
MANAGEMENT OF CHANGE POLICY

**Responsible Cabinet Member(s) - Councillor Don Bristow,
Resource Management Portfolio**

Responsible Director(s) - Paul Wildsmith, Director of Corporate Services

Purpose of Report

1. This report presents a Management of Change Policy (attached at **Appendix 1**) for Cabinet approval.
2. This new policy has been developed by the Human Resource Management (HRM) Division to assist in the management of organisational change in relation to its impact on employees. It is considered that it is particularly relevant to progress this policy as soon as possible in preparation for the significant change programme that the Council faces in terms of creating the new Children's Services Department.
3. The policy has been written in line with up-to-date employment legislation and best practice guidance from the Department of Trade and Industry, ACAS and the Employers' Organisation.
4. The policy aims to document the principles that the Council will use when managing organisational change and any resulting redundancy situations that may ensue, so that the process can be seen to be open and fair. These principles are not new; rather the policy aims to formalise the principles that have already been used to manage organisational change across the Council in the past. The Council feels that it would be a proactive measure if the policy could be agreed with the trade unions and communicated to all employees before the Council starts to develop the Children's Services Department, so that the change can be managed as effectively as possible.
5. The basic principles for managing change are the same, irrespective of the size or scope of the change concerned. As such, the policy can be used as a basis for managing any other change processes in the Council (such as the development of the Customer Contact Centre in Corporate Services).
6. Management guidance is in the process of being produced to accompany the policy. This will reflect the principles and procedures contained in this policy, but give more practical and detailed guidance to managers involved in implementing the change process.
7. The policy would apply 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.

Information and Analysis

8. The Council appointed its Director of Children's Services from 1st December 2004 and now needs to plan the structure of the new Department, how it is to operate and how the change process will be managed and implemented.
9. Creating the new Department will naturally have a significant impact on the Social Services and Education Departments. It may also have an impact in Corporate Services in terms of how it supports the new Department, as opposed to the two former Departments. There may also be an impact in other Departments, dependant upon the decision taken regarding adult services.
10. As services transfer to the new Department or move to a different Department or partner organisation, there will be a significant impact on those employees concerned. It is therefore important that the Council manages these change effectively, as failing to do so could have an adverse impact on both the Council's business and employee relations.
11. The Council recognises that people react differently to change. Some find it exciting and stimulating, whereas others may worry and feel threatened about the impact it will have on them and their families. The Council also recognises that feelings of job insecurity can lead to decreased motivation and morale, which can in turn impact on employee effectiveness and sickness absence levels. The Council naturally wishes to avoid any adverse impact on employees wherever possible and feels that having a formal policy could help the process to be managed more effectively for the benefit of all concerned.
12. Some employees may simply continue in their current roles but transfer to the new Department. However, as there may be some duplication in services currently offered, the Council may need to consider a programme of preference exercises and ring-fenced recruitment to ascertain which employees will continue in post or move to revised posts. New posts will need to be developed, evaluated, advertised and filled. Some employees may need to transfer to a different Council Department, or partner organisation under the Transfer of Undertakings (Protection of Employment) or TUPE Regulations, depending on where adult services transfer.
13. Existing employees who are not accommodated via the above processes may subsequently face a redundancy situation (although the Council will seek to avoid this wherever possible). If this applies, the relevant consultation processes will need to be adhered to, selection criteria established and applied and the appropriate notice given (up to 12 weeks, depending on length of service). The Council may need to request and process requests for voluntary redundancies / early retirements. Those employees under notice of redundancy will need to be placed on the redeployment register throughout the notice period so as to maximise the chance of securing alternative employment.
14. In summary, the forming of the new Department will be a significant and complex exercise that will require careful planning, consultation and communication at all stages. It is particularly important that the Council works to the statutory requirements in terms of TUPE and redundancy legislation.
15. This policy provides a framework for managing such changes and incorporates the following principles:-

- (a) the Council is operating in constantly changing environment and needs to be able to respond to national/external initiatives and internal demands to deliver continuous improvement to services in a way that achieves best value;
- (b) it is inevitable that the Council will need to make changes to or restructure services from time-to-time to facilitate this;
- (c) the Council will seek to maintain security of employment wherever possible;
- (d) where organisational change is necessary, the Council will seek to minimise the impact on employees and service delivery wherever possible
- (e) 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 where possible;
- (f) consultation will be made on a collective and/or individual basis; whichever is appropriate in line with employment legislation and best practice;
- (g) in significant restructuring exercises, the Council will appoint a project team to plan and implement the restructure;
- (h) the project team will agree a general timetable for implementing the change at the start of the process;
- (i) realistic resources and timescales will be allocated to the process and the Council will communicate with those concerned regularly throughout the change process.

16. The policy covers the procedure that the Council will follow in the areas below:-

- (a) changes to working practices;
- (b) revised posts (slotting individuals into posts, ring fenced recruitment and selection and preference exercises);
- (c) new posts;
- (d) moving to other teams or Council Departments;
- (e) moves to partner organisations;
- (f) redundancies;
- (g) voluntary redundancy/early retirement, and
- (h) redeployment.

17. The policy makes links with other existing Council policies and management guidance where relevant (e.g. the Redeployment and Early Retirement Policies).

Implementation

18. As part of the implementation programme for the policy, it is recommended that: -
- (a) an article be placed in the Flyer to promote the new policy and coincide with its distribution to employees;
 - (b) training be made available to guide managers through the process of managing change.

Outcome of Consultation

19. This policy has been to the Corporate Management Team and the Joint Consultative Committee and the suggested amendments have been incorporated into the policy attached at **Appendix 1**.

Legal Implications

20. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

21. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

22. The issues contained within this report do not represent change to Council policy or the Council's policy framework; rather the policy aims to formalise the principles that have already been used to manage organisational change across the Council

Decision Deadline

23. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Recommendation

24. It is recommended that Cabinet:-
- (a) approve the Management of Change Policy attached at **Appendix 1**;
 - (b) approve the implementation programme outlined in paragraph 18 above.

Reasons

25. The recommendations are supported by the following reasons:-

- (a) the policy will help the Council to manage organisational change in relation to its impact on employees effectively and in line with employment legislation and best practice;
- (b) the policy will help the Council with the significant change programme involved in creating the new Children's Services Department.

Paul Wildsmith
Director of Corporate Services

Background Papers

- (i) Factsheet – Redundancy – The Employers' Organisation for Local Government.
- (ii) Advisory Booklet – Redundancy Handling – ACAS.
- (iii) Redundancy – Xpert HR.
- (iv) The Council's Corporate Procurement Strategy.
- (v) The Council's Early Retirement Policy.
- (vi) The Council's Redeployment Policy.
- (vii) Managing Redundancy, Alan Fowler.
- (viii) Redundancy Consultation and Notification – Department of Trade and Industry (DTI).
- (ix) Dismissal – Fair and Unfair: A Guide for Employers – DTI.
- (x) Redundancy Entitlement – Statutory Rights – a guide for employees (PL808-Rev6) – (DTI).
- (xi) Transfers of Undertakings (PL699 Rev6) – DTI.
- (xii) Redundancy – Chartered Institute of Personnel and Development (CIPD).
- (xiii) HR and Reorganisation – Managing the Challenge of Change – (CIPD).

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