

Change Management

Change Management	Applies to all Council employees
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Introduction

Newham must have the flexibility to respond to change. Changes in the delivery of services, legislative changes and budget restrictions can all have an impact on the composition and structure of the Council's workforce.

This document offers guidelines that will support managers to design effective organisational structures, or introduce change that ensures the organisation delivers cost effective, integrated services which meet the Council's vision, values and performance objectives, and continuous improvement is secured. Equally, it outlines the procedures to be followed when circumstances arise that necessitate changes to organisational structures and staffing levels.

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1.1 Project Manager

A project manager is normally appointed to deliver a change programme. They will set clear timescales for all consultation and ensure that employees and trade unions are informed of key dates.

1.2 Business Case

All staff change projects which propose redundancies and/or a restructure, regardless of scope, must be presented in a Business Case and signed off by the appropriate Council mechanism. Once approval has been given, Formal consultation with Trade Unions and Employees will commence.

1.3 Early Consultation

The consultation process must start early enough for meaningful consultation to take place. At this time, the exact proposals may not be known and there may only be broad principles to discuss, but with an expectation that change will take place in the future. The trade union representatives should have an opportunity to play a constructive part in discussions on the possible way forward. This can generally be achieved by keeping the trade unions up to date on progress within the service or convening a meeting specifically to discuss future plans for the service.

In certain circumstances management may wish to give the trade unions an early “heads up” on a proposed review. It may be helpful at this time that agreement is sort between both management and the trade unions on what information is or isn't communicated to potentially affected staff so as to avoid inconsistent messages being conveyed.

The trade unions may also request to meet with their members and this should be facilitated, where possible subject to the exigencies of the service.

1.4 Statutory Consultation Requirements

There is a statutory requirement to consult with all individuals who may be at risk of redundancy. There is also a statutory requirement to conduct collective consultation with trades unions, but this depends on the numbers of staff affected and the minimum timescales as stated below:

Collective Consultation – 20 or more employee's:

- Where 100 or more employees have been identified as being at risk of redundancy, consultation must commence at least 45 days before the first dismissal on the grounds of redundancy.
- Where 20 or more employees have been identified as being at risk of redundancy, consultation must commence at least 30 days before the first dismissal on the grounds of redundancy.
- The statutory requirement to consult only applies if 20 or more employees are to be made redundant. However, the Council's will inform the appropriate trade unions when there are proposed redundancies that effect 20 or less employees. Individual consultation must take place, please see paragraph 2.1 below.

Consultation should be meaningful and take place with recognised trade unions; all the trade unions for the particular work group must be invited to participate, regardless of whether or not they have members within that work area. Consultation will be undertaken with a view to reaching agreement about ways to;

- Avoid the proposed dismissals on grounds of redundancy;
- Reduce the number of employees to be dismissed on grounds of redundancy;
- Mitigate the consequences of the dismissals on the individuals concerned by providing HR support in respect of redeployment, interviews skills training, and so on

Where there are 20 or more employee's formal consultation begins with a delivery of a section '188' letter to the branch secretary of each union. The section 188 letter includes the following information:

- Reasons for the proposals;
- The likely number and description of employees proposed as redundant the Council's policy is that this should include the posts (all affected, regardless of suitable alternative jobs becoming available in the new structure, hours worked, grades and work locations of the relevant employees);
- The total number of employees of such description employed within the establishment/unit;
- The proposed criteria and method for selection for redundancy;
- The redundancy procedure and timescales;
- The method of calculating compensation.
- A list of agency staff, where they are working and the type of work they are doing.

An example of the type of letter to be used is attached as appendix 1.

Meeting's will be arranged with employees and trade unions to ensure meaningful consultation takes place. Additionally, the recognised trade unions and employees will be provided with a copy of the business case, including current and proposed structure charts, new evaluated job descriptions , details of the likely effects on staff and how these will be managed. The Equalities Impact Assessment will also be provided to the trade unions.

HR will notify the Department for Business Innovation and Skills where there are 20 or more redundancies.

The trade unions may also request to meet with their members and this should be facilitated, subject to the exigencies of the service.

2.1 Individual Consultation

It is also necessary to consult with all individual employees who may be impacted upon by the proposed changes. Employees have the right to representation by a trade union representative or work colleague of their choice.

The purpose of the individual consultation meetings is to ensure employees fully understand the implications of the proposed changes and are provided with an opportunity to comment on the proposals and the selection criteria.

2.2 Counter Proposals

The Project Manager should set a reasonable timeframe and method for the trade unions and

employees to submit their counter proposals to the new structure. These counter proposals should be given proper consideration by management and if rejected, justifiable reasons should be provided.

2.3 Consultation Outcome

Agreement is the Council's preferred goal; however, it is recognised that there may be occasions where meaningful consultation will not lead to agreement. Management reserves the right to implement its proposals where agreement has not been reached after meaningful consultation and where the process is considered to have been exhausted.

If there is a major disagreement as to whether there is a genuine redundancy situation or whether the consultation process set out in this document has been followed, the trade unions have the right to raise that matter with the Deputy Director Strategic People Services, who will consider the matter with the Director of Legal and Governance, or their nominee.

2.4 Consulting with Absent Employees

The Project Manager must ensure that all employees who are absent from work are consulted meaningfully. Employees should be invited to group and individual meetings, however, special measures may need to be put in place, for example, home visits for employees that are on maternity/adoption or sickness leave. Please seek advice from Human Resources in these situations.

3 Suitable Alternative Employment, Slotting & Ring Fencing

3.1 Suitable Alternative Employment

Employers should always consider whether employees likely to be affected by redundancy can be offered suitable alternative work. This will include priority consideration, for:

- slotting opportunities;
- ring-fenced opportunities, for appointment to any new posts, at the same grade or one grade higher or one grade lower in the revised structure.
- opportunity to apply for vacancies that remain at end of a change management process, on a self matched basis;
- corporate redeployment.

The Council will consider the following factors when deciding what constitutes an offer of suitable alternative work:

- Pay. Wherever possible earnings should be close to those in the redundant post taking into account any pay transition arrangements which may apply
- Status
- Type of work
- Hours of work
The employee's skills profile, competencies and qualifications (giving consideration to the need for any training/retraining/development interventions)
- Personal circumstances
- Whether the post is temporary, fixed term or permanent

Offers of alternative employment will be made in writing and include the following details:

- The type of work to be offered and, where appropriate, the training to be given
- The location of the new job
- The rate of pay (including any pay transition arrangements) and any other terms and

conditions of service which differ from the previous appointment

- The hours of work

3.2 Slotting

Where there are the same number of posts, at the same grade, undertaking the same type of work (as a general guide, 75% or more of the duties of the post remain unchanged) in the new structure, as compared with the existing structure, a process of "slotting" may be followed. Where employees are slotted in this way they will be advised that they are no longer at risk of redundancy and that they will not be able to apply for any other new posts within the new structure until "at risk" employees have first been considered. If the new posts are a 75% plus match, but there are fewer posts in the new structure, then following the slotting exercise, a selection for redundancy will become necessary. The "slotting" process is set out in appendix 6.

Slotting Appeals

Employees may appeal against a slotting decision in writing with the appropriate Executive Director within five days of receiving written confirmation that they have not been 'slotted' in a post in the new structure. The timescale for receipt of an appeal may be extended if the trade unions request this on the basis of the numbers of employees affected.

The sole grounds for an appeal must relate to whether or not there has been more than a 25% change in the duties of the post. The procedure to be followed is set out in appendix 6.

3.3 Ring Fence

Employees will be identified for ring fence opportunities where:

- roles in the new structure are not fundamentally the same as the roles in the old structure, but are sufficiently similar in nature to be considered a possible suitable alternative and
- they are at the same grade, or one grade higher, or one grade lower.

The project manager will identify possible suitable alternative posts based on the requirements of the employee's current role, and the duties, responsibilities, skill and the grade of the new job. Where a suitable alternative post is identified, employees will be ring-fenced for this position.

It may be possible for employees to be ring fenced to more than one post in the new structure; employees may be invited to express an order of preference in these situations.

The selection criteria will be based on the principles set out in the Council's recruitment and selection procedures, i.e. via a supporting statement, shortlisting, competitive interview, and by means of any selection assessments where it is deemed appropriate.

Following the selection process the scores against each criterion will be added together for each individual and a rank order produced to decide which employees will remain and which employees have been unsuccessful and will continue with the redeployment process.

There is no automatic right for any employee to be appointed to a role and there is no entitlement to a trial period at this stage. Employees who unreasonably refuse an offer of suitable alternative employment may lose any entitlement to redundancy pay. In these circumstances, Human Resources advice should be sought.

In exceptional circumstances, there may be variations to the ring fence process in terms of the grade element of the matching process. A business case needs to be submitted to Deputy Director of Strategic People Services for their sign off and to agree the proposals put forward under this process, before they can be implemented.

After the slotting and ring fence stage, displaced employees will have the opportunity to self match themselves to any vacancies that remain in the new structure, providing they have not been matched to the job earlier in the process. Employees will be required to apply and undertake the appropriate selection process. At this stage, displaced staff will be issued with their notice of redundancy and placed on the Corporate Redeployment Register.

Whilst the Council's preferred option is to select for redundancy through the ring fence process, it is recognised that this may not be possible in exceptional circumstances, for example, if an employee is off on long term sickness and is medically unable to participate in a ring fence interview within a reasonable time period. In these remote situations, a management assessment in line with the selection criteria, would be deemed to be more appropriate. Human Resources advice should be sought in these circumstances.

4 Redundancy & Redeployment

4.1 Statutory Definition of Redundancy

The definition of redundancy is that:

- The employer ceases or intends to cease to carry on the business in which the employee was employed;
- The employer ceases or intends to cease to carry on the business in the place where the employee was employed;
- The requirements of the business for employees to carry out work of a particular kind have ceased or diminished or are expected to cease or diminish.

4.2 Voluntary Redundancy / Early Retirement

The Council may, seek volunteers for redundancy or early retirement and may consider flexible working options from the group at risk of redundancy. Furthermore, employees not at risk from redundancy, whose jobs may provide suitable re-deployment opportunities, may volunteer for Redundancy/Early Retirement this is known as a 'bumped or transferred redundancy. See appendix 3 for further information.

The Council reserves the right to refuse individual offers of voluntary/bumped redundancy/early retirement where these might result in a less efficient service provision or not be cost effective. Approval from the Service Executive Director and Deputy Director, Strategic People Services must be obtained. In determining which employees will be granted release on the grounds of voluntary redundancy the Council will consider:

- the need to maintain efficient services
- the need to retain a balance of skills and experience
- cost implications

4.3 Notification of Termination of Employment

Individual employees will be notified of the termination of their employment on grounds of redundancy at the earliest possible opportunity, and in any event will receive not less than the contractual or statutory period of notice, whichever is the longer. Employees will be placed on the Corporate Redeployment register for the duration of their notice period and will normally remain in work during this period; This decision will be taken by Human Resources.

The statutory notice period (laid down in the Employment Rights Act 1996 s.86) for an individual

who has completed two years' continuous employment is at least one week for each year of continuous employment, subject to a maximum of 12 weeks.

The letter to the employee giving notice must include:

- The reason for the dismissal
- Any outstanding leave that they must take during the notice period
- The termination date
- The estimated amount of redundancy payment
- Provisions for reasonable time off to look for other work or arrange suitable training
- The right to appeal and how to lodge an appeal

4.4 Redundancy Appeal

An employee may appeal against his/her selection for redundancy. The appeal must be lodged in writing with the appropriate Director **within five days** of receiving written confirmation of his/her redundancy, clearly stating the grounds for appeal. The timescale for receipt of an appeal may be extended if the trade unions request this on the basis of the numbers of employees affected.

It is the policy of the Council for appeals to be heard by a Head of Service or Director who has not been involved in the selection process together with a Human Resources Advisor. Please refer to appendix 6.

4.5 Corporate Redeployment

It is the policy of the Council that employees at risk of redundancy should have the opportunity to access the service for the duration of their notice, in order to maximise their chances of redeployment, supported, where appropriate, by training/retraining. Employees will continue to have access to the redeployment service until they find suitable alternative employment or until the date of termination of employment, whichever is the sooner. Redeployment will be managed in line with the Council's Redeployment Policy.

4.6 Trial Period

It is the Council's policy to provide redeployees with a trial period of at least four weeks whenever they take up an offer of alternative employment. If this trial period occurs prior to the notified date of termination of employment and the alternative job is deemed unsuitable, the employee will return to their original post and will continue to have access to the redeployment process for the remaining period under that contract of employment.

The trial period of four weeks may be extended by **mutual agreement** for the purpose of any necessary training. The extension will be confirmed in writing.

4.7 Pay Transition

Where an employee is redeployed to a lower graded post as an alternative to redundancy and thereby incurs a reduction in salary, the Council's pay transition policy will apply. Any post that is more than one grade lower than the post proposed to be redundant will not constitute a reasonable offer.

The amount of protection payable will be the difference between the annual remuneration immediately before and immediately after the change. This pay transition allowance will be paid for a period of up to 12 months from the date of the change, calculated as follows:

- 100% of difference for the first six months;
- 50% of the difference for a further six months.

The pay transition allowance will be paid in equal monthly instalments. If the annual remuneration in the new post increases during this period the pay transition allowance will reduce or cease, as appropriate.

The pay transition allowance will only be payable for reductions in remuneration of up to two grades . For further details please see Appendix 4.

4.8 Redundancy Payments

Employees who have been continuously employed within local government or related service for a period of two years or more will be eligible for a redundancy payment. Redundancy compensation will be paid in line with the Council's policy on these matters.

4.9 Re-engagement of Employees

Employees will not be re-engaged in any capacity, including as a consultant, within 12 months of leaving the Council's employ where employment has been terminated on grounds of voluntary redundancy and/or voluntary early retirement or has received a severance payment and/or other enhancement. If there are exceptional circumstances under which the Council wishes to re-employ or engage such persons in any capacity within 12 months this may only occur following agreement by the Executive Director of the proposed employing directorate where the employment or engagement is of a former Director and for Executive Directors agreement must be sought from the Chief Executive.

4.10 Redundancy during Maternity Leave

Rights to statutory maternity pay are determined at the 15th week before the expected week of confinement. An employee who is made redundant after this time will retain her entitlement to statutory maternity pay.

Where a redundancy situation arises whilst an employee is on a period of maternity leave she should be treated and consulted in the same way as she would have been had she not been on such leave.

If an employee is prevented from returning to her original job by reason of redundancy, she is entitled to be offered any existing suitable alternative employment. This means work that is suitable and appropriate for her, on terms and conditions which are not substantially less favourable than those under her previous contract. Employees on maternity leave should also have access to the redeployment service as soon as she is identified as being at risk of redundancy.

Where the redundancy would take effect in a period of extended maternity leave, the employee will retain her right to return to work on the notified date of return. The employee is entitled to be offered any existing suitable alternative employment either before or upon return to work. Where no suitable vacancy exists, the date of termination of employment will be the notified date of return unless mutual agreement is reached on an earlier date of termination. The relevant notice period should be on full pay (less any maternity payments).

4.11 Support for At Risk Employees

The Council will make available to all employees being made redundant a programme of support. The programme will include personal counselling, financial advice, general career planning, job hunting skills, interviewing skills etc. The Council recognises that different aspects of the programme will be suitable to each employee and seeks to make the appropriate provisions.

The employing directorate will meet the costs of this support programme.