

7. Redundancy

7.1 Introduction

We live in a constantly changing environment and it is inevitable that some changes will have a significant impact on the Council which, in some cases, may result in the necessity to consider redundancy.

If redundancies are being proposed there are specific requirements in law that must be followed to ensure that any redundancies are conducted fairly. The business case prepared in accordance with this Policy must include all the information listed in section 7.2 below.

In accordance with the Employment Rights Act 1996 an employee shall be deemed to be dismissed by reason of redundancy if the dismissal is wholly or mainly attributable to:

7.1.1 the requirements of the Council for employees to carry out work of a particular kind has ceased or diminished or are expected to cease or diminish;
or

7.1.2 the requirements of the Council for the employees to carry out work of a particular kind, in the place where they were so employed, has ceased or diminished or are expected to cease or diminish.

7.2 Consultation with trade unions

Before the consultation period can commence a draft business case must be prepared and agreed, in principle, by the chair of the employment sub-committee together with the town clerk who will meet with the trade union representatives to discuss the proposed organisational change(s) and provide them with a copy of the draft business case for the commencement of consultations.

The Council is committed to undertaking early and effective consultation with those employees likely to be affected by redundancy and with the recognised trade unions.

The legislation requires minimum periods for consultation but consultation must start early enough to be meaningful. The 30 calendar days period of consultation will commence from the first meeting between the trade unions and staff, although this may be extended by mutual agreement to allow sufficient time for the trade unions to consider the proposals, consult their members and respond to management with any comments and/or alternative proposals.

The formal consultation period required under the legislation cannot commence until the trade unions have received, in writing, the information below. This will normally be included in the draft business case:

7.2.1 the reasons for the proposed redundancies;

7.2.2 the numbers and descriptions of employees it is proposed to dismiss as redundant;

7.2.3 the total number of employees of any such description employed in the area/establishment in question;

7.2.4 the way in which the employees will be selected for redundancy (to include details of proposed selection criteria);

7.2.5 the proposed method of carrying out the dismissals with due regard to any agreed procedure, including the period over which the dismissals are to take effect;

7.2.6 the method of calculating the amount of redundancy payments to be made to employees who may be dismissed;

7.2.7 other relevant information, such as proposals for avoiding or reducing the numbers involved.

The Council will initiate redundancy procedures only after full consultation has taken place. Issues arising from the implementation of this Policy which have wider Council implications will be referred to the employment sub-committee.

Redundancies will only be considered as a last resort.

The proposed redundancy or redundancies will be notified in writing to the employees at risk of dismissal, and they will be given the opportunity within an identified period of time to make written representations as advised individually or collectively. Such representations may include suggestions as to how the proposed redundancies could be avoided or their numbers reduced.

All employees are entitled to notice of the termination of their employment as provided for by their contract of employment. The Council will regard the contractual position as the minimum period of notice. The Council will provide to any employee whose position it is proposed to make redundant, and to their trade union, a statement of the reason for that redundancy.

7.3 Managing redundancy for women who are pregnant or on maternity leave

The beginning of pregnancy to the end of maternity leave is a 'protected period' during which a woman is entitled to special consideration if this is necessary to make good any disadvantage she may otherwise experience. The law makes clear that:

- selecting a woman for redundancy because of her pregnancy, maternity leave or a related reason is automatically unfair dismissal as well as being unlawful discrimination;
- failure to consult a woman on maternity leave about possible redundancy is likely to be unlawful discrimination;
- a woman made redundant while on maternity leave must be offered any suitable alternative vacancy if one is available anywhere in the Council before any other employee. She does not need to apply for it.

The town clerk must be consulted before any organisational change is considered which may affect a woman who is pregnant or on maternity leave.

7.4 Preparing redundancy selection criteria

Preparing criteria for selecting individuals for redundancy is central to the redundancy process. Normally, therefore, the town clerk with the support of the chair of the employment sub-committee will establish the criteria by which they will select individuals for redundancy. The town clerk must be able to demonstrate that the criteria are fair, that they have been fairly and objectively applied, and that unfair emphasis has not been given to particular criteria over others.

The chair of the employment sub-committee must always be involved in the preparation of criteria for selection for redundancy. Trade unions must also be consulted in respect of both the criteria for selection and their relative importance.

7.5 Consultation with employees

At any meeting with affected employees within the redundancy process, the employee has the right to be represented or accompanied by a work colleague or trade union representative. If the employee's companion cannot attend on a proposed date, the employee can suggest an alternative time and date provided it is reasonable and it is not more than five working days after the original date.

The affected employees shall each be notified in writing by the town clerk or designated representative:

7.5.1 of the number of proposed redundancies;

7.5.2 of the area and/or (as appropriate) the categories or descriptions of employees affected;

7.5.3 that accordingly he or she is potentially at risk of dismissal by reason of redundancy;

7.5.4 that he or she will be consulted individually before any decision to dismiss him or her by reason of redundancy is taken and that he or she has the right to appeal such decision;

7.5.5 that he or she has the right to be represented or accompanied by a work colleague or trade union representative.

7.6 Selection for redundancy

The selection criteria are intended to be used as a guide to help in clarifying thoughts in respect of individuals so that selection is a carefully thought out and objective process. Detailed notes must be made of how criteria were chosen, how they were applied to individuals and the justification for decisions made.

7.6.1 Selection process

A 'provisional' selection for redundancy will be made by town clerk with the support of the chair of the employment sub-committee.

Once a provisional selection has been made based on appropriate evidence, all 'at risk' employees must be informed that it is proposed to make redundancies and told of the provisional selection and criteria used.

The selection is provisional only and may be subject to change through consultation. The town clerk will then enter into immediate consultation on an individual basis with those 'at risk' employees provisionally selected for redundancy. In the course of consultation, 'at risk' employees will be informed of and be provided with a copy of the basis of their (provisional) selection and invited to make representations on their potential dismissal. With this additional information the town clerk must reconsider the provisional selection and subsequently confirm those who are to be given notice of termination.

Where a selection pool of employees in posts at risk of redundancy has been identified (i.e. there are several staff performing the same or similar tasks who could be 'at risk'), consideration should be given to whether it would be appropriate to invite applications for voluntary redundancy from within the pool, thus avoiding or reducing the need to make compulsory redundancies. During the course of individual consultation an employee provisionally selected for redundancy may express a wish to leave the Council and it may be appropriate to agree to allow the individual to leave on the basis of voluntary redundancy. It should be noted, however, that where the number of

volunteers exceeds requirements and/or there are concerns about the imbalance in the remaining skills and experience which may be created and/or where voluntary redundancy has not produced suitable volunteers, the Council is not obliged to accept every or any volunteer for redundancy if it does not consider it appropriate to do so. If voluntary redundancy is agreed this will be on the basis that the individual no longer wishes to remain employed with the Council.

Selection criteria are not required where a redundancy or redundancies are proposed in relation to: a unique post; all posts within a particular entity or group; all posts of a particular description or category.

At any meeting with affected employees within the redundancy process, the employee has the right to be represented or accompanied by a work colleague or trade union representative.

7.7 Confirmation of decision

Where the outcome is that selection for redundancy of the employee is confirmed, the town clerk must inform the employee in person with support from the chair of the employment sub-committee.

The town clerk will issue those selected with a notice of termination and with a statement of their redundancy terms, pay, provisions and date of dismissal. The employee will be informed of his or her right to appeal that dismissal under section 8, and of any applicable time limits for the making of such an appeal.

7.8 Redundancy pay

In cases where it has not been possible to find suitable alternative employment within the Council, individuals will be entitled to a minimum redundancy payment based on a their actual week's pay as follows: for each complete year of service under age 22, half a week's pay; from age 22 up to but under age 41, one week's pay; 1.5 weeks for each year age 41 and over up to a maximum of 20 years' service. Further pay can be awarded at the discretion of the Council.

Employees, who are under notice of redundancy and have been continuously employed for at least two years, qualify for the statutory entitlement to a reasonable amount of time off to look for another job or for retraining. The time off must be agreed with the manager in advance and must be allowed before the expiry of the period of notice.

8. Appeal against redundancy

8.1 Making an appeal

An employee may appeal in writing and this would normally be on the following grounds:

- against initial selection;
- against the application of the process for redundancy;
- against the termination of employment on the grounds of redundancy

An employee who wishes to appeal should do so in writing to the chair of the employment sub-committee within ten working days of the date of written notification of the decision to terminate employment on the grounds of redundancy. The employee should set out in full the grounds of his or her appeal, and if they are proposing to rely on new evidence, he or she should provide details and a copy of any relevant documentation. An Appeal Hearing will not normally review the Council decision that redundancy procedures should be instigated.

Within ten working days of the receipt of the appeal the employee shall be notified by the chair of the employment sub-committee of:

- the date, time and place of the Appeal Hearing;
- the right to be represented or accompanied at the Appeal Hearing by a work colleague or a recognised trade union representative of their choice;
- the names of the persons to be present at the Hearing including the members of the Appeal Panel (see section 8.2);
- the name of any person(s) attending to present the reason for the decision to dismiss on behalf of the Council.

At least six working days before the Appeal Hearing the name and the address of the employee's representative must be notified in writing to the chair of the employment sub-committee.

The employee and their representative are expected to attend the Appeal Hearing. The Appeal Panel shall be entitled to proceed in the employee's absence where the employee:

- indicates to the Appeal Panel that he or she does not wish to exercise his or her right to be heard;
- fails to attend or leaves the Appeal Hearing;
- requests postponement or adjournment of the Appeal Hearing without good cause.

Notwithstanding the absence of the employee, at the employee's request, a representative i.e. a work colleague or recognised trade union representative may be present to address the Appeal Panel, including putting the employee's case, summing up and responding on the employee's behalf to any view expressed at the Hearing.

8.2 Appeal Hearing

Appeal Panels will comprise at least three councillors. The following steps will be followed:

- At least five working days prior to the Appeal Hearing the Committee members and the parties will receive the documents to be relied upon by the appellants and their representatives and the respondent management representatives during the consideration of the appeal.
- The hearing of the appeal will follow the predefined Town Council's appeals process.
- The employee will be notified in writing of the outcome of the Appeal Hearing normally within ten working days of the Appeal Hearing.

The decision of the Appeal Panel shall be final.

Appendix A

Format for business case

The following provides the minimum information to be included in the draft business case. It is the contents of the business case which will be shared with the trade unions for consultation purposes. Depending on the circumstances leading to the proposals, it may be possible to share the full business case as approved by employment sub-committee, provided it contains all the information below, otherwise this information should be provided in a separate document. Every draft business case must be submitted to the employment sub-committee with a front sheet giving an overview of the proposal.

Until the consultation process has been completed and the trade unions and staff affected have had the opportunity to comment on the proposals and management have considered them and responded, the business case remains a draft business case.

1. Overview

- a) Reason, rationale and timescales for change.
- b) What would be the impact if no change is made?
- c) Proposed new organisation design and structure, including revised roles and responsibilities (provide existing and proposed organisation charts and job descriptions).
- d) Business impact and mitigation plans for impact of changes e.g. increase or reduction in employees, change in type of positions, budget, funding, may be resubmitted to the employment sub committee for further consideration.
- e) Explain where the proposed redundant post(s) fits into the existing department structure. (For instance, it would be helpful to insert or attach an organisational structure chart and identify where the post fits into the structure and/or provide contextual information as appropriate).
- f) Give total numbers of employees in the department by grade and job title.
- g) Give details of any further anticipated organisational change over next 12 months if relevant to the business case.
- h) Provide an assessment of any equality impact of this proposal.
- i) Provide an overview of the context and background e.g. financial reasons.
- j) Any other relevant information.

2. Case for employee reduction

- a) The numbers and descriptions of the employees it is proposed to dismiss as redundant.
- b) Outline the key tasks and responsibilities of the post(s) proposed for reduction/redundancy.
- c) The total number of employees of any such description employed at the Council.
- d) Give details of the activities that are to reduce or cease and the reasons for this cessation/reduction.
- e) If the reasons for the proposed reduction are financial, please give the financial background of the activity/project. (Please ensure it is clear how this relates to the Council's financial situation.)
- f) Alternatives to reductions – give details of all alternatives considered and steps taken to avoid the need for reductions. See section 4 of the Policy.
- g) What are the costs of employee reductions and the financial implications (e.g. costs/savings analysis, and where appropriate timescale for recovering costs)?
- h) Provide an analysis of any potential impact elsewhere in the Council as a result of these reductions.

3. Determining the affected group of employees (pool)

- a) Are there people within the Council who do the same or similar roles?
- b) Whether you have answered 'yes' or 'no', please fully explain your answer with reference to any other potentially similar roles in the Council.
- c) If yes, have all of those people been included in the pool for provisional selection for redundancy?
- d) If other people in same or similar roles have not been included in the pool, please give full details of the reasons for this.
- e) Give names and job titles of individual(s) proposed for inclusion in the pool.

4. Supporting evidence

- a) Can the redundancies be avoided by taking action at a wider organisational level? Give details of what options have been considered and why they have been rejected.
- b) Confirm why the identified pool is appropriate.

c) Where there are more people within the pool than the required number of reductions, confirm why the proposed selection criteria are appropriate.

d) Describe the impact the reductions may have elsewhere in the Council.

e) Analysis of potential financial implications e.g. redundancy payments, staff costs of old and new structures etc.

5. Timescale for implementing organisational change

Provide a detailed timescale for implementing the organisational change with specific dates and details of steps followed including initial draft submission to the employment sub-committee, consultation meetings with trade union representatives and affected staff. Include information and dates pertaining to possible redeployment stages, notice periods, effective dates of redundancy, Appeal Hearings etc.

The business case must be discussed with the town clerk and chair of employment sub-committee before submission to the Council.