



Managing Organisational Change, Restructures and Redundancies

1 Introduction

Northampton Borough Council values its employees and aims to manage all employment related matters in a fair, transparent and consistent manner. This procedure, which has been produced in consultation with the Trade Unions, sets out the processes and procedures we will follow when implementing major organisational change that may involve the possibility of redundancies. Management and the Trade Unions are committed to working together through all stages of this process.

For minor organisational changes that do not involve redundancies employees should refer to the “minor restructures policy”.

A minor change, could be a change of office location.

A major change is one that results in redundancy or another major change in employment,

2 Scope

This procedure applies to all employees of Northampton Borough Council. This framework does not apply to positions that transfer to another employer as a result of organisational change (Transfer of Undertakings).

3 Approach

The Council is committed to providing continuous employment. However, there are times when it may be necessary to make changes in the organisation to improve performance, the services we provide, for efficiency reasons or to deliver new initiatives. When this happens, we will:

- Aim to minimise redundancies;
- Follow the agreed procedure for any redundancies that do occur;
- Carry out meaningful consultation with staff and the Trade Unions;
- Seek alternative employment for all potentially redundant employees;
- Provide timely communication and support to our staff..

4 Planning Organisational Change

The Directors have delegated responsibility for planning reorganisations within their own Directorates and the decision to begin this process rests with them. However, the Director of Finance & Support and the Head of Human Resources will approve the business case for change and decide whether the Chief Executive and/or Cabinet needs to be consulted.

Management, supported by HR, Legal and Finance, are accountable for justifying planned organisational changes. This includes looking at the financial implications of any changes (including any potential redundancies) before beginning any formal consultation with Trade Unions and staff. However, at this stage it is likely that initial discussions on the proposed changes will take place with the recognised Trade Unions.

Managers must consult:

- The Finance Department for estimates of benefits and costs, (this should be done at an early stage, before formally progressing proposals, to assess if the change is viable);
- The Human Resources Department for advice on the employment issues;
- The Legal Department for advice on any key decisions

An overview of the process of planning major changes is shown in the flowchart attached at Appendix 1.

It is recognised that these major changes are unsettling for employees and that the aim should be to complete the process in the shortest practical time, whilst allowing for meaningful consultation.

For smaller changes within the organisation that may result in variations to employee's terms and conditions, the Council's "minor restructures policy should be accessed and used in conjunction with the Flexible Working Hours document, both of which are available on the Council's Intranet.

5 Internal Consultation

The process of consultation involves giving any person likely to be affected by the changes a fair and proper opportunity to understand fully the matters about which they are being consulted and to express views on those subjects, with full consideration being given to those views. The aim of consultation is to seek mutually acceptable solutions, although recognising that the process of consultation may not always achieve this. Consultation is a means by which alternative options can be put forward and considered with the arguments for and against them being aired, without the necessity to reach agreement.

The purpose of consulting staff and Trade Unions is to encourage cooperation in finding solutions, share concerns and explore options. Trade Unions and NBC managers consult in the MTCUM forum, this ensures meaningful consultation during the period of change. At any stage during the consultation process there will be opportunities for individual employees to seek clarification regarding their own situation with Management and/or Trade Union Representatives.

We will endeavour to offer a minimum period of 30 days' consultation, regardless of how many jobs may be at risk of redundancy, we also want to ensure that any consultation is meaningful.

Statutory Consultation periods

There is also a legal requirement to consult where redundancies are proposed, as follows:

Table of statutory consultation periods

No of People to be made redundant	Consultation period	When to start
1-19	None specified	Earliest opportunity

20-99 (with a 30 day period)	30 days	30 days before 1 st dismissal
100 or more (within a 45 day period)	45 days	45 days before 1 st dismissal

If 20 or more redundancies are identified, notification must be sent to the Secretary of State for Employment on the [form HR1](#). The relevant Trade Unions will also be sent a copy.

It is important to note that the consultation periods stated above relate to *number of employees* potentially redundant, as opposed to number of posts. This will be particularly relevant where more than one employee occupies a generic post.

The Application of Redundancy Framework attached at Appendix 1 outlines what should be covered at each stage of the process.

Before any dismissal takes place, the Council will, as a minimum, always follow ACAS best practice and take the following steps:

- **Step 1 – Consult** – outline in writing the reasons for and nature of the organisational change and give a copy to the employee(s).
- **Step 2 – Meet and follow up** – each affected employee will be invited to a meeting to discuss. The decision of redundancy will be confirmed in writing, including details of the right to appeal.
- **Step 3 – Opportunity to appeal** - if an employee feels the decision is unfair.

To ensure we comply with the above, the consultation plan will include individual consultation meetings with all employees declared at risk of redundancy. This includes any employees who are currently away from work due to maternity/adoption leave or who are on long terms absence. A colleague or Trade Union representative may accompany employees to the meeting if the employee wishes to be accompanied.

6 Redundancy Process

Definition

Redundancy occurs when a job has disappeared because:

- The Council is no longer going to carry out the business or service for which the person was employed;
- The Council is no longer carrying out the business or service in the place where the person is employed (in and around Northampton);
- The requirement to carry out work of a particular kind has ceased or diminished. This includes significant change to working practices, resulting in a requirement for different skills, perhaps as a result of re-organisation of services.

7 Avoiding Redundancies

The Council will aim to avoid compulsory redundancies where possible by aiming to:

- Offer suitable alternative employment where a vacancy exists;
- Restrict recruitment in areas where suitable alternative jobs may exist;
- Restrict or reduce the services of sub-contractors or agency workers in areas where suitable alternative jobs could exist;
- Reduce overtime in areas where it will reduce the threat of redundancy or provide job opportunities by doing so;
- Examine the opportunities for re-training and redeployment to other jobs;
- Take into account individuals' preferences where possible, such as requests for a reduction in hours, or a transfer to a different job or location;
- Consider requests for voluntary redundancy or early retirement (But see 8 below).

8 Voluntary Redundancy

If the measures outlined in 7 above are insufficient to achieve any necessary reduction in the workforce, expressions of interest in voluntary redundancy may be invited from selected groups of employees.

Voluntary redundancy/voluntary early retirement may not always be considered for financial and operational reasons and the Council will aim to find suitable alternative employment for all redundant employees, even if they have stated a preference for voluntary redundancy.

However, as a last resort before implementing compulsory redundancy, employees' preferences for voluntary redundancy and/or retirement may be taken into account in conjunction with the business requirements. For example, preferences for voluntary redundancy may be considered along with other selection criteria if candidates for new positions have equal skills and experience, and redundancy costs are similar.

There may also be provision for transferred redundancies, known as "bumped redundancy", in accordance with current employment legislation.

Applications will be considered in the light of the need to maintain a balance in the workforce relating to skills and experience to meet the future needs of the Service(s) concerned, as well as the cost to the Council of agreeing to a request for voluntary redundancy/voluntary early retirement. The final decision to accept/reject an application for voluntary redundancy rests with management.

9 Selection Criteria

Full details on redeployment options and appropriate selection criteria are set out in the "Managing redeployment due to redundancy" policy:

However, any selection criteria used, should not discriminate against pregnant employees, for example; pregnancy related absence should not be used in attendance related selection criteria.

10 Compulsory Redundancies

Compulsory redundancy will not be considered until all other avenues have been explored and exhausted. In considering compulsory redundancy the Council will have due regard to equal opportunities legislation.

Should compulsory redundancy become necessary, each individual case will be considered on its merits and will be subject to consultation. The criteria on which the final decision will be based is as follows:

- The need to maintain a balance in the workforce relating to skills and experience to meet the future needs of the service concerned.
- The outcome of the selection process.

11 Redundancy Payments

10.1 Employees with more than two years' service will be entitled to redundancy pay in line with Local Government guidelines and statutory provisions. Redundant employees will receive two elements of their final pay:

- Normal pay (including pay in lieu of any outstanding leave) up to the agreed leaving date;
- A redundancy payment (where entitled) calculated in accordance with the statutory provisions;

In exceptional circumstances, the Council reserves the right to make a payment in lieu of notice. This will only be considered if it is in the best interests of the Authority, or on compassionate grounds, and will require authorisation by the Director of Finance & Support, the Head of Human Resources and the Chief Executive.

10.2 The same provisions apply whether the employee agrees to retire voluntarily or is made compulsorily redundant.

10.3 The redundancy payment provisions are as follows:

Based on actual weekly pay for full time employees (at the applicable rate at the time) for each completed year of service between the ages of:

- Up to 21 .5 weeks' pay
- 22-40 1 weeks' pay
- 41+ 1.5 weeks' pay

This is subject to a maximum 30 weeks' pay based on the last 20 years' service.

Pension – To be eligible for early release of pension benefits an employee must be:

- 55 or over;
- in the LGPS with at least 3 months membership or with transferred service The scheme gives;
- early release of pension (which is unreduced);
- payment of pension lump sum;
- Redundancy payment as detailed above.

10.4 The business case for any proposed early retirement(s) on grounds of redundancy and/or redundancy payment(s) must be demonstrated. The business case must include:-

- The costs of the proposed early retirement/redundancy payment(s)
- The on-going savings to be achieved
- The timescales within which the savings will be made, which should be achieved within a 3 year period.

The business case must clearly show that there are significant on-going savings which are achievable after all the costs associated with the early termination of employment have been

met. The Business case must be endorsed by the Director responsible for the service area where proposed changes will be implemented or the Chief Executive where the proposals will be implemented on a Council wide basis. The business case will be submitted to the Head of HR and another Director who will independently examine the merits of the case and make written recommendations to the Chief Executive. The decision to approve the proposed early termination of employment and the associated severance payments will be made by the Chief Executive. A record of approved and rejected proposals will be maintained by HR.

12 Support for Redundant Employees

Northampton Borough Council recognises that major changes and the risk of redundancy can be a stressful and unsettling time. Managers, with the support of Human Resources, are committed to helping employees by:

- Maintaining regular and effective two-way communication with staff during any reorganisation;
- Supporting employees in their development so they can work towards a new job which may require different skills;
- Allowing reasonable paid time off during working hours to seek alternative employment.

13 Appeals against Redundancy Dismissal

Employees who are selected for redundancy, or dismissed by reason of redundancy have the right to appeal if they feel that any aspect of the decision is unfair.

13.1 Employees are entitled to register an appeal once notice of redundancy has been issued (before the proposed dismissal date) to: an appropriate Director/Assistant Chief Executive. This Director/Assistant Chief Executive will be outside of the immediate area(s) affected by the redundancy).

- The employee has the right to be accompanied by a Trade Union representative or work colleague at the appeal meeting.
- The employee has 10 working days to lodge an appeal following written confirmation of the outcome of the selection process.
- Statements must be submitted 3 working days before the appeal hearing.
- The aim is to resolve within 15 working days.
- The decision of the Director/Assistant Chief Executive is the final stage in the appeals process..

Appendix 1 Business plan and Consultation Flowchart

