

MANAGEMENT OF CHANGE POLICY

1.0 Introduction

1.1 Darlington Borough Council's Organisational Development Strategy 'Striving for Excellence' recognises that the Council is operating in a constantly changing environment. As a local government organisation, we need to be able to respond to both national/external initiatives and internal demands in order to deliver continuous improvement to services in a way that achieves best value.

1.2 It is inevitable that the Council will need make changes to or restructure services from time-to-time to facilitate this, and in doing so, the Council recognises that it must manage change in a proactive and effective way so as to promote the positive aspects of change and minimise any detriment to employees or disruption to service delivery wherever possible.

1.3 In accordance with our core values, the Council acknowledges that the principles and procedures for managing change need to be inclusive, open and fair, agreed in advance with the trade unions and communicated effectively to all employees. As such, this policy and the associated management guidance aim to document the principles and procedures that Darlington Borough Council will use when managing organisational change and any resulting redundancy situations.

2.0 Policy Statement

2.1 The Council will seek to maintain security of employment wherever practicable. Where organisational change is necessary, the Council will seek to minimise the impact on employees wherever possible. The Council will consult with employees at the earliest possible stage to enable them to influence the shape of the reorganisation or proposed new working practices. Consultation will be made on a collective and/or individual basis; whichever is appropriate and in line with employment legislation in relation to the circumstances.

2.2 In significant restructuring exercises, the Council will have a project team to plan and implement the restructure. The project team will agree a general timetable for implementing the change at the start of the process. Realistic resources and timescales will be allocated and the Council will communicate with those concerned regularly throughout the change process.

3.0 Coverage of Policy

3.1 This policy applies to all Darlington Borough Council employees, with the exception of employees in schools who are appointed directly by school governing bodies, who will be encouraged to adopt a similar policy.

4.0 Responsibility

6.51 The Chief Executive and Directors have overall responsibility for implementing this policy. However, all employees have the responsibility to keep up-to-date with organisational developments and to participate in change by responding to consultation exercises etc to ensure that their views can be taken into account wherever possible.

5.0 What Does Management of Change Mean?

5.1 Management of change means giving careful consideration to all the factors involved in or affected by the proposed change at the planning stage. It then involves taking all the steps necessary to ensure smooth implementation. However, it is important for employees to be aware that, despite careful planning, the actual implementation process can always be affected by external or unexpected events that could not have been foreseen at the start of the process and over which the Council has no control.

5.2 Successful management of change can create opportunities. In addition to developing the Council's capacity to change in response to new challenges and improve service delivery, it can also provide further development and advancement opportunities for existing Council employees.

5.3 The basic principles for managing change are the same, irrespective of the size or scope of the change concerned, and involve communication, consultation and involvement. However, as there is more employment legislation to be adhered to if a redundancy situation arises (e.g. the Employment Rights Act 1996, the Trade Union and Labour Relations (Consultation) Act 1992 and the Employment Act 2002 (Dispute Resolution) Regulations 2004) this is dealt with separately in the procedure below.

6.0 The Procedure

6.1 People react differently to change. Some find it exciting and stimulating, whereas others may worry and feel threatened about the impact that it will have on their working lives.

6.2 By having agreed procedures in place for dealing with all situations that can result from organisational change and involving employees in the change, the Council hopes to minimise any anxiety that employees may feel when faced with a change situation. However, the detail will obviously need to be discussed and agreed with those involved on a case-by-case basis.

Changes To Working Practices

6.3 Even if an employee's actual job description or work location does not change, the need for continuous improvement to the Council's services will sometimes mean that employees have to work in a different way. This could mean, for example, that an employee has to work to streamlined procedures or use new or different machinery or new IT systems to do their job. It can also mean a move to different working patterns, such as shift work.

6.4 In such cases, the Council will consult, communicate and negotiate with union representatives /individuals as appropriate at the earliest stage possible on how best the change(s) might be achieved, via meetings and/or briefings, newsletters or individual letters etc. The Council will also naturally provide any necessary training/development required for the acquisition of any new skills, be it a formal course, or coaching etc. Where agreement cannot be reached regarding changes to contracts, the Council may consider the option of issuing revised contracts where necessary. Employees will be given relevant notice of any variation to contract.

Revised Posts

6.5 Restructures can lead to a need for changes to jobs in terms of increased, reduced or some different duties. In such situations, the manager of the post concerned will develop a revised job description and person specification. The Departmental Human Resources Team will then forward these to a job analyst to see if the changes have any impact on the grade and remuneration of the post. The manager (and in relevant cases, the employee) may also be required to attend a meeting with the job analyst to provide further details. Employees will be given relevant notice in cases where a variation to contract is necessary and any dispute on the grading of the post will be subject to appeal.

'Slotting in' Process

6.6 An employee will normally be 'slotted in' to a revised post where the following three criteria apply:

- the employee is already doing a substantial proportion of the revised post
- no other Darlington Borough Council employee has a justifiable claim on the post, and
- the employee would be in a potential redundancy situation if they were not to move into the revised post.

6.7 In undertaking the 'slotting in' process, the Council will take account of whether the revised post is of a higher grade than the employee's substantive grade. However, a potential promotion situation will not necessarily preclude an employee who meets the above criteria from being 'slotted in' to a post. The Council will take a decision based on the merits of each particular case.

6.8 Where an employee has been 'slotted in' to a post, the employee will receive the pay and conditions relating to the revised post.

'Ring fenced' Recruitment and Selection

6.9 In cases where more than one Darlington Borough Council employee is doing a substantial proportion of the revised post and therefore more than one employee has a claim on the post and is in a potential redundancy situation, a 'ring fenced' recruitment and selection procedure will normally apply. The provisions set out in section 6.7 above will continue to apply in terms of potential promotion situations, although the Council will normally consider employees at an equivalent grade to the revised post in the first instance, depending on the circumstances relating to each case.

6.10 In such cases, all the employees identified as having a claim on the revised post will be provided with the full job description and person specification. They will then be invited to apply for the post in competition with any other employees who have also been 'ring fenced' to that post. This will involve completing an application form and being interviewed against the requirements in the person specification by an interview panel comprising of at least two people, to include the person who will supervise/manage the post. The post will then be offered on merit to the person who most closely meets the person specification.

6.11 Please note that, in ring fenced recruitment and selection situations, the post will not be advertised/opened up to other employees.

Preference Exercises

6.12 In situations where there are to be a number of changes to organisational structures/posts, an employee may have a number of options as to where they could work following a restructure. In such cases, a preference exercise may be undertaken to help facilitate the change. Employees will be provided with a revised organisation chart and advised of all the posts for which they are eligible to be considered. Employees will then be given a reasonable amount of time in relation to each particular situation to consider their options and advise the person leading the exercise for which posts they would like to be considered.

6.13 This may involve giving an order of preference. In such cases, the Council will take into account the employee's first or second choice wherever possible.

6.14 Depending on the outcome of the exercise, the Council will then either slot employees into posts or undertake ring fenced recruitment, in line with sections 6.6 to 6.11 of this policy.

New Posts

6.15 In cases where a completely new post is created as part of a restructure, the manager of the post concerned will develop a job description and person specification. The Departmental Human Resources Team will then forward this to a job analyst to advise what the grade and remuneration of the post should be. The manager may also be required to attend a meeting with the job analyst to provide further details.

6.16 If there are no current employees with a claim on the new post, the Recruitment and Selection team will check to see whether any employees on the Council's redeployment register may meet the requirements, in line with the Council's Redeployment Procedure. If the new post still remains unfilled following the redeployment process, the post will normally be advertised in line with the Council's recruitment and selection procedure. Any internal or external candidates may apply for the post in fair and open competition.

Moving to Other Teams and/or Council Departments

6.17 In some cases, reorganisations or changes to posts may mean that an employee's post moves over to a different team or Council Department. These may not necessarily involve any major changes to terms and conditions of employment, given that the employee would be working for the same organisation. However, the employees concerned will naturally be consulted about such changes and their views taken into account where possible.

6.18 The Council has a mobility clause in its contracts that covers changes to an employee's work location. However, employees may be eligible to receive disturbance and travelling allowances in certain circumstances.

Moves to Partner Organisations

6.19 In certain cases, restructures may mean that areas of work currently undertaken by the Council move to a partner organisation. Provisions relating to employment rights in cases of such transfers are mainly covered by the Transfer of Undertakings (Protection of Employment) Regulations 1981, as amended in 1987 (generally referred to as 'TUPE'). Where these provisions apply, they preserve employees' terms and conditions of employment when a business or undertaking, or part of one, is transferred to a new employer.

6.20 The TUPE Regulations do not govern the transfer of pension rights. These are covered by The Office of the Deputy Prime Minister's (ODPM) Code of Practice on Workforce Matters in Local Authority Contracts, dated 13th March 2003.

6.21 Where a decision is made to contract out services, the Council will also adhere to the Department of Environment, Transport and the Regions (DETR) supporting guidance, which sets out principles for good procurement. Further details are available in the Council's Procurement Strategy.

6.22 Those employed by Darlington Borough Council when the area of work moves to another organisation automatically become employees of the new organisation on the same terms and conditions (except for certain occupational pension rights). As such, employees' continuity of employment is preserved.

6.23 The Council will try to avoid a two-tier workforce and include enhanced provision where possible. However, such provision may not always apply automatically and will be considered on a case-by-case basis. This will include endeavouring to seek that potential contractors offer the same or better terms and conditions; including seeking admitted body status to the Local Government Pension Scheme and that new staff employed to work alongside the transferees are offered terms and conditions which overall are no less favourable than for transferees.

6.24 The Council will naturally inform the trade union of any employee(s) likely to be affected by such transfers and consult them about any measures that the Council or the partner organisation envisages taking concerning affected employees, in accordance with the TUPE Regulations.

Redundancy

6.25 Darlington Borough Council will aim to manage change so as to avoid compulsory redundancies wherever possible. However, in cases where fewer employees are needed to carry out an area of work or where an area of work is no longer to be undertaken and all of the above options have been exhausted, there may be occasions where the Council has to make redundancies. In such cases, Darlington Borough Council will take appropriate steps to keep the number of redundancies to a minimum, whilst taking business needs into account.

Consultation

6.26 Where it becomes necessary for the Council to consider redundancies, the Council will notify employees at the earliest possible opportunity of the reasons for the potential redundancy situation and of the Council's proposals. This will be done by consulting employees and union representatives directly.

6.27 The Council will carry out consultations over the following time periods:

- A minimum of 90 days' consultation where 100 or more jobs are to be made redundant
- A minimum of 30 days' consultation where 20 or more jobs are to be made redundant
- As much consultation as is reasonably practical where fewer than 20 jobs are affected.

6.28 During consultations, the Council will provide full information to union representatives and/or individual employees/ their chosen representative about the proposed redundancies and will give adequate time to respond. Information provided will include:

- The reasons for the proposed redundancies
- The numbers and categories of employees who may be redundant
- The proposed method of carrying out any redundancy dismissals
- The time period over which the redundancies may be carried out, and
- The proposed method of calculating redundancy payments

6.29 The objectives of consultation will be to:

- Reach agreement with employees or their representatives on the above issues
- Avoid the need for redundancies wherever possible
- Reduce the number of employees who are to be made redundant to a minimum
- Determine the criteria to be used to select employee for redundancy, and
- Mitigate the consequences of any dismissals

Voluntary Redundancy/Early Retirement

6.30 Asking for applications for voluntary redundancy/early retirement can be a way of avoiding compulsory redundancies and of helping to implement the change process. Applications are not usually invited unless all other alternatives have been considered, as this can be costly to the Council. As such, voluntary redundancy/early retirement should not be viewed by employees as being an automatic right. Any applications will be given due consideration on a case-by-case basis.

6.31 If an application is agreed, the employee will qualify for a redundancy payment if they have two years' continuous service. The calculation of the amount of redundancy payment will be determined in accordance with an employee's length of continuous local government service, normal working hours and week's pay and age at the date of dismissal. This will be calculated on an employee's 'actual week's pay (rather than the statutory week's pay limit), as a discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000.

6.32 As the Local Government Pension Scheme (LGPS) regulations currently stand, if the employee has reached the age of 50 when the redundancy takes effect, the employee is also entitled to receive their pension and lump sum immediately, without losing any benefits, providing they have at least two months' membership of the LGPS, or have transferred rights from another pension scheme.

6.33 Any further enhancement will be applied at the discretion of the relevant Director, in consultation with the Head of HRM and one other member of the Corporate Management Team. Any enhancement will usually be up to a maximum of three years.

6.34 Full details of the procedure are available in the Council's Early Retirement Policy and related Management Guidance.

Selection for Redundancy

6.35 In cases where applications for voluntary redundancy or early retirement have been considered and not produced suitable or sufficient numbers of volunteers, or where the Council does not feel it appropriate to offer voluntary redundancy/early retirement in the circumstances, the Council will consider the criteria to be used when redundancies need to be enforced, in consultation with the trade unions.

6.36 In seeking to agree selection criteria, a key consideration for the Council will be to maintain a balanced workforce after the redundancies have been carried out. The Council will ensure that the pool of employees to whom the selection criteria are to be applied is fairly defined. The criteria used in redundancy selection will be capable of objective substantiation and of being backed up with evidence and data.

6.37 Some of the selection criteria that the Council may choose to use are as follows:

- skills and experience
- standard of work performance or aptitude for work
- attendance and disciplinary record

6.38 However, the Council will consider the criteria to be used in line with each separate redundancy situation.

6.39 In terms of work performance or aptitude for work, the Council will use objective evidence to support selection on this basis via the Council's Performance Development Review (PDR) process.

6.40 In cases where attendance and disciplinary records are used as a basis for redundancy selection, the Council will ensure that the records used are accurate. The Council will adopt a consistent approach and will have clear rules setting standards regarding discipline, absence and timekeeping.

6.41 The Council will look at the reasons for and the extent of any absences. In cases of sickness absence, the Council will look carefully at the duration of the episodes of sickness. For example, whether an employee has had one continuous lengthy bout of sickness, or whether the absences have been of a more intermittent nature but over a longer period. The Council will naturally be mindful of legislation relating to the Disability Discrimination Act (DDA) 1995 when using attendance as a selection criterion.

6.42 In some circumstances, the Council may agree selection based on 'last in, first out' (LIFO), in consultation with the trade unions. However, the Council is aware of the potential problems of losing employees with key skills when using this method of selection and will seek to apply this in a way that is mindful of the future needs of the Council.

6.43 The Council will ensure that any criteria used, including LIFO, is applied reasonably, fairly and consistently and will not discriminate either directly or indirectly against staff on the grounds of age, sex, race, disability, sexual orientation, religion or belief or part-time status or indeed on any of the grounds set out in the Council's Equality Policy.

6.44 When using multiple criteria, the Council may weight the criteria to reflect their varying importance in relation to the Council's needs. The Council will adopt a systematic method of rating employees against the criteria and keep records of the assessments and ratings, so that if the results are challenged, fairness and objectivity can be demonstrated.

6.45 Once provisional selections for redundancy have been made, the Council will enter into individual consultation with each employee identified. Each employee will be informed of the basis of his or her selection and invited to put forward representation. The Council will consider fully any such representations before making a final decision on which employees are to be made redundant (please see section 7.2 of this policy).

Notice of Redundancy

6.46 Employees will be given appropriate notice of termination of employment on redundancy grounds in line with their contractual entitlement, as a minimum.

Redundancy Payment

6.47 Redundant employees who have a minimum of two years' continuous service will normally be entitled to a redundancy payment, which is calculated according to the individual employee's age, length of service and weekly pay. Further details are given in sections 6.31 to 6.33 of this policy.

Redeployment

6.48 In cases where either a permanent or temporary employee with more than one year's service is in a potential redundancy situation following a restructure, the Council will seek to redeploy them to another post within the current or another Council Department, irrespective of the number of hours worked. Full details are given in the Council's Redeployment Policy & Procedure.

6.49 Employees will be kept on the redeployment register throughout the notice period so as to maximise the chance of securing alternative employment.

Help in Finding Work

6.50 The Council will give employees under notice of dismissal for redundancy reasonable paid time off work during working hours to look for alternative employment, to arrange training or attend job interviews. The Council will also encourage employees to contact Jobcentre Plus in Darlington, which provides a free service for bringing together employers with vacancies and people looking for work. Jobcentre Plus staff can also give details of training opportunities available.

6.51 For larger scale redundancy programmes, the Council will endeavour to arrange for Jobcentre Plus staff to visit the Council and provide facilities on site for discussing job and training opportunities. The Council may also engage the services of an outplacement consultant to help employees to find alternative employment.

7.0 Appeals

7.1 The Council will consult with employees on organisational change and take account of employees' responses to consultation exercises wherever practicable.

7.2 The Council will establish a redundancy appeals procedure to deal with complaints from employees who feel that selection criteria have been unfairly applied in their case. This will be achieved by setting up a committee of management and trade union representatives to consider individual cases and any subsequent remedies.

7.3 In the case of non-collective dismissals (where fewer than 20 people are being made redundant), the Council will follow the statutory three-stage procedure for dismissal purposes, in line with the Employment Act 2002 (Dispute Resolution) Regulations 2004. This involves providing employees with a written statement, hearing and appeals meeting. There is generally no requirement to use the statutory three-stage procedure for collective redundancies (i.e. those

involving 20 or more employees), as the requirements in such cases are already covered by the Trade Union and Labour Relations (Consolidation) Act 1992. Further details are available in the management guidance to this policy.

7.4 If employment is terminated on the grounds of redundancy, employees are entitled to appeal to Members against this decision. The appeal should be made in writing on or within 5 calendar days of the termination date, clearly stating the grounds on which the employee is appealing against the decision. The appeal should be addressed to the Head of Human Resource Management.

8.0 Representation

8.1 The Council will advise the trade unions of any potential plans for change at an early stage and involve them in the process at all stages. The Council will respond to trade union responses to consultation exercises and consider any representation made in terms of an employee's (s') selection for redundancy.

9.0 Employee Assistance

9.1 Any employee experiencing changes at work should feel free to discuss any queries or concerns with their supervisor, line manager, trade union representative or Departmental Human Resources Team. They should also ensure that they make their views known as part of any consultation exercise.

9.2 Confidential and professional counselling services are also available free of charge for all Council employees by contacting Darlington Counselling and Psychotherapy Services on 01325 374994 or Relate North East on 01325 461500.

9.3 For larger scale redundancy programmes, the Council will endeavour to arrange for Jobcentre Plus staff to visit the Council and provide facilities on site for discussing job and training opportunities. The Council may also engage the services of an outplacement consultant to help employees to find alternative employment.

10.0 Monitoring and Review

10.1 The implementation and effectiveness of this policy will be monitored and reviewed periodically by the Corporate Management Team, Joint Consultative Committee and Cabinet.

11.0 Links with other Council Policies

11.1 This policy should be read in conjunction with the following other Council strategies, policies and management guidance (where relevant):

- The Organisational Development Strategy – “Striving for Excellence”
- Redeployment Policy
- Early Retirement Policy
- Recruitment and Selection Policy
- Equality Policy
- Training and Development Policy
- Stress Policy
- Procurement Strategy

12.0 Further Guidance

12.1 For further information on this policy, please contact your Departmental Human Resources Team.

MS 25/01/05