



people policies

Managing Change Policy



Policy

Purpose of the policy

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

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 (e.g. cover for maternity leave or sickness absence)
- agency workers, contractors/ consultants and casual workers

Authority to change the workforce

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

Changes in Services

Many minor changes can be initiated through this policy at a service level, led by managers. Major changes in the way in which services are to be

delivered requires approval through the **Decision Pathway** if they are a key decision.

HR Changes

The Terms of Reference of the HR Committee set out its powers in relation to the employment arrangements of the Chief Executive and JNC Chief Officers. The **HR Scheme of Delegations** sets out approval requirements for HR changes below this level.

Wellbeing

Periods of change can be difficult. They can affect everyone, not just those directly involved in the change. Team members may be worried about changes in their roles and responsibilities, as well as job security. Managers should create a supportive environment for their team in which their views and suggestions are welcomed and considered.

The **Employee Assistance Programme**, available to all employees, provides free and confidential support with work or personal issues.

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

Change management may involve partnership working or the transfer of services to other organisations. Managers should refer to the **TUPE guidance** for advice about processes, 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 the transfer.

Management responsibilities

The manager leading and managing the organisational change must ensure that:

- this policy is followed.
- there is a programme or project business case that sets out the basis for the proposals and an equality impact assessment. Where the review is not part of a programme or project, the business case template must be used.
- advice and support is obtained from HR
- 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, pro-active redeployment etc).
- employees and nominated trade union representatives are notified of the proposals for change 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).
- 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.
- job documentation is accurate
- employees are formally notified of their status/employment position at the implementation stage.
- due regard is given to the inclusion of those on **maternity, adoption and shared parental leave** in consultation, and the right to return to work following leave.
- voluntary severance (VS) can be offered where prior approval has been given by the relevant Executive Director. HR will support managers to determine which employees are in scope.

Process

Consultation

Change happens most effectively when people fully understand and engage with it. We consult on change directly with staff and trade unions.

There is no legal minimum duration for consultation. It's important the consultation is meaningful and that views and suggestions are listened to and responded to.

Consultation should be used to try to reach agreement wherever possible, however, it is not necessary to reach agreement to be able to end consultation.

Consultation usually lasts for at least four weeks. Sometimes it may be preferable for it to be shorter if everyone agrees.

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.

Managers must offer a one to one to all team members at risk of redundancy. They can bring a colleague or trade union representative to the meeting. Additional one to ones should be arranged if requested.

What is redundancy?

Redundancy is a form of dismissal which happens when we need to reduce the size of our workforce.

An employee could be dismissed on grounds of redundancy if:

- A service is reduced or closed
- The requirements for employees to perform work of a specific type, or to conduct it at the location in which they are employed, is expected to cease or diminish.

In some circumstances, for example if a whole service is discontinued, there may be no opportunities for alternative employment within the

service. Therefore, once consultation is complete, it may be appropriate to issue notice of redundancy and for redeployment opportunities to be explored.

Selection pools for those at risk of redundancy

In circumstances where services are reduced and/or changed, and there are ongoing employment opportunities, it is necessary to identify which people are at risk of redundancy. This is called the 'selection pool'.

Team members in the selection pool(s) will be consulted on the proposed selection pool(s) membership and 'methods of appointment'.

Methods of appointment

Classification of posts

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. People whose job is deleted may be eligible for inclusion in ring-fences for a job considered a suitable alternative to redundancy.
- **New** – a new job where there is no equivalent in the current structure. New posts may be the subject of ring-fence arrangements.

Ring-fences

A ring-fence is the group of people who have primary access to a job in the future structure

Only post holders at risk of redundancy may be included in ring-fences.

Employees who are seconded 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-fences at their seconded grade.

Employees who have been seconded 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-fences at their seconded grade providing that doing so does not disadvantage a permanent employee. However, where a secondee is not included in a primary ring-fence, they will be included if a secondary ring-fence process is required.

Any decision to exclude or include someone from a ring-fence must be justifiable in objective terms and with all evidence available to support the decision.

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.

Selection process

An employee at risk of redundancy whilst pregnant, or on maternity leave, adoption leave or shared parental leave, and for 18 months following the date of birth/placement date (providing at least six consecutive weeks taken in the case of SPL), must be offered a suitable alternative vacancy where one exists.

This protection applies to employees who have suffered a miscarriage after 24 weeks. Employees whose pregnancy ended before 24 weeks are protected for two weeks after the pregnancy ended.

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 pregnant or on maternity, adoption or shared parental leave, and for 18 months following the date of birth/placement date, fulfilling the essential criteria for a suitable vacancy. In that case, some form of competitive application process may be necessary.

Normally, if there is an equal or greater number of jobs than people in a ring-fence, direct appointments can be made to jobs. However, where circumstances justify it, for example if a post is designated as new or changed, a selection process may be used to determine whether skills and experience sufficiently match the essential requirements of the job.

Where there are more people in a ring-fence than there are jobs available selection criteria must be used.

Criteria should be as objective and measurable as possible. This means they should be fair, based on facts and not be affected by personal opinions.

The same criteria must be used for all employees in a ring-fence.

Examples of selection criteria include:

- skills
- specialist knowledge and/or qualifications
- standard of work performance
- disciplinary record
- attendance record, not including absence related to disability, pregnancy or maternity
- interview or other assessment method, such as a test.

To avoid relying too much on one of the selection criteria, a mixture of criteria can be used. Criteria should be chosen and weighted

(given points) according to how important they are.

Notice and Redeployment

Employees affected by a service closure or who are not successful in obtaining a job through the selection process will:

- be issued with notice of redundancy.
- receive written confirmation of the redundancy payment they would receive if they are not redeployed.
- Be placed into the **Redeployment Scheme** for 12 weeks.

Appeals

Appeal against ring fence and/or methods of appointment

The employee should write to the manager leading the change requesting a review of the ring fence and/or methods of appointment. An independent manager, not in scope of the review, will meet with the employee and their line manager to consider the case.

For Chief Officers, the Appeals Committee would consider and review decisions.

Appeal against an offer of suitable alternative employment

An employee who does not consider that the offer of alternative employment is suitable (on the basis of the type of work, pay, status, location, working hours) may lodge an appeal.

Appeal against dismissal

If following the implementation of change an employee is dismissed on the grounds of redundancy, they have a right of appeal to the Appeals Committee.

Refer to the **Appeals Policy** for further information.

Pay protection

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 may refuse the offer without forfeiting 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:

- 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.
- 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.
- Pay awards and increments will not be payable during the period of protection.
- The employee will be paid at the top spinal column point of the grade for the post once the period of protection ends.
- 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 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).

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.

Severance payments and Pensions

Redundancy

If an employee is dismissed on the grounds of redundancy they will be eligible to a redundancy payment if they have at least 2 years of continuous service.

Where an offer of suitable alternative employment is refused unreasonably, the Council could withhold the redundancy payment.

Pension

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. This also applies in circumstances where an offer of suitable alternative employment is refused because the employee would still be dismissed on the grounds of redundancy.

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.

Efficiency of the Service

In exceptional circumstances, employees aged 55 or above, may be considered for early retirement on the grounds of the efficiency of the service. Approval would be required from the HR Committee for chief officers/directors and from the Head of the Paid Service for 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 subsequently they are made redundant 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 volunteered to reduce their hours.

Additional guidance and support

This policy provides you with an overview of the purpose of the policy and guidance on the process of applying 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

The consultation period during a change process

Job Evaluation

Equality Impact Assessments (EqIA)

Associated policies

Maternity and Caring Employees Scheme

Pay Policy

Redeployment Scheme

TUPE guidance

Working Arrangements Policy

Letters and forms

Managing Change Business Case

Confirmation of appointment: letter template

Confirmation of direct appointment: letter template

Equality Impact Assessment

Notice of Termination of employment: letter template

Post Creation / Amendment / Deletion Form



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Date adopted: 1 April 2010

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
V1.08	16 April 2024	Protection from redundancy during pregnancy and following maternity, adoption and SPL
V1.07	22 November 2022	General policy updates
V1.06	01 October 1 2021	Fixed broken links
V1.05	18 September 2017	Updated HR contact details
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."

