



Organisational Change Policy

The purpose of this policy is to provide a consistent, fair and transparent framework for managing organisational change.

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Relevant forms and letters:

- Redundancy toolkit (available from HR)

Related policies:

- Equality, Diversity and Inclusion
- Employee Handbook

If you have any questions about this policy or require any further support, please contact the HR team by emailing hr@southkesteven.gov.uk

For independent support, our Employee Assistant Support service offer a completely confidential helpline for employees. Call 0800 716 017 to receive support for mental health, legal signposting, practical help, manager coaching and much more.

1.0 Policy Statement

The Council recognises that to ensure it is best placed to deliver services effectively, there may be circumstances where organisational change is required including restructuring, relocating, changes to roles or reporting lines or redundancies are necessary. SKDC recognises that organisational changes may have a significant impact on employees and may involve periods of uncertainty. We are committed to supporting colleagues through periods of change and to minimise any negative impact.

This policy sets out the rights, responsibilities and support available to employees before and during this process. Our approach ensures legal compliance and to provide appropriate support to those employees who are affected.

2.0 Scope

This policy applies to permanent employees of South Kesteven District Council and those employees on a fixed term contract who have two or more years continuous service. The policy does not apply to casual workers or agency staff.

Matters relating to Statutory Officers and Chief Officers will be managed in accordance with the Council's constitution and relevant terms and conditions.

3.0 Guiding principles

This policy is based on the following guiding principles:

- The Council recognises that organisational change can have a significant professional and personal impact on employees and is committed to managing change sensitively, fairly and transparently.
- The Council will seek to communicate openly and honestly throughout change processes and provide employees with timely information wherever practicable.
- Meaningful and timely consultation will be carried out with employees and recognised Trade Unions.
- SKDC will seek to minimise redundancies wherever possible and employees at risk of redundancy will be given priority consideration for suitable alternative employment across SKDC.
- Selection and appointment processes arising from organisational change will be fair, objective and non-discriminatory.
- The Council will not discriminate against employees because of their race, ethnic origin, religion or belief, gender, marital status or possible family commitments, sexual orientation, disability or age.
- The Council will seek to support employee wellbeing during periods of change.
- Decisions relating to change will be based on service needs, organisational priorities and relevant financial considerations.

The Business Case for organisational change and/or redundancy situations must be approved through the Council's governance arrangements. This will normally include consideration by:

- The Chief Executive (Head of Paid Service)
- Section 151 Officer
- Monitoring Officer

The Council reserves the right to pause, amend or not progress any organisational change proposal at any stage of the process. This can include following feedback received from employees and Trade Unions.

4.0 Consultation

The consultation period is an opportunity for employees to understand the implications of any proposed changes on their roles and provides an opportunity to raise concerns, explore alternatives and consider mitigating actions. The Council aims to reach agreement where practicable with the Unions during periods of organisational change.

SKDC recognises and consults with the following unions:

- Unison
- Unite
- GMB

The level and type of consultation required will vary depending on the nature of the organisational change.

Informal Consultation may take place in advance of the formal consultation process. Employees may be informed of the need to make changes and engaged in helping to shape the changes needed. This informal consultation may be in the form of workshops or input into proposed job descriptions and role requirements.

When organisational change could potentially give rise to 20 or more redundancies, Collective Consultation is a statutory requirement. The length of consultation period is outlined in the table below.

Potential number of employees to be made redundant	Minimum consultation period
20-99	30 days
100+	45 days

Once a proposal has been put forward that may result in redundancies, the Council will consult with the unions, who will be given sufficient time to formulate constructive proposals. The requirement to consult employee representatives covers not only those likely to be dismissed, but also those who may be affected in other ways, e.g. the reallocation of work etc.

SKDC will provide the recognised union(s) with the following information:

- The reason for the proposals
- The numbers of employees potentially affected
- The total number of employees at the particular site or service
- The proposed method of selecting employees

- The proposed method for carrying out the dismissals, including the proposed time frame
- The proposed method of calculating redundancy payments

The appropriate Trade Union representatives will have access to affected employees, office accommodation and facilities if necessary and reasonable time off with pay to carry out their duties. A Trade Union representative will not suffer any detriment because of their union activities.

If SKDC plans to make fewer than 20 redundancies, there is no statutory requirement for collective consultation, but SKDC will consult with any individual potentially affected by a restructure. Consultation will begin shortly after the individual has been identified as being “at risk” of redundancy and will last as long as necessary for meaningful consultation to take place.

Whether there is a need for collective consultation or not, any employee potentially affected by a redundancy situation will have an individual meeting with their line manager as soon as possible following the identification of their role being at risk of redundancy. This consultation will usually include the following:

- The individual will be notified in writing that they are “at risk” of redundancy and invited to attend a first stage meeting with their manager and a member of the HR team to discuss the proposals. The individual will be given an opportunity to put forward any comments or proposals to avoid the redundancy situation.
- A second stage meeting at which any submissions are considered, any opportunities for potential redeployment are explored and any questions asked.
- A third stage meeting when a decision is made.

The employee has the right to be accompanied to all meetings by a colleague or trade union representative. There is also the right to appeal in line with SKDC’s appeal procedure.

5.0 Avoiding or minimising redundancy

SKDC will take all reasonable steps to avoid or minimise redundancies. The strategy adopted may vary with each redundancy situation, but typically will include one or more of the following depending on its appropriateness in the circumstances:

- Redeployment and retraining procedures;
- Achieving the necessary reductions through natural attrition;
- Freezing recruitment, or only appointing temporary employees, or filling vacancies from existing employees;
- Reviewing overtime working;
- Reviewing contracted work;
- Reducing hours of work of employees on variable hours contracts; or
- Seeking voluntary reductions in working hours or volunteers for job-sharing.

Any such measures should not adversely affect service delivery and development. Early planning and consultation is important in order to minimise the effects of redundancies.

6.0 Selection Criteria

Where the number of posts in the new structure is exceeded by the employees affected and active selection is required, SKDC is committed to the method of selection being fair, non-discriminatory and objectively justifiable. On occasions, no active selection may be required.

The Council will determine the most appropriate method of selection and is committed to timely consultation with the recognised trade unions and affected employees over the particular method of selection and any ring-fence arrangements.

Typical methods of selection will vary from situation to situation and could include selection on the basis of one or more of the following:

- “Self-selection”, i.e. certain posts are clearly identifiable as that particular work will cease;
- Volunteers;
- Relevant skills, qualifications, or contribution;
- Costs.

In line with the SKDC’s stated commitment to active selection, full consideration will be given to equal opportunities and legal obligations in the application of the methods of selection in respective redundancy situations.

7.0 Redeployment and alternative employment

SKDC will seek to redeploy employees whose posts are at risk of redundancy. If an employee is offered suitable alternative employment but unreasonably refuses the offer, they lose the right to a redundancy payment. However, if the alternative employment offered is unsuitable and/or the employee’s refusal of the offer is reasonable, they will be treated as having been dismissed by reason of redundancy and will retain the right to a redundancy payment under the terms of this policy. When considering redeployment opportunities, the Council will take into account the location of the alternative role and the impact this may have on the employee.

Priority consideration will be given to employees for jobs at the same grade/level of the employee’s current job. In such situations, employees will be offered the new job subject to their meeting the essential requirements of the role. Additionally, where a redundant employee believes that there is an available post within SKDC that could be suitable, they should raise this with their manager or the HR team at the earliest opportunity.

Where a suitable position is identified at a higher grade or where an employee has expressed an interest in an advertised position at a higher grade, the employee will normally be interviewed in accordance with normal recruitment and selection procedures, and this may be in competition with other applicants.

Where an employee is offered and accepts an alternative post, they will be entitled to a statutory four-week trial period beginning on the day the employee starts the new position. The purpose of the trial

period is for both the employer and the employee to establish whether or not the job is in fact suitable for the employee. This trial period can be extended by mutual agreement. In the case where a role is deemed to be unsuitable during the trial period, further scoping for redeployment or redundancy may apply.

Where, as a result of redeployment (including change of location of an employee's existing post), an employee incurs additional travelling expenses, a travelling allowance (taxable) will be paid for up to two years. The allowance will be calculated on excess travel distance (the difference between the employee's home to current-base distance and home to new-work base distance) only and is based on the most direct route. No payment will be made in respect of any additional travelling time.

8.0 Pay Protection

Where an employee accepts redeployment into a role one or two grades lower as an alternative to redundancy, their pay will be protected at their old rate for a period of two years. Annual pay awards will not apply during the protection period. If the new lower grade salary becomes higher than the pay protected salary, the employee's grade would revert to the new lower grade prior to the pay protection period finishing.

Pay protection is intended to support employees through organisational change, encourage redeployment and minimise compulsory redundancies where possible.

9.0 Ring fencing

During organisational change, the Council may use ring-fencing arrangements to provide affected employees with priority consideration for posts within a new or revised structure where there is a clear and demonstrable similarity with the existing role and the proposed post. Ring-fencing is intended to support fair and transparent workforce transition arrangements, minimise compulsory redundancies where possible and retain organisational knowledge and skills.

The scope of any ring-fence will be determined based on factors such as similarity of duties, skills, responsibilities, grade and organisational impact. Employees within a ring-fence may be required to participate in an assessment or selection process where there is more than one suitable candidate for a role.

Posts that remain vacant following completion of the ring fence process may then be opened to the wider redeployment or recruitment processes.

The Council will consult with affected employees and recognised Trade Unions regarding proposed ring-fencing arrangements as part of the organisational change process.

10.0 Notice period

When selected for redundancy, employees will normally be expected to work out their notice. The length of notice that an employee is entitled to receive is laid out in their principal statement of

particulars. If SKDC considers that there are exceptional circumstances where it would be appropriate for an employee to be paid in lieu of notice, any such notice will be paid net.

11.0 Hearings and Appeals

Any employee selected for redundancy will be notified in writing of the reason for their redundancy and invited to discuss the matter with the appropriate manager at a Hearing before the selection is confirmed in writing. The employee has a right to be accompanied at the meeting by a Trade Union representative or work colleague.

An employee also has the right to appeal against selection for redundancy. The Appeal will be heard by the Senior Manager for the department, or another appropriate senior manager.

12.0 Assistance to Employees

SKDC will give all reasonable help to employees made redundant and this may include:

- Reasonable paid time off to look for other work
- Reasonable retraining facilities to retrain for alternative work, if appropriate;
- Practical one to one support in dealing with the problems of redundancy;
- Information on current vacancies within the Council;
- Redeployment as set out below;
- Approaching other local employers re: possible job opportunities
- Advice on redundancy and pension payments.

13.0 Maternity, Adoption and Parental Leave

Employees who are on maternity, adoption or parental leave, or for a protected period after the leave, when their post becomes at risk will receive prior consideration for suitable alternative jobs in preference to other employees whose posts are at risk of redundancy. The protected period extends:

- 18 months from the child's birth for maternity leave
- 18 months from placement/adoption for adoption leave
- For eligible shared parental leave, protection applies during leave and for a period after return when at least six consecutive weeks of SPL has been taken.

The Council will offer a suitable alternative vacancy directly to the protected employee where one exists and the employee is not required to compete through a selection process against other employees.

The provisions relating to suitable alternative employment and trial periods outlined in section 7 of this policy apply to employees who are on maternity, adoption or parental leave.

14.0 Termination Benefits

Employees' redundancy payments will be based on actual weekly pay (rather than the statutory maximum) and paid in line with the statutory guidelines as follows:

For each complete year of service up to a maximum of 20, employees are entitled to:

- Under age of 22 – half a week's pay
- At age 22 but under 41 – one week's pay
- At age 41 or over – one and a half weeks' pay.

In addition, SKDC applies a multiplier of 2.2 to the above rates for employees who are redundant and not eligible to access their Local Government Pension Scheme (LGPS) benefits.

Where employees are redundant and as a result are entitled to early payment of LGPS pension benefits, they will receive redundancy entitlements in accordance with the statutory scheme based on actual week's pay but without the multiplier. Such employees will also receive entitlements in accordance with SKDC's pension policy in line with relevant statutory provisions in place at the time. These will take account of the transitional arrangements in place for the LGPS and SKDC's agreed policy in place at the time.

Employees who are not members of the LGPS and are not able to access early payment of pension benefits will receive the benefits of the multiplier.

An employee who is offered and commences employment with one month and one day of their date of redundancy with a body specified in Part II of Schedule 2 of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999, will be required to repay any redundancy payment that has been made. These arrangements constitute the Council's discretionary redundancy scheme under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

15.0 Voluntary Redundancy

The voluntary redundancy process provides an objective, fair and non-discriminatory approach to workforce reduction. This includes circumstances where there is a fair selection to voluntary redundancy to limit compulsory redundancies.

This procedure outlines the criteria for selection. Managers will define the specific criteria required for the service area in order to release individuals to ensure limited disruption for the service area and to deliver future SKDC priorities.

The process should be used where there are potential redundancies as part of the reshaping of a service area. South Kesteven District Council has an obligation to try and reduce compulsory redundancies.

Employees should note that:

- There is no guarantee that a voluntary redundancy application will be granted
- Business needs of the Council take priority
- Volunteers will continue to work until the date agreed by their manager

In some situations, management may decide not to invite voluntary redundancy applications or to restrict it specifically to those staff who are in a ring fence situation where there are more people than posts which will result in redundancies. Under these circumstances voluntary redundancy applications could reduce the number of people in the ring fence or reduce it completely so that people are then assimilated to posts without the need for a selection interview, thus reducing the number of compulsory redundancies.

It is a management decision whether or not to grant voluntary redundancy applications and the timing of this during the organisational change process.

In the event that there is oversubscription for voluntary redundancy where application of the criteria does not clearly differentiate between applicants, the Council may determine that voluntary redundancy applications cannot be supported and will process to a selection process.

15.1 Voluntary Redundancy Appeals Process

Where an employee's application for voluntary redundancy is rejected, the employee may appeal that decision. Any appeal must be submitted within five working days of being informed of the decision in writing. This right of appeal means that SKDC's Grievance Procedure cannot be used as this replaces that right.

The appeal must be lodged in writing to the manager who has informed the employee of the outcome of the assessment. The Manager who considers the appeal will inform the employee of the outcome within seven working days of hearing the appeal.

For further information about this policy, please contact the HR Team at hr@southkesteven.gov.uk.

- This policy applies to all employees within South Kesteven District Council unless stated otherwise within the policy.
- This policy does not form part of contracts of employment.
- The Council reserves the right to amend this policy from time to time.