ORGANISATIONAL CHANGE POLICY AND TOOLKIT

Policy Schedule		
Policy owner and lead	OD/HR: HR Policy Manager	
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1. Introduction

1.1 Slough Borough Council recognises that we have a duty to deliver services in the most cost effective way possible and the need to remain responsive and flexible in the way services are organised. Where this results in a need to make changes to our organisational structures, working practices and staffing demands, we will do so in a way that is fair, consistent and transparent. We will also communicate with our employees and other key stakeholders in a meaningful, open and honest way.

1.2 The purpose of this policy and the supporting toolkit is to explain the principles of effective organisational change and provide tools and guidance to ensure change is undertaken and embedded successfully. Managed effectively organisational change will:

- follow a fair process;

- minimise any anxiety experienced by those affected by the changes

- include meaningful consultation with the appropriate employees, trade unions and other relevant stakeholders;

- communicate a clear timescale for the organisational change programme and ensure that the process is clear and understood by all relevant parties;

- actively encourage employee engagement;

- be consistent and maintain transparency.

1.3 The term 'organisational change' encompasses a wide range of circumstances including changes to individual positions, reorganising a service's staffing structure, reductions in staffing numbers and the closure or merger of services. Organisational change can range from a significant review of the way a service is delivered to something simpler such a review of how a specific piece of work is handled.

2. Scope

2.1 This policy and the supporting toolkit documentation (unless otherwise stated) apply to all permanent employees of the Council excluding:

- 'as and when' or sessional employees where there is no mutuality of obligation to provide/accept work by either party

- employees on a fixed term contract where the reason for their employment ending is the expiry of their contract

- external agency workers or those working on a self employed basis.

2.2   This toolkit and associated procedures do not apply to those employed in schools for which the Governing Body would be responsible. This policy with appropriate amendments may be adopted by Governing Bodies who will be required to make adequate and satisfactory arrangements of their own.

2.3   Where a service area is transferred to or from another employer, Transfer of Undertakings (TUPE) regulations will likely apply. Managers should contact their OD/HR Business Partner at the earliest opportunity for further advice and refer to the TUPE Guidance in Appendix F.

3.   Planning for organisational change

3.1   When considering an organisational change, a methodical approach should be taken to reviewing the service requirements and to planning for the organisational change programme. As a minimum, managers should ensure they have clarity on the purpose, scope and impact of any organisational change programme and be clear about how they will measure success. Managers are advised to engage with their employees as soon as possible to involve them in the process and seek views to inform their proposals. The time required to progress proposed changes should not be under estimated. It is expected that all job descriptions for the existing structure will be up to date before embarking on a change programme. Managers should ensure they allow adequate time and resource to implement changes and factor this in to any proposed implementation dates. They are advised to consult with OD/HR in this respect. Key elements to consider as part of the planning exercise are highlighted below.

        Purpose:

3.2   Key questions to ask yourself as the Manager leading the change include:

- What are you hoping to achieve by the proposed changes?

- Is this the right approach?

- Have other options been considered, what were they and what was the outcome?

- How does this fit with strategic direction of the service area and the Council?

3.3   Changes in staffing structures alone will not resolve issues of poor performance or other employment disputes and organisational change programmes should not be used as an alternative to managing such situations.   Performance management and employment disputes should be managed in accordance with the appropriate policies and further advice and support is available from the OD/HR service.

3.4   Who would be affected by the proposed changes, directly or indirectly?

3.5   How will the impact of a period of uncertainty on our customers and communities be minimised?

3.6   How can we ensure employees and others affected have the opportunity to inform and be involved in the organisational change programme? Should other areas and external parties such as clients and partners be involved?

3.7   How and when will you consult meaningfully with the recognised trade unions?

Impact:

3.8   Key questions to ask yourself include:

- What are the resource (staffing and financial) implications of the proposed changes?

- What are the actual costs and savings that would be achieved? Include the costs of any increased salary levels, changes to establishment, redundancy, pay protection and pension strain costs.

- What might the impact be on the service area and employees during the organisational change programme? For example, in a downsizing situation how can you help to keep employees motivated and engaged and continue to deliver the services required?

- How will you ensure that employees (including those on long term sick leave, on secondment or on family leave) are kept informed.

- How will you ensure that the relevant trade unions are communicated with in a timely, open and meaningful way?

- How else might you minimise any period of uncertainty for employees and the potential impact on productivity and service delivery? What support could be provided? For example, Employee Assistance.

- Are any employees in a situation where their actions could actually harm the service, for example those with access to commercially sensitive or highly confidential information, and if so are any contingency arrangements needed?

- What will be the medium and longer term effects of the organisational change programme on the ability to recruit and retain high quality employees?

Strategies to avoid compulsory redundancies:

3.9   In a downsizing situation managers should consider in advance which strategies could be used to avoid any compulsory redundancies. These could include:

- reducing the use of agency workers;

- natural wastage (e.g. not replacing an employee after they leave);

- offering employees the opportunity to apply for a reduction in working hours;

- redeployment of employees within the service area from posts 'at risk' of redundancy to more critical positions with the help of retraining;

- voluntary redundancy and early retirement programmes;

- a temporary recruitment freeze.

Monitoring Success:

3.10 Key questions to ask yourself:

- When and how will you monitor success?

- Has it delivered the savings/improvements sought?

- What indicators will be used to determine whether the organisational change programme has been successful?

- What data will you use to review these indicators?

- How will you manage any adjustments that might be necessary?

- How might you involve employees as part of monitoring success?

3.11 How effectively organisational change is managed sends a strong message about managerial style and organisational effectiveness. Undertaken badly, organisational change can have a long term and negative impact on employee engagement. By proactively engaging and supporting employees in times of change, we can demonstrate that we value our staff.

Change Implementation Team:

3.12 It is advisable to form a change implementation team at the earliest opportunity in order to drive the review, provide a range of experience and give professional advice and assistance throughout the organisational change programme.   This can be particularly helpful for more complex and larger scale change programmes.   The implementation team should consist of the appropriate manager/s and include representatives from OD/HR and Finance.

Authorisation:

3.13   Before proceeding with any organisation change it is essential to establish and obtain the appropriate authorisation. This will ensure that any organisational change programme will support the Council's strategic aims. Please see Appendix G Organisational Change and Redundancy Checklist with flowchart.

3.14   Before seeking formal authorisation Managers should engage with their employees and test out concepts for change and seek views on the options available.

3.15   Following this and taking into account the views of their employees wherever possible the Manager must share the details of their proposals with their Director to determine operational and strategic viability.

3.16   Subsequently they should discuss the matter with their OD/HR Business Partner and Finance to explore the proposal further and to also review the estimated cost of any severance or redundancy payments.

3.17   The proposals and business case to be included in the consultation must be endorsed by CMT before commencing consultation. CMT will assess the proposed changes against strategic aims of the Council and the financial viability of the plans. Please see the Approval of Business Case for organisational change in Appendix J.

3.18   No proposals for severance will be approved until their feasibility has been fully assessed by the relevant Director in consultation with officers from Finance and Human Resources.

4   Equality impact assessments

4.1   Managers must ensure than an equality impact assessment is carried out as part of the business case for organisational change.   A template for completing an equality impact assessment is provided in Appendix K.

4.2   An equality impact assessment provides a systematic analysis of the proposed organisational change to determine whether it would have a differential impact on a particular group. This can help to ensure that organisational change is implemented fairly. Particular groups of employees may experience barriers to participating in and engaging with an organisational change programme (for example employees with disabilities or on maternity leave) and an equality impact assessment will help to think through such potential barriers and how to respond to them effectively.

4.3   Whilst equality impact assessments require an initial investment in time to carry out data analysis they will help to reduce the more significant costs associated in responding to complaints or discrimination challenges that may otherwise arise if equality issues are not properly considered as part of the organisational change programme.

5   Communication and consultation

5.1   The Council has a statutory duty to consult with all affected employees and the recognised trade unions on any proposed organisational change.   This includes on areas such as:

- the proposed organisational changes and the rationale for such changes;

- the anticipated timescales;

- the processes that will be followed, including job matching, redundancy selection, redeployment and ring fenced recruitment where applicable.

5.2   Individual consultation must also take place with employees to discuss their individual circumstances, selection decisions and search for alternative employment where applicable.

5.3   The manager leading the organisational change programme will be responsible for leading the consultation process. The change implementation team (where this has been set up) will be able to provide support and advice.

5.4   To ensure a structured approach to the consultation process, a communication plan should be developed. The communications plan should cover:

- key messages regarding the business case for change;

- who we will be consulting with including clarification of which employees are in scope;

- the timetable for consultation (minimum 30 calendar days);

- a single point of contact to ensure there is no duplication of correspondence and to avoid any misunderstandings;

- frequently asked questions if developed;

- advice on what support is available to employees including details of the Employee Assistance Programme.

5.5   Where the need for organisational change is identified, it is essential to discuss the proposed changes with the individuals concerned and to commence consultation with the trade unions at the earliest opportunity.

5.6   It is best practice and should be achieved wherever possible, to provide the trade unions with the business case for organisational change prior to consultation with employees. The trade unions will ensure any information provided to them will be treated in strict confidence. Early notification will help the unions to arrange representation for consultation meetings and assist them with supporting their members as soon as consultation commences.

5.7   There is a requirement to consult with trade unions for at least 30 calendar days and for longer if there are a larger number of redundancies proposed. See table below and Appendix A Redundancy Procedure, Section 7.

Numbers of staff likely to be made redundant	Minimum Consultation period
20 and under 100 100 or more	30 days 45 days

5.8   Where the impact of any proposed change is minimal and does not involve redundancies, it may be possible to agree a shorter period of consultation with the recognised trade unions. Managers should refer to their OD/HR Business Partner for advice in this respect.

5.9   As a general guide, where the proposed changes will involve any of the following circumstances, consultation will be required:

- deletion of posts;

- redundancy;

- changes in the nature of the post e.g. leading to revisions of the job description (this may or may not lead to a change of grade);

- the creation of posts that substantially affect how services operate;

- any negative impact on the terms and conditions and/or working practices;

- changes involving outsourcing or partnership arrangements.

5.10 Changes in reporting lines are not generally considered a matter for formal consultation unless the change is accompanied by one of the above circumstances.

5.11 OD/HR can provide further guidance on whether proposed changes should be subject to consultation with the trade unions.

5.12 Consultation involves exchanging views and opinions in a meaningful way. Whilst consultation will not necessarily result in a mutually acceptable outcome, all views and suggestions should be openly considered.

Group Consultation Meetings:

5.13 Employees who are likely to be affected by the proposed changes, and the relevant trade union representative(s) will be invited to a group consultation meeting by the Manager leading the change and must provide a minimum of 5 working days notice. Trade union representatives will be given as much notice as practically possible to ensure they can arrange representation.

5.14 Prior to holding a group consultation meeting, managers should endeavour to notify employees who may be at risk of redundancy of the situation so that they have time to absorb the information and are prepared. In some circumstances the employee may decide that they would prefer not to be present at the group consultation meeting.

5.15 The group consultation meeting should cover the purpose and scope of the proposed re-organisation with an explanation of why this is necessary. It should also include details on how the changes will be implemented, together with timescales and the impact for all those involved including:

- strategies to try and avoid or minimise redundancy;

- dates of any subsequent consultation meetings;

- the reasons for any proposed staffing reductions, which may include financial information where relevant;

- procedures for any redeployment and/or job matching;

- the selection processes that will apply in ring-fencing situations;

- the process to be applied in considering applications for voluntary redundancy;

- consultation and implementation timescales;

- copies of job descriptions for any new posts (**please note that revised job descriptions may need to be assessed through the job evaluation scheme to determine the appropriate salary level prior to consultation starting**).

5.16 At the group consultation meeting the manager will provide each employee with written details outlining:

- details of the organisational change proposal;

- how the proposed changes could affect them (e.g. are they at risk of redundancy);

- an invitation to an individual consultation meeting (or the option to meet if not directly affected);

- an estimation of severance sums if available and applicable.

5.17 It is often helpful to provide staff with access to frequently asked questions and responses. If one employee asks a question it is likely that others will have similar queries. Frequently asked question documents can help ensure consistent responses and also provide a written document for employees to look back over during the consultation process if they need clarification. It will most probably be possible to anticipate some questions prior to consultation starting and these can be added to as more questions arise during the consultation process. Where frequently asked questions are developed, they will be made available within reasonable timescales as agreed at the first consultation meeting.

5.18 Managers may choose to hold a further consultation meeting during the consultation period. This can be particularly helpful for more complex organisational change programmes, for example TUPE transfers, to help ensure employees fully understand the reasons for the proposals.

Individual Consultation Meetings:

5.19 In addition to the group consultation meetings referred to above, directly affected employees should be consulted with on an individual basis. This provides them with the opportunity to discuss their own individual circumstances to and receive response in private. Employees have the right to be accompanied by a trade union representative or work place colleague at individual consultation meetings if they wish.

5.20 It is important to consider individual circumstances in any reorganisation and to discuss ways to help individuals overcome any barriers that they may have to the planned changes. For instance, it may not be as easy for an employee who is a carer to change hours or location due to their commitments outside of the workplace. By discussing the issues you may be able to work out a solution that meets both the individual and business needs such as allowing more notice for individuals to put alternative arrangements into place.

5.21 Where redundancies are likely, there are statutory consultation requirements to be fulfilled (see Appendix A Redundancy Procedure).

Absent employees:

5.22 All employees affected by the change must be consulted and kept informed, even if they are currently out of the workplace. This includes those absent on long term sick leave, maternity/adoption leave, secondments and career breaks. Communication should be tailored appropriately for the individual's circumstances and handled sensitively. Employees out of the office should be offered the opportunity to attend consultation meetings.

5.23 Managers with employees who are out of the workplace should refer to the Appendix P Guidance on consulting with employees absent from the workforce.

Closing Consultations:

5.24 All comments or suggestions raised during the consultation period must be considered and responded to in the form of a Response Document. It is important to ensure that decisions and the rationale behind such decisions are explained clearly to all parties involved. The response document should provide responses in respect of generic comments, queries and suggestions from staff. However individual specific queries should be responded to directly to the individual employee.

5.25 At the end of the consultation period, and following careful consideration of responses received, the manager will confirm the outcome. This may include:

- implementing the original proposals;

- implementing the proposal(s) with variation(s), arising from the consultation;

- withdrawing the proposal;

- significantly varying the proposal, which may necessitate a further period of consultation.

5.26 The manager will confirm, in writing, the outcome of the consultation to all affected employees including any responses to requests for voluntary redundancy or early retirement and hold a final individual consultation meeting with employees who remain at risk of redundancy. Employees will be provided with 5 working days notice of the meeting and may be accompanied by a trades union representative or work place colleague.

5.27 Note that any variations to the original proposal may require further consultation/extension to the consultation period.

6   Placing individuals in the structure

6.1 A job matching panel comprising of the manager leading the change consultation, an OD/HR   representative and a trade union representative will compare the old and new structures and posts in order to identify objectively the effect on each position and therefore the impact for each employee. If a trade union representative is not available to take part in the job matching process without causing unreasonable delays to the process then the panel will proceed (Manager and an HR representative).

6.2 A matching process will be used to determine the level of change to a position, with the decision being recorded on the job matching decision matrix, provided in Appendix L. The matching process will take account of overall purpose, main duties and responsibilities, job size, status, and skills/experience/competences required to perform the post

effectively to consider how similar the posts are to the previous posts. The final decision in respect of placing individuals within the new structure rests with the Manager leading the change.

6.3   It is essential that the postholder's job description being reviewed as part of the job matching process is up to date and reflective of their current duties and responsibilities.

6.4   See Appendix C Job Matching Procedure which provides detailed guidance in respect of the process that should be applied.

6.5   There are arrangements for placing employees on maternity or adoption leave in the new structure to ensure that they are not disadvantaged by their absence. See Appendix P Guidance on Consulting with Employees Absent from the Workforce and Appendix A Redundancy Procedure.

6.6   Possible outcomes of a job matching process;

Possible outcomes of job matching process	
Match	Posts are considered to be a match if the overall purpose, duties, job size, status, skills, competences and experience required to undertake the post match the previous role by 70% and are no more than one pay grade different (up or down) .
Ring Fencing	Where more that one postholder has been matched to the proposed new post and there are more people than posts, then not everyone in the posts can be directly appointed to the posts available. Because of this, the post will be filled through 'ring fenced' recruitment, which will be an internal interview process for every person who is eligible.
Restricted Competition	Any remaining comparable roles in the new structure no more than one pay grade different will be placed for 'Restricted Competition' to (and in order of priority) Pool 1 - the remaining employees who are at risk of redundancy in the existing structure Pool 2 – employees who have been acting up to more senior positions or on secondment to posts within the structure for more than 12 months. These employees will be invited to express their interest in being considered for a vacant role. If they match the person specification and job description requirements (i.e. have similar skills and experience) they will be invited for an interview to demonstrate their suitability to be appointed to the role prior to

	posts being advertised more widely.
	Further to 'Restricted Competition' if vacant posts still remain in the new structure, the posts will become available for redeployees then open competition.
	In exceptional circumstances, where there is likely to be a skill shortage or the post is business critical, permission may be sought from the Service Lead, People to allow the post to be available for 'open competition' in parallel with the Restricted Competition process.
No match	Applies if there is no match and the employee is at risk of redundancy. Redeployment/suitable alternative employment opportunities should be considered.
Redeployment/Suitable alternative employment	This applies when a post has been identified as suitable alternative employment for an employee who is at risk of redundancy. If suitable alternative employment is found and refused by the employee they will be considered to have resigned and a redundancy payment will not be paid. However, if the employee is offered a post that doesn't meet the criteria for suitable alternative employment but is nevertheless an alternative post, the individual may refuse the post and will still be entitled to a statutory redundancy payment.

Employees acting up /secondment

6.7 An employee acting up/on secondment whose substantive role is affected by an organisational change programme must be included in the consultation process for their substantive post and where appropriate, any further selection processes.

6.8 Where an employee has been acting up for at least 12 months and there are vacancies at the higher level, they will be eligible for restricted competition to these posts (invited to express an interest and if they have similar skills and experience and match the person specification then they will be invited for interview to demonstrate their suitability to be appointed to the role before the post is advertised more widely). This will be after the remaining employees in the existing structure who are at risk of redundancy have had the opportunity to express an interest in remaining vacancies and have been considered.

6.9 Where an employee on secondment has been in the post for 12 months or more, they will be eligible for restricted competition – as above.

6.10 If an employee on acting up/secondment is not successful in being appointed to the new post they will return to their substantive position.

6.11 Managers should keep in contact with the manager of the seconded employees' substantive post if there is any likelihood that the secondment may end early as they may have temporary cover in place.

7 Selection criteria

7.1 If ring-fencing applies then the manager will need to consult with the relevant trade unions and employees affected on the selection process to be applied as part of the consultation process. See Appendix C Job Matching Process.

7.2 The selection framework must be clearly understood by both the trade unions and affected employees and will be applied fairly and consistently. Selection criteria should be robust and justifiable and include:

7.3 measures of selection criteria;
• essential requirements for revised posts.

The range of fair selection criteria includes:

• skills, qualifications and aptitude;
• standard of work and/or performance;
• sickness absence (excluding any absence related to disability or maternity);
• disciplinary record.

7.4 To aid selection, employees may be required to complete/undertake an application form, a paper-based review, formal interviews, assessment tests or a combination of these. Consideration of the seniority, salary level and requirements of the post should be taken into consideration when determining how to measure employees against the selection criteria in a fair and consistent manner.

7.5 Employees should be provided with information about the new post including the following:
• the application and selection process that will be applied;
• the essential requirements of the post (person specification);
• the main duties and responsibilities of the post (job description);
• details on hierarchy status such as reporting lines and number of direct reports.

Paper-based review:

7.6 A paper-based review may be conducted to assess each employee against the agreed selection criteria. This may take the form of an application form or an expression of interest with a supporting statement.

Interviews:

7.7 Employees in the selection pool may be required to attend a formal interview. Applicants may be assessed and rated against the person specification criteria for the new post.

7.8 Interviews should be undertaken in accordance with the Council's recruitment and selection policy and procedure. This will include giving consideration to the diversity of panel members and ensuring panel members have completed the relevant training. To ensure objectivity, it is best practice that interview panels include at least one person external to the service area.

Assessment tests:

7.9 For more senior positions it may also be beneficial to include a range of assessment tests such as written exercises, presentation and/or psychometric/ability tests. Such assessments should be undertaken in accordance with the Council's recruitment and selection policy and procedure. Further advice is available from OD/HR on the range of assessments available.

Selection criteria and absence:

7.10 If sickness absence is to be included as part of the selection criteria for redundancy, the manager should satisfy themselves that all absence have been accurately recorded to ensure that no-one is disadvantaged. It is important that any absence related to maternity or a pregnancy-related illness, disability and/or an accident at work is not taken into account. Additionally, absences related to caring or carer responsibilities should also not be considered.

7.11 **Selection Criteria and disciplinary/capability records:**

7.12 In general, only active disciplinary or capability sanctions/actions should be considered in the assessment. The exception may be with safeguarding cases where the disciplinary or capability involves or has involved vulnerable children or adults. In these instances, advice must be sought from OD/HR.

Decisions:

7.13 The manager should review the assessments of each applicant against all weighted selection criteria. Managers should ensure all selection decisions are supported by comprehensive paperwork that clearly demonstrates the decision making process. Selection records should be retained securely for 12 months.

7.14 For posts that have not substantially changed and are largely the same but their numbers have decreased in the new structure, the applicants that score the highest ratings will be appointed to the post. Where there are close scores, the manager may wish to review the exercise to ensure they have acted fairly.

7.15 Employees who do not secure a post in the new structure will be placed on the Council's redeployment register. This ensures that they are able to apply for other alternative positions in the Council and given prior consideration over other candidates where applicable.

7.16 At the conclusion of the selection process, managers should confirm in writing to employees in the selection pool whether they have been appointed to a post in the new structure or if they will be placed on the redeployment register and issued notice of redundancy.

7.17 Where an employee is appointed to a post in the new structure, both the manager and the employee should look at the requirements of the new role and establish new objectives and a personal development plan, to be monitored through the appraisal process.

8   Appeals

8.1 Should an employee wish to appeal against their selection for redundancy they may appeal following the process in Appendix A Redundancy Procedure.

9.1   Monitoring

9.1 The application of this policy, toolkit and associated procedures will be monitored to ensure fair and consistent treatment for quality standards to be maintained. Directors are responsible for monitoring the implementation of the policy in their own departments and OD/HR will monitor on a corporate basis. OD/HR is responsible for auditing all aspects of the application of the policy to ensure that quality standards are being maintained and to inform and advise members and directors on issues arising from the monitoring information.