



LEIGHTON-LINSLADE
TOWN COUNCIL

ORGANISATIONAL CHANGE PROCEDURE

1. Our policy

- 1.1 Leighton-Linslade Town Council aims to provide best-value services to its customers, and regards its employees as its most important asset to do this. Changes to service delivery and within the Council will inevitably take place, and the Council wants to accommodate these changes in a positive way, wherever possible providing development for employee careers and without threat to job security.
- 1.2 With this policy, the Council aims to;
- inform and involve employees in change processes at all stages
 - work with employees and managers to avoid redundancies wherever possible
 - to keep the number of potential redundancies to a minimum
 - to redeploy or find alternative work for employees selected for redundancy.
- 1.3 This policy should be read alongside specific guidance, issued by the Council, as necessary when undertaking change programmes involving employees.

2. Purpose of this document

- 2.1 This document is intended to provide;
- a rapid method of responding to organisational change, recognising that restructuring and reorganisation is normal within most businesses
 - a mechanism whereby staff and representatives are involved in the process
 - a fair way of managing the effects of change on the employees concerned, particularly where there is a risk of redundancy
 - that the Council complies with its statutory obligations for collective consultation where these apply.

3. Assessment and Consultation

- 3.1 The drive for organisational change is influenced by various internal and external market factors. Internal factors may include;
- Changes in leadership style
 - Changes to the Council's corporate objectives
 - Suggested improvements to service quality or efficiency

External factors that drive organisational change may include;

- Changes in the local population and its needs
- Loss of a grant or other external funding
- A new statutory obligation
- Changes in technology and other work-assisting materials

These factors vary in the scale of their impact on the Council. Management, at all levels, must be alert to these impacts and be looking specifically at their effects on the work done by the Council's employees. Other than minor changes; management should compile and assess these changes as early as possible.

- 3.2 Minor organisational changes (e.g. change to a working pattern) that can be handled by a briefing from a manager to an individual employee does not need an explicit assessment for organisational change. However, the outcome of the briefing will be confirmed in writing to the employee.
- 3.3 The process for assessing organisational change may vary depending on individual cases and resources available. Short briefing notes to detailed reports may form the basis of discussions and consultations with employees and/or the Council's Employee Representative(s) on how to respond to change.

3.3.1 Where there are no employee representatives;

Consultations will be carried out with individual employees as appropriate. In accordance with legislation, where it is proposed that twenty or more redundancies are required **within the same location** over a ninety-day period, arrangements must be made for the election and appointment of employee representative(s) who will be consulted over the proposals and the general process to be followed. Individual employees will still be consulted in respect to their individual circumstances.

3.3.2 Where there are existing employee representatives;

Consultations will be carried out with individual employees as appropriate. Where it is proposed that twenty or more redundancies are required **within the same location** over a ninety-day period, consultation will take place with the respective employee representatives/forums over the proposals and the general process to be followed. Individual employees will be consulted in respect to their individual circumstances.

- 3.4 Reasonable time will be given by management to employees/employee representatives (a target maximum of four weeks) for them to consider the proposed changes and respond with any suggested alternatives if the proposed changes are not agreeable.
- 3.5 Where a Transfer of Undertakings (Protection of Employment)(TUPE) applies or any other public administration transfer is a viable possibility, this will be considered as part of any organisational change assessment.
- 3.6 The assessment of the organisational change will include an investigation into any possible impact on equality within the Council. Any impact on equality will form part of consultation in line with the Council's **Equality in Employment Procedure**.

4. Change that does not involve a Change to the Contract of Employment

- 4.1 Some organisational changes can be met by providing information and training to staff to enable them to take on new tasks or allocating work to staff in accordance with their contracts of employment as necessary. An appropriate assessment should identify any need for such training and how it may be best achieved. Individual employees and employee representatives will be consulted if the decision to apply training is made.
- 4.2 Organisational change based on flexibilities stated in an employee contract should be operated consistently with the Council's **Equality in Employment Procedure** (e.g. ensuring reasonable adjustments are made for disabled employees or accommodating employees' responsibilities outside work as far as is reasonable in relation to service delivery).
- 4.3 Where it is intended to change working practices without a change to the terms of employees' contracts, management is responsible for;
- informing employees of the proposed change and the reasons for it
 - consulting employees about any development needs that they see arising from this, and about any difficulties they foresee in implementing the change
 - keeping staff informed of the progress and implementation of the change
 - providing agreed training and development

Where it is intended to change working practices without a change to the terms of the employees' contracts, employees are responsible for;

- feeding in comments about the proposed change within procedural timescales
- helping in the identification of their own information and training needs
- working with their managers to ensure the change goes smoothly

5. Change Involving A Change To Employment Contracts

- 5.1 Changes which affect employment contracts will come in two forms: those which affect the terms of employment but do not affect the job itself and those where the post is under threat i.e. potential redundancy.

5.2 Change affecting contract terms but not redundancy

Where it is proposed to make organisational changes which will affect employees' contracts, the consultation procedures stated in paragraphs 3.3.1 and 3.3.2 must be followed.

- 5.3 Where a proposed change cannot be accommodated within existing contracts of employment, but the proposals do not involve dismissal on the grounds of redundancy, the manager;

- should produce an Organisational Change Assessment setting out the proposed changes and the reason for it
- will meet with the affected employees and the Employee Representatives to consult on the proposals as set out in paragraphs 3.3.1 and 3.3.2
- where appropriate will consider any suggestions from employees or employee representatives
- will try to reach agreement with each employee on new contract terms allow reasonable time (maximum of four weeks) must be allowed for the employee to respond

5.4 Where individual agreement is not forthcoming, management will decide whether to propose ending existing contracts of employment and offering new contracts.

5.5 If such a proposal is made, management will consult the employee about the proposals, keep him/her informed of progress, and set an appropriate timescale for the employee's agreement on the new terms.

5.6 Collective consultation and consideration of redeployment will apply in the same way that applies to redundancy proposals although the reason for termination would be for 'some other substantial reason' and therefore employees would have no entitlement to a redundancy payment.

5.7 Change Involving Potential Redundancy

Where the changes under consideration involve the potential redundancy of less than 20 employees (N.B. for larger-scale redundancy proposals of 20 or more employees, see Section 8 – Consultation in Large-Scale Change) the manager must prepare documentation for employees/employee representatives showing the proposed staffing arrangement and how, if appropriate, existing employees may be able to take up new jobs in any proposed new structure.

5.8 Considerations to avoiding compulsory redundancies will include; restrictions on recruitment where practical, reduction in overtime, limit or suspension of the use of agency workers, transfer to alternative teams/retraining. These considerations are not exhaustive and other suggestions may emerge during the consultation period.

5.9 Voluntary redundancy should be considered as the initial option, if appropriate, in order to reduce the number of compulsory redundancies. Whether or not payments will be offered in relation to voluntary redundancies will be a matter for consultation and will depend on individual circumstances. The consultations should be made with respect to the procedure set out in paragraphs 3.3.1 and 3.3.2 where appropriate.

5.10 Redundancy selection criteria to be used will depend on existing circumstances and the particular needs of the Council at the time. However, every effort will be made to construct a fair and robust set of criteria following appropriate consultations.

- 5.11 Where the employee chooses to appeal against the management decision, the employee must send a letter of appeal to the appropriate designated officer within 10 working days of the date of the formal written notification of dismissal.
- 5.12 No final decision to proceed with dismissals must be made (and no notices of termination may be issued) in these cases until consultation has been completed.

6. Redeployment status

- 6.1 Management must consider redeployment for employees under potential threat of redundancy, or for those whose contract is to be terminated under paragraph 5.6, and make every effort to offer a suitable alternative post if possible. Such employees must be made aware of every available vacancy in the Council at the time of their selection and will be given an opportunity to discuss with their Line Manager which vacancies are likely to be suitable for them.
- 6.2 Employees at risk of redundancy will normally be given priority for vacant positions over other employees on the redeployment register, except for those on the redeployment register as a result of disability with whom they will have equal priority.
- 6.3 The Council's normal recruitment processes will be amended during periods of organisational change where there is potential for employee dismissals, in order to comply with the law and best practice.
- 6.4 The law requires that employees on maternity leave who are at risk of redundancy are entitled to be offered any suitable alternative jobs as a priority.
- 6.5 A suitable alternative post is one that the employee could reasonably be expected to do and which is on terms and conditions that are not substantially less favourable. The redeployee must meet the critical criteria on the person specification.
- 6.6 A trial period of 4 weeks (or such longer period as is agreed beforehand for the purposes of retraining) will be given on all redundancy redeployments. At the end of the four weeks a decision will be made as to whether the redeployment is confirmed.
- 6.7 The Council seeks to retain its employees who are displaced during these processes of change, and also to avoid the cost of unnecessary redundancy payments. Therefore, if in the opinion of the Council an employee unreasonably refuses an offer of suitable alternative employment, no redundancy payment will be made.
- 6.8 Other circumstances in which employees will be considered for redeployment include;
- on health grounds on the recommendation of Occupational Health / professional medical advice

- employees with two years continuous service whose temporary post is coming to an end
- a condition of the outcome of a grievance.

These categories of redeployees will have lower priority for consideration of vacancies than those categories set out in paragraph 6.2. These employees must meet the essential criteria on the person specification of the vacancy for shortlisting purposes and would be subject to a four week trial period.

6.9 Employees who have concerns over their future employment prospects with the Council can consult their line manager or senior managers regarding possible redeployment opportunities before the commencement of the formal stage of the process.

6.10 **Pay Protection**

Wherever possible, redeployed employees will be offered a suitable alternative post on the same grade as their redundant post. If the only suitable alternative post is below the grade of the redundant post, gross contractual pay will be protected for a period of six months in full and for a further six months protection at 50% of the difference. Appointment would be at the top point of the lower pay grade. Pay includes Living Wage Supplement, contractual overtime and other contractual allowances that applied to the redundant post. Any difference in annual leave entitlement will also be protected for a period of 12 months.

The employee must be offered the suitable alternative post and agree by signing the new contract in advance of taking the new lower graded post that at the end of the 12 month period, they will be paid the at the rate of pay commensurate with the grade for the new post.

Pay protection arrangements will also apply in circumstances for redeployment on the grounds of disability and ill health.

In exceptional circumstances, a business case may be considered by the Personnel Sub Committee for an extended period of pay protection not exceeding a total of 24 months.

7. **Specific provision in respect of temporary/fixed term employees**

- 7.1 Where there are temporary employees in the affected work group(s) these will be included in the consultation process as a matter of courtesy. Any proposals which will affect this group of workers will be included in the employee consultation paper.
- 7.2 Any employee who is engaged on a fixed term contract or temporary contract and who has two years continuous service, or will have by the date at which

redundancies take effect, will be treated in the same way as employees on indefinite contracts.

- 7.3 The Council may consider terminating the contracts of employees engaged on temporary contracts issued specifically 'pending a structure/organisational change' as a first step to avoid the compulsory redundancy of other employees in the work group.
- 7.4 Redeployment will be considered for temporary employees, but they may normally be regarded as a lower priority for alternative posts than suitable employees on indefinite contracts who also need redeployment, subject to the reason they were employed.

8. Consultation in Large-Scale Change

- 8.1 This section applies where the Council is proposing to dismiss 20 or more employees within 90 days, and therefore s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992 applies.
- 8.2 Managers need to issue the appropriate notifications to both the Employee Representative(s) and to the Secretary of State at the Department of Business, Innovation and Skills (BIS).
- 8.3 Notifications need to be issued when there is a proposal being contemplated where the number and type of employees potentially at risk of redundancy can be identified. Dismissals cannot take effect until the statutory period of consultation has passed following the issue of the s.188 notification. For 20-99 employees this period is 30 days, for 100+ employees it is 45 days.
- 8.4 The law requires that the consultation process is to look for ways of avoiding redundancy in the first place, reducing the numbers affected and mitigating the consequences. It will be undertaken with a view to reach an agreement with the employee representative. There is no set timescale for this consultation other than the minimum periods stated above. The period for which it lasts will depend on the circumstances.
- 8.5 No final decision to proceed with dismissals must be made (and no notices of termination may be issued) in these cases until consultation has been completed.

9. Termination of Employment

- 9.1 Employees with two or more years' of continuous service with the Council will be entitled to a redundancy payment.

The calculation of the redundancy payment will be as follows:-

- Half a weeks pay for each reckonable year of service under the age of 22

- 1 weeks pay for each reckonable year of service age 22 – 40
- 1.5 weeks pay for each year of reckonable service age 41 and over

Reckonable service includes continuous local government service. Payment will be calculated on the basis of the employees' actual weekly pay and a maximum of 20 years reckonable service will apply.

The amount of this payment will be confirmed when the employee is selected for redundancy and the sum will be paid alongside the employee's final salary payment or payment in lieu of notice.

- 9.2 Depending on the circumstances, the Council will waive its right to insist on employees working their notice period and instead may offer a payment in lieu of notice or the Council may put in place Garden Leave provisions.
- 9.3 An employee under notice of redundancy will be entitled to a reasonable amount of paid time off to seek alternative work, attend interviews, etc. Employees wishing to take advantage of this right should make the appropriate arrangements with their Line Manager.
- 9.4 Redundant employees undertaking post entry training funded by the Council will not be required to repay the cost of training if they are redundant during the reference period outlined in the training agreement. Redundant employees part way through training will continue to receive financial assistance for the specified period as outlined in the training agreement.
- 9.5 Redundant employees who have more than 12 months' service with the Council will be entitled to take full annual leave entitlement from 1st April to their last day of service.

10. Modification Order (RPMO)

- 10.1 Section 162 of the Employment Rights Act (ERA) provides that a redundancy payment will be calculated on the basis of the period of continuous employment. The effect of the 'Modification Order' is that this will include continuous employment with bodies on the Order.
- 10.2 In both cases the usual rules of continuity apply so that if there is a break of more than a week (running from Sunday to Saturday) between two contracts continuity will be broken (except where there is a redundancy and a new job is taken up within four weeks - see below).
- 10.3 **Where a new job offer is made by another Modification Order body:**
If an employee who is under notice of redundancy receives an offer of a job from another Modification Order body before the termination of his or her employment

and takes it up within four weeks of the end of the old employment, there will be no dismissal for redundancy payment purposes.

- 10.4 If an employee does take on a new job with a Modification Order body in these circumstances, the provisions relating to a trial period in the ERA will apply. Therefore, if the employee decides not to continue with the job during the first four weeks he or she will be able to terminate the contract (whether with or without notice) and receive a redundancy payment from the old employer.

11. Proposal to Outsource a Service or Part of a Service (TUPE)

- 11.1 Some changes will entail a consideration as to whether the Transfer of Undertakings (Protection of Employment) (Amendment) 2006 Regulations apply, as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.
- 11.2 TUPE can apply when a decision is made to transfer part of a business to a new employer or where a “service provision change” is planned (e.g. where a contractor takes on a contract to provide a service for a client from another contractor). For transfers between public administration, other TUPE like arrangements may apply.
- 11.3 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended by the Collective Redundancies and Transfer of Undertakings (Protection of employment) (Amendment Regulations 2014) set out the rights of employees and the duties of an employer under circumstances where a transfer is proposed. The TUPE process can be complex and in places specific and the advice of the Council’s HR provider will be sought at the earliest opportunity.

12. Right of Appeal against Dismissal

- 12.1 Employees have the right of appeal against dismissal. An employee who wishes to appeal against dismissal must inform the **Deputy Town Clerk**, in writing, within **five** working days of being given the written notification of the dismissal.
- 12.2 The written notice of appeal **must** give details of the grounds for the appeal. The employee must state the grounds upon which they seek to appeal. The grounds must make it clear which aspect(s) of the decision the employee wishes to appeal against, and why.
- 12.3 Appeals against dismissal will be heard by the Personnel Sub-Committee and will be heard within thirty working days of the appeal being lodged.

13. Support for Employees

- 13.1 It is acknowledged that organisational change can be stressful for employees affected by it and the Council will take appropriate supportive steps. Those employees who have been given notice of redundancy are entitled to reasonable

time off to look for alternative employment. The Council will give serious consideration to any reasonable requests for relevant training made by potentially redundant employees. The Council will also provide details of the Employee Assistance Programme.