



people policies

# Managing Change Policy





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# Policy

## Purpose of the policy

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The Council is continuously required to review the way in which it provides services. This policy sets out the principles for managing organisational change that affects groups of employees in circumstances where:

- Roles and responsibilities in a service area are being re-aligned.
- The size of the workforce in a service area is being reduced.
- Redeployment and redundancies may occur as a consequence

The principles underlying this policy are that managers should consult employees meaningfully with a view to reaching a conclusion within the proposed timescale for the review/restructuring/service realignment, or the discontinuation or closure of a service.

## Scope

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This policy applies to all employees except:

- employees on fixed term contracts where the reason for the expiry of the contract would not be redundancy;
- employees on temporary and fixed term contracts where the reason for the expiry of the contract would be redundancy and they have less than two years continuous employment with Bristol City Council;
- external agency workers, contractors/consultants and persons engaged by the Council who are “self employed”;
- casual employees or agency workers where there is no “mutuality of obligation” to provide/accept work by either party;

## Authority to change the workforce

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The arrangements for approving and implementing change depend on where the change is taking place in the organisation.

### Changes in Services

Major changes in the way in which services are to be delivered requires the approval of Cabinet, and where required, by the Chief Executive, unless authority is delegated to an individual Executive Member. All other changes are approved by the Strategic Director and/or the relevant Service Director.

### HR Changes

As set out in the Council's Pay Policy, changes affecting the pay, terms and conditions of service, redundancy/early retirement, etc for 1st and 2nd tier JNC staff, require the approval of the HR Committee. HR changes below this level require Head of Paid Service approval, who may exceptionally refer them to the HR Committee where appropriate to do so.

## Management responsibilities

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The service manager leading and managing the organisational change must ensure that the following measures are implemented:

- That this Policy is followed at all stages.
- That there is a programme or project business case that sets out the basis for the proposals including anticipated service improvements/benefits, risks, estimated costs, timescales and an equality impact assessment. Where the review is not part of a programme or project, the **business case template** must be used.
- That advice and support is obtained from the HR Shared Transactional Services on the managing change process.
- That wherever possible, steps are taken in advance of the implementation of changes to the workforce, which reduce the potential for redundancies (e.g. vacancy management controls, pro-active redeployment etc).
- That employees and nominated trade union representatives are notified of the proposals for change in writing, and consultation meetings are held with a view to seeking agreement on the proposals, selection criteria for any workforce reductions and the methods of appointment / ring fences to jobs in the new structure. These consultative meetings may be informal or via the relevant DJCC (as appropriate).
- Statutory consultation periods must be complied with if redundancies are anticipated. Where 20 to 99 redundancies are envisaged consultation must start at least 30 days before any dismissals take effect. Where 100 or more redundancies are envisaged the consultation must start at least 45 days before any dismissals take effect. For fewer than 20 employees, meaningful consultation must still be undertaken which will normally include one-to-one meetings with employees and, if they choose to be represented, their TU representatives or a colleague.
- That there is appropriate help and guidance (as identified by employees or their representatives) to support staff through the change process and that effective communication arrangements are in place.

- That necessary new job documentation is produced and that employees are formally notified regarding the outcome of their status/employment position at the implementation stage.
- That due regard is given to the right of women to return to work following maternity leave as described in the **Maternity and Caring Employees Scheme**.
- That voluntary redundancy / severance (VS) can be offered where prior approval has been given by the relevant HR and Finance Business Partners. HR Advisers will support managers to determine which employees are in scope as part of the business case and may be offered the opportunity to apply for VS.

## HR responsibilities

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HR must ensure:

- That in the case of redundancies, consultation with employees and trade unions is effective and complies with employment law.
- That the Council's Pay Policy is adhered to, and that approval of the Head of Paid Service or HR Committee is obtained regarding changes in pay and conditions.

## Finance responsibilities

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Corporate Finance must ensure that there is sufficient funding to support the restructuring/review, or if not, to secure Cabinet/Section 151 Officer approval to implement the changes.

# Process

## Methods of appointment

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Posts will be defined following consultation by one or more of the following classifications:

- Unchanged – where the job content is little changed from the existing job role and the employee will not be displaced unless the number of posts is reduced.
- Changed – where the job content is significantly different from the existing job role and where selection criteria / a ring fence appointment process will apply.
- Deleted – where a service or work of a particular kind is being discontinued or reduced
- New – a new job where there is no equivalent in the current structure. New posts may be the subject of ring fence arrangements.

Employees and trade unions will be advised of their classification, as part of the consultation process.

## Selection processes and ring fences

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- Only post holders at risk of redundancy may be included in ring fences.
- Employees who are seconded to or acting into posts within the workgroup affected by the proposed change and have been doing so for a period of less than 18 months at the start of a consultation period will not be included in ring fence arrangements at their seconded/acting up grade.
- Employees who have been seconded or acting up into posts within the workgroup affected by the proposed change and have been doing so for a period of more than 18 months at the start of consultation period will be included in ring fence arrangements at their seconded/acting up grade on the proviso that no employee at their substantive grade within the same ring fence is affected.

- Employees who have been seconded or acting up into posts within the workgroup affected by the proposed change and have been doing so for a period of more than 18 months at the start of the consultation period but are not eligible to be included in the ring fence at their seconded/acting up grade, will be guaranteed to be included in any secondary ring fence process should this become available.
- Any decision to exclude or include a post holder from a ring fence must be justifiable in objective terms and with all evidence available to support the decision.
- Fixed term employees at risk of redundancy may be included in ring fences.

Normally employees will only be ring fenced to jobs which are at the same grade as their existing job. However, in some cases it may be appropriate to allow employees to be included in a ring fence for jobs one grade above or below their existing job grade.

Employees who are in a ring fence will be required to undergo a selection process. This can be undertaken using one or more of the following objective selection methods based on the requirements of the service:

- a) On a competitive basis through an interview and/or assessment method.
- b) Performance management judgements that are below a satisfactory performance level. (e.g. PMDS scores, formal performance warnings).
- c) Live disciplinary warnings.
- d) Live sickness absence warning on file taking in to account any adjustments made under the Equality Act 2010.

If there is only one employee in the ring fence, there will be a suitable alternative employment interview to determine whether their skills and experience match the essential requirements of the job. This provision can also be extended to ring fences of 2 candidates for 2 jobs, 3 for 3 etc.

- An employee at risk of redundancy whilst on maternity leave, adoption leave or shared parental leave must be offered a suitable alternative vacancy where one exists. They will not normally be required to compete for such a role, although there may be an exploratory interview to determine whether their skills and experience match the essential requirement of the job. If they do match the essential criteria the employee will be offered that role without competitive interview, regardless of the number of colleagues in the ring-fence for that role. This right to be offered a suitable available vacancy is subject to the employee complying with the appropriate provisions on notifying their line manager of their intention to return.

The only exception to the right to be offered a suitable vacancy without a competitive recruitment process is if there is more than one employee at risk of redundancy whilst on maternity, adoption or shared parental leave fulfilling the essential criteria for a suitable vacancy. In that case, some form of competitive application process may be necessary.

## Alternative employment and redeployment

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Employees unreasonably refusing an offer of potentially suitable alternative employment may forfeit redundancy pay (if applicable).

If an employee does not obtain a post in the new structure they will be eligible to enter the **Redeployment Scheme**. Please refer to that policy for full details.



## Pay protection

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The Council defines a post that is not more than a 20% reduction in pay as a suitable alternative post. Where acceptance of a post represents more than 20% reduction in pay, an employee will not be required to accept the post and will retain the right to a redundancy payment.

Where an employee is offered and accepts a suitable alternative post as a result of organisational change (including re-evaluation of their existing post) and they have not received a redundancy payment:

- a) Contractual pay will be protected. This means basic pay plus any contractual enhancements covered by the Working Arrangements Policy. An employee's contractual pay is based on their grade and hours of work. For the avoidance of doubt, this is the full difference in pay between the current contractual pay and the contractual pay of the alternative post that has been accepted. Please see explanatory below on increasing and reducing hours etc.
- b) The contractual pay will be frozen at this protected amount for either 2 years or until their contractual pay in the new post would meet/exceed their current contractual pay, whichever the sooner.
- c) Pay awards and increments will not be payable during the period of protection.
- d) The employee will be paid at the top spinal column point of the grade for the post once the period of protection ends.
- e) Where an employee obtains a new job at a higher grade during the pay protection period, they will continue to receive their pay protection, subject to the provisions set out in b) above.

### **Increasing working hours during the period of pay protection**

**Where an employee's working hours in the post increase during the period of protection,** the additional hours (including any overtime) will be paid at the unprotected rate for the job (overtime payments will be in accordance with the employee's conditions of service and the Council's **Working Arrangements Policy**).

### **Reducing working hours during the period of pay protection**

Where an employee reduces their working hours **on a voluntary basis** on commencement of the new post or during the period of protection, their contractual pay (including the element of protection) will be reduced accordingly (on a pro rata basis).

### **Application of pay protection**

From the 1st January 2011, an employee who is displaced and is redeployed into a lower graded post; medically redeployed into a lower graded post; or whose post is downgraded under job evaluation, will be entitled to 2 years' pay protection. During the 2-year period, the employee's pay is 'frozen' and increments/annual pay awards are not paid.

### **Where former contractual hours of work are subject to pay protection**

Where an employee receives pay protection because their hours of work have been reduced, they may be required to undertake additional duties during the pay protection period up to the level of their previous contractual hours without additional payment.

## Challenges and appeal rights

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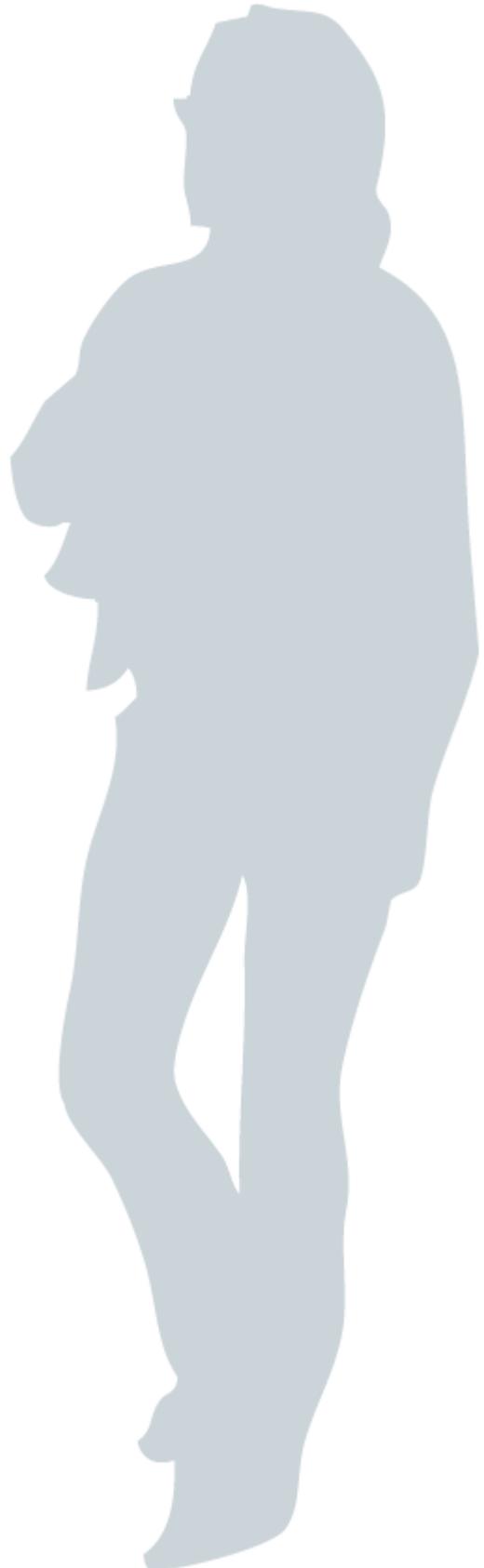
If following consultation, there is disagreement regarding methods of appointment to the new structure – including ring-fence arrangements, at or below third tier - the employee should write to the reviewing officer requesting a meeting. An independent manager will meet with the employee and their line manager to consider the case. A letter confirming the outcome of the meeting will be provided. Please note: appeal rights do not apply.

For employees at first or second tier, the Employee Appeals Committee would consider and review decisions.

### **Appeals in relation to offers of employment and dismissal on the grounds of redundancy**

An employee who does not consider that the offer of an alternative appointment is “suitable” (on the basis of the type of work offered, pay, status, location, working hours) may lodge an appeal with HR Shared Transactional Services within five working days of the written offer. This appeal will be heard by a Service Manager or Service Director (depending on the level of manager leading the review) and an HR practitioner. Employees should not use the Grievance Procedure, which will not be applicable under these circumstances.

If, following the implementation of change, an employee is dismissed on the grounds of redundancy, they will have a right of appeal to the Employee Appeals Committee. They will be required to lodge an appeal within five working days of receiving written confirmation of dismissal, setting out the grounds for their appeal.



## Severance payments and Early Retirement

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### Redundancy

If an employee is dismissed on the grounds of redundancy they will be eligible to a redundancy payment in accordance with the council's Pay Policy.

If the employee is aged 55 or over and a member of the Local Government Pension Scheme they will receive their occupational pension, if they meet the qualification requirements of the scheme.

In respect of members of the Teachers' Pension Scheme, the employer has discretion to allow early release of pension if the teacher is aged 55 or over. The arrangements are set out in the Pay Policy.

Early release of pension and redundancy payments have to be approved by either the Head of Paid Service, or the HR Committee (for 1st and 2nd tier postholders) before they can be paid.

### Efficiency of the Service

In exceptional circumstances, employees aged 55 or above, who are unable to adapt to changes in the work environment, and whose performance is adversely affected to the detriment of the Council, may be considered for early retirement on the grounds of the efficiency of the service. Approval would be required from the HR Committee (re: 1st and 2nd tier staff) and from the Head of the Paid Service (re: all other employees). Early retirements approved under these provisions, do not include an entitlement to a severance payment.

### Voluntary reductions in contractual working hours to avoid redundancies

Where an employee agrees by mutual consent to reduce their contractual weekly hours of work and where subsequently they are made redundant on compulsory grounds within two years of the contractual change in working hours, the redundancy payment will be calculated by reference to their former weekly pay i.e. their weekly earnings before they agreed to a reduction in weekly hours to avoid a redundancy.

Employees covered by the above paragraph, who have accepted the reduction in hours, and who subsequently increase their hours during the 2 year period (owing to further changes in the workgroup) will be subject to an adjustment to their redundancy payment (i.e. if the number of hours worked exceeds their previous level of contractual hours) above the 'protected' level.

## Transfer of Undertakings (Protection of Employment) Regulations (TUPE)

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Change management may involve partnership working or the externalisation of services, in which event managers should refer to the TUPE guidelines/procedure for advice about processes (including procurement regulations), timescales and statutory requirements including consultation. Some employees (outside the immediate workgroup) may find that their job is affected by this process, but may not be subject to a TUPE transfer, in which event the provisions of this policy will be applied to them if their post is substantially affected by this externalisation process.

## Outcome

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Working with staff and trade unions to achieve an agreed outcome is beneficial. However in some instances agreement with staff and the trade unions will not be possible, and in these circumstances, managers are asked to explain fully their reasons for not accepting alternative proposals and proceed to the implementation stage.



# Additional guidance and support

This policy provides you with an overview of the purpose of the policy and the roles and responsibilities of those for whom it is intended. It also provides guidance in the Process section on the application of the policy. There are other documents which provide more detail and helpful guidance that should be read in conjunction with the policy and these are listed below.

## Additional guidance

**Frequently Asked Questions**

**Managing Change Review Process Timeline (Excel)**

**Managing Change Review Process Timeline (PDF)**

**Managing Change Process: A quick guide**

## Associated policies

**Maternity and Caring Employees Scheme**

**Pay Policy**

**Redeployment Scheme**

**TUPE guidance**

**Working Arrangements Policy**

## Letters and forms

**Managing Change Business Case**

**Commissioning Document for Managing Change Reviews and HR Projects**

**Confirm Deleted Post & No Ring Fence Letter**

**Confirm Deleted Post & Ring Fence Letter**

**Confirm Unchanged Post Letter**

**Equality Impact Assessment**

**Offer Following Interview Letter**

**Termination of employment and entry into the Redeployment Scheme Letter**

**Post Creation / Amendment / Deletion Form for Vision HR**

**Redundancy Payment Approval Form for employees other than JNC first and second tier employees, the City Director or centrally employed teachers**

**Redundancy Payment Approval Form for JNC 1st and 2nd tier officers or the City Director**

**Redundancy Payment Approval Form for centrally employed teachers**

**Compensation Payment Approval Form**



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The audience of this document is made aware that a physical copy may not be the latest available version. The latest version, which supersedes all previous versions, is available on The Source.

Those to whom this policy applies are responsible for familiarising themselves periodically with the latest version and for complying with policy requirements at all times.

### History of most recent policy changes – must be completed

Version	Date	Change
V 1.04	31 May 2017	Clarified change made in V 1.03 to state: "That voluntary redundancy / severance (VS) can be offered where prior approval has been given by the relevant HR and Finance Business Partners. HR Advisers will support managers to determine which employees are in scope as part of the business case and may be offered the opportunity to apply for VS."
V 1.03	17 February 2017	Added on page 4: "Where 100 or more redundancies are envisaged the consultation must start at least 45 days before any dismissals take effect." and "That voluntary redundancy/severance (VS) is offered where prior Finance Officer approval has been given. HR Advisers will support managers to determine which employees may be offered the opportunity to apply for VS, and what potential leaving dates may be reasonable. Selected employees will be advised how to express their interest in taking VS. Finance Officer approval may be required on a case-by-case basis."

