



## General Purposes Committee

**Tuesday, 26 January 2010 at 7.00 pm**

Committee Room 1, Brent Town Hall, Forty Lane,  
Wembley, HA9 9HD

### Membership:

#### Members

Councillors:

John (Chair)  
Blackman (Vice-Chair)  
Bessong  
Beswick  
Butt  
Colwill  
Dunwell  
Lorber  
Sneddon  
Wharton

#### first alternates

Councillors:

Powney  
Kansagra  
V Brown  
R Moher  
Arnold  
Baker  
  
Dunn  
Tancred  
Green

#### Second alternates

Councillors:

Long  
Van Colle  
Clues  
Moloney  
Mrs Bacchus  
Detre  
  
Hirani  
Matthews  
Corcoran

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020 8937 1358, [elly.marks@brent.gov.uk](mailto:elly.marks@brent.gov.uk)

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**The press and public are welcome to attend this meeting**

# Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members

Item	Page
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<b>1</b>	<b>Declarations of personal and prejudicial interests</b>	
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Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.

<b>2</b>	<b>Minutes of the previous meeting</b>	1 - 4
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<b>3</b>	<b>Matters arising (if any)</b>	
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<b>4</b>	<b>Deputations (if any)</b>	
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<b>5</b>	<b>Managing Change Policy and Procedure</b>	5 - 70
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This report covers the revision of the Managing Change Policy and Procedure and sets out the rationale for the revision and principle changes that are proposed. The report seeks the endorsement of the General Purposes Committee as set out in the recommendations.

**Wards Affected:** All Wards; **Contact Officer:** Tracey Connage, AD  
Human Resources  
tracey.connage@brent.gov.uk

<b>6</b>	<b>Calculation of Council Tax Base 2010/11</b>	71 - 78
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This report sets out council tax base calculations to be used for 2010/11. The level of council tax base set is used in the calculation of the council tax for 2010/11. Regulations require that the council tax base is set by 31 January prior to the start of the financial year.

**Wards Affected:** All Wards; **Contact Officer:** Duncan McLeod,  
Director of Finance and Corporate  
Resources  
Tel: 020 8937 1424  
duncan.mcleod@brent.gov.uk

Under the One Council initiative the Council has launched a range of projects designed to achieve significant cost savings and deliver quality services. One aim is to ensure better procurement of services from external organisations. As some procurements require the transfer of staff it is timely that there is consolidation of the Council's approach to Admission Agreements that allow transferring staff continued access to the Local Government Pension Scheme (LGPS).

**Wards Affected:** All Wards; **Contact Officer:** Graham Ellis, Director of Business Transformation  
Tel: 020 8937 1089  
graham.ellis@brent.gov.uk

**8 Appointments to Sub-Committees / Outside Bodies (if any)**

**9 Any Other Urgent Business**

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.

**10 Exclusion of Press and Public**

The following item (circulated separately) is not for publication as it relates to the following categories of exempt information as specified in the Local Government Act 1972 namely:

"Information relating to the financial or business affairs of any particular person (including the authority holding that information)" and

"Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings".

**11 Pension Arrangements for Staff transferring to the Camden Society**

On 16<sup>th</sup> November 2009 the Executive approved the award of the contract for Residential and Respite Care Services for People with Learning Disabilities to The Camden Society. That approval was subject to the "resolution of pensions arrangements and to subsequent endorsement of arrangements by the General Purposes Committee". This report proposes how the pensions arrangements should be resolved and seeks endorsement of such arrangements.

*(Circulated separately)*

**Wards Affected:** All Wards; **Contact Officer:** Graham Ellis, Director  
of Business Transformation

Tel: 020 8937 1089

graham.ellis@brent.gov.uk

## 12 Date of Next Meeting

Additional meetings of the Committee will be convened if business requires this.



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.
  - Toilets are available on the second floor.
  - Catering facilities can be found on the first floor near the Grand Hall.
  - A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge



## LONDON BOROUGH OF BRENT

### MINUTES OF THE GENERAL PURPOSES COMMITTEE Tuesday, 24 November 2009 at 6.30 pm

PRESENT: Councillor Blackman (Vice-Chair in the Chair) and Councillors Bessong, Beswick, Butt, Dunwell and Sneddon

Apologies were received from: Councillors John, Colwill, Lorber and Wharton

1. **Declarations of personal and prejudicial interests**

None declared

2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on Tuesday 3<sup>rd</sup> November 2009 be approved as an accurate record of the meeting.

3. **Matters arising (if any)**

None.

4. **Deputations (if any)**

None.

5. **Revised Recruitment and Selection Policy & Procedure**

Councillor Sneddon (Lead Member for Human Resources and Diversity, Local Democracy and Consultation) introduced the report from the Assistant Director of Human Resources which set out the details of the proposed revised recruitment and selection policy and procedure. He explained that the purpose of the policy review was to provide a modern recruitment framework that would meet the council's requirements to successfully recruit and retain a talented workforce.

The Assistant Director of Human Resources set out the three key changes to the policy and procedure, which were the use of internal recruitment when appropriate, the use of e-recruitment and the use of CVs (curriculum vitae) in the application process. Following a concern raised around the issue of equality and internal advertising, the Assistant Director assured the committee that procedures would be put in place to ensure that the council's equality policies and equality legislation were not breached. She explained that the Assistant Director of Human Resources, or her delegated representative, in consultation with the relevant

director would be responsible for the approval and decision as to whether internal advertising was appropriate.

In response to an enquiry regarding whether internal advertising would be used for just junior positions, the Assistant Director explained that it could be used for both junior and senior positions, depending on what was appropriate. She noted that since joining the council in 2005, a consistent message which had come out of the staff surveys was that many staff believed that there was not enough priority being given to developing the council's own staff. This revised policy and procedure, she explained, would give the council an opportunity to address this need, whilst also ensuring that council processes remain fair.

Following a concern raised as to whether job descriptions would be flexible and adaptable enough to reflect changing circumstances, the Assistant Director assured the committee that the council was aware of the need for job descriptions to have flexibility built into them. It was noted that the changes to the policy and procedure would have no bearing on the composition and workings of the appointment board for senior positions.

RESOLVED:-

- i) that the policy and procedure (attached as appendices one and two to the report from the Assistant Director, Human Resources) be approved and adopted by the council with immediate effect specifically proposals for implementing:
  - E-Recruitment (I-grasp)
  - Internal advertising
  - The use of CVs (curriculum vitae);
- ii) that the Assistant Director, Human Resources, be authorised, after consultation with the Borough Solicitor and then consultation with the relevant trade unions, to amend the Recruitment Policy and Procedure from time to time;
- iii) that the Assistant Director, Human Resources, be authorised, after consultation with the Borough Solicitor, to issue supplementary guidance to managers on recruitment issues from time to time.

## 6. **Appointments to Sub-Committees / Outside Bodies (if any)**

RESOLVED:-

that approval be given to the following changes to committee membership:-

*GP Licensing Sub-Committee*

Delete Councillor Eniola  
Insert Councillor Joseph

*Senior Staff Appointments Sub-Committee*

Delete Councillor Eniola as 2<sup>nd</sup> alternate to Councillor John  
Insert Councillor Long as 2<sup>nd</sup> alternate to Councillor John

*Staff Appeals Sub-Committee A*

Delete Councillor Colwill  
Insert Councillor Joseph

Delete Councillor Eniola as 1<sup>st</sup> alternate and insert Councillor Colwill

RESOLVED:-

that approval be given to the following changes to outside body membership:-

*London Councils Health & Social Care Forum*

Delete Councillor Mrs Fernandes  
Insert Councillor Colwill

*London Councils Economic Development Forum*

Insert Councillor Steel as Deputy

**7. Any Other Urgent Business**

There was none.

**8. Date of Next Meeting**


It was noted that the date of the next meeting of the General Purposes Committee was scheduled for the 26<sup>th</sup> January 2010.

The meeting closed at 6.50 pm

B BLACKMAN  
Vice-Chair in the Chair

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	<p style="text-align: center;"><b>General Purposes Committee</b> <b>26<sup>th</sup> January 2010</b></p> <p style="text-align: center;"><b>Report from the Assistant Director of</b> <b>Human Resources</b></p>
For Action	Wards Affected: All
<p style="text-align: center;"><b>Managing Change Policy and Procedure</b></p>	

Forward Plan Ref:

## 1.0 Summary

This report covers the revision of the Managing Change policy and procedure and sets out the rationale for the revision and principle changes that are proposed. The report seeks the endorsement of the General Purposes Committee as set out in the recommendations

## 2.0 Recommendations

It is recommended that the General Purposes Committee agree:

- 2.1 The content of the new Managing Change Policy and Procedure.
- 2.2 That training and development initiatives are put in place by the Corporate Learning & Development Team, to equip managers and HR personnel for their new roles under the new policy and procedure.
- 2.3 That the Assistant Director, Human Resources, is authorised to determine the effective date at which the new Managing Change Policy and Procedure is implemented across the Council, such as to ensure by that date the above mentioned training and development initiatives have been put in place to ensure effective implementation.
- 2.4 That the Assistant Director, Human Resources, is authorised, after consultation with the Borough Solicitor and then consultation with the relevant trade unions, to amend the Managing Change Policy and Procedure from time to time.

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Meeting  
Date

Version no.  
Date

### 3.0 Detail

- 3.1 The Improvement and Efficiency Plan required a new approach to managing organisational change and identified that Brent would undergo unprecedented transformation between 2010 and 2014. This required a Managing Change policy that would be responsive, fair, user-friendly and cost effective. The focus of the revised policy therefore needed to emphasise the minimisation of redundancy where practicable and encourage the transferability of employee skills. The policy also needed to ensure that the Council retained employees with core skills.
- 3.2 The new Managing Change policy and procedure (attached at Appendix 1) provides a framework for managing change in a clear stage by stage process with key safeguards built in to ensure change is in line with organisational objectives. This has been developed in conjunction with Legal Services.
- 3.3 The new Managing Change policy and procedure applies to all employees of the Council. The policy does not apply to employees of Brent based in schools where the school's delegated budget has not been suspended and where the governing body has not elected to adopt this procedure.
- 3.4 The overall intention of the Managing Change policy is to provide a structured framework for dealing with organisational change during a period of downsizing. This will provide more autonomy for managers to assess the skills and competencies they require when assessing suitability for roles. This also allows employees to demonstrate transferable skills and thus provide new job opportunities.
- 3.6 The new Managing Change policy provides:
- A set of key principles that underpin the approach, including:
    - Organisational change will become business as usual
    - Staff should expect that all jobs will need to change
    - Redundancies will be minimised and avoided where practicable
    - Job security and employability will be promoted
    - Transferable skills will be identified and developed
    - Redeployment to alternative roles will be promoted
    - Redundancy will be the exception not the rule
    - Fair treatment and support for staff face redundancy

The main revisions to the policy are:

- **Avoiding compulsory redundancy.** This section details the attempts the council will make to avoid compulsory redundancy.
- **Establishing a redundancy selection pool.** This provides an objective method for the council to select employees for redundancy where change has been proposed.

- **Competitive Assimilation grades.** Staff will be considered for roles that are 1 or 2 grades up or 1 grade down from their existing grade to enable greater flexibility for managing change (assimilation was previously restricted to the same grade)
- **Ring fenced interviews grades.** As with above employees will be ring fenced for roles which are 1 or 2 grades up or 1 grade down from their existing grade to enable greater flexibility for managing change (ring fenced interviews were previously restricted to 1 grade difference up or down).
- **The skills matching process.** A new skills matching process will be carried out by the manager responsible for the change (previously job-matching carried out by job evaluation team). The aim is to give managers more autonomy and accountability for managing the change process whilst ensuring the needs of the role are translated into required skills.
- **Extended trial period.** Where staff accept an alternative post on the basis of acquiring new skills / or new ways of working (new systems / technology) an extended trial period of normally 8 weeks will be in place.
- **Pay protection.** Where employees accept a job on a lower grade they will be paid their previous substantive salary for one year. Previously employees were paid at the maximum scale point of the grade immediately below that of their former substantive post. The efficiency justification is to reduce potential redundancy claims and associated costs. The aim is to ease the transition for moving potential redeployees to lower graded posts by guaranteeing 1 year protection of status.
- **Criteria for severance pay.** A new criteria for severance pay has been developed which provides that the severance payment paid in addition to the statutory redundancy payment is only payable if the employee has a satisfactory performance, attendance and disciplinary record.
- **Appeal Process.** The appeal process is now in writing only, to a manager who should, as far as is reasonably practicable, be more senior than the manager who made the decision appealed against. The previous policy allowed for a hearing, however there is now no legal requirement to hold an appeal at all.

#### 4.0 Impact on other policies and procedures

- 4.1 The Pay Protection, Redeployment and Redundancy, Severance and Pension Policies have been amended to reflect the revisions to the Managing Change Policy.

## **5.0 Financial Implications**

- 5.1 The pay protection proposal will have implications for the cost of managing change. However, the impact is limited as the maximum payment period remains at one year. It is anticipated that implementation of the policy will reduce redundancy/severance costs overall by reducing statutory redundancy payments for employees who refuse alternative jobs and that redundancy costs will also be reduced through more flexibility in the redeployment/job matching processes. The criteria for severance pay will help the council to reduce costs of redundancy by introducing criteria for the first time.

## **6.0 Legal Implications**

- 6.1 The revised policy and procedure fully meets the council's statutory obligations in relation to the handling of organisational change and the policy has been developed in the context of the legal framework as currently understood. Legal advice has indicated that the policy will adhere to employment law and anti-discrimination principles.

## **7.0 Diversity Implications**

- 7.1 The policy is designed to meet requirements of current diversity and anti-discrimination legislation and contribute positively to the achievement of the council's diversity strategies. An impact assessment will be underway on the policy and procedure. It is anticipated that this will have a positive impact on enhancing job opportunities for minority staff.

## **8.0 Staffing/Accommodation Implications**

- 8.1 This policy is designed to improve retention of staff.

### **Contact Officer:**

**Marcelle Moncrieffe-Johnson, Strategic HR Manager (Business Transformation)**



# **Managing Change**

**Policy v8**

**January 2010**

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## The Policy

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### 1. Purpose

This policy sets out how the council will approach and manage organisational change. The main aim of the policy is to ensure fair and effective procedures are followed in managing staff involved in change including informing and consulting individuals and unions.

The Council is committed to ensuring that it has an effective organisational structure in place which delivers cost effective, integrated services which meet the organisation's vision, values and performance objectives and delivers excellent services to the people of Brent. The focus on excellence in delivery means that the structure of the organisation may be altered, new working methods may be introduced and employees may be required to perform new tasks, to work different hours, work in different locations and participate in other changes to their roles. While change is inevitable where service delivery is of paramount importance, the Council recognises the uncertainty that it can bring if not managed properly and will implement any requirements to reorganise its operations using a fair and reasonable process which fully informs unions and employees of the business needs and consults with them appropriately

### 2. Scope and Exceptions

This policy will apply in all change proposals involving reorganisation except where there are:

- Creation of new posts only
- Changes to line management only
- Variations are proposed to an employee's or to a number of employees' job descriptions which the manager does not consider significant

Note: establishment control protocols must be followed from 1 January 2010

The contracting out of part of the Council's operations is referred to in this policy as part of the reorganisation process, but does not come within the scope of this Policy. Outsourcing is dealt with in the Council's Blue Book provisions.

The following staff are covered by this policy:

All employees covered by NJC conditions of service for Local Government Services or the JNC conditions of service for Chief Officers in Local Authorities who are permanent employees of the Council or temporary employees covered by either of those conditions of service who have 12 months' continuous employment with the Council by the date of the implementation of the organisational change or change to terms and conditions of employment.

All permanent support staff in schools except where it refers to the award of severance under the Local Government (Early Termination of Employment) (Discretionary Compensation (England and Wales) Regulations 2006. This part of the policy may apply only where either the school's delegated budget has been suspended or where the governing body elects to adopt this procedure.

*Nothing in this policy, or the other policies and procedures referred to in this policy is intended to be contractually binding upon the Council, and the provisions may be unilaterally varied by the*

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*Council after such consultation with the trade unions recognised by the Council for collective bargaining purposes ( "recognised trade unions") as the Council considers to be reasonable and appropriate.*



### 3. Principles

**The key principles are:**

- Organisational change will become business as usual
- Staff should expect that all jobs will need to change
- Redundancies will be minimised and avoided where practicable
- Job security and employability will be promoted where practicable
- Transferable skills will be identified and developed where practicable
- Redeployment to alternative roles will be promoted where practicable
- Redundancy will be the exception not the rule
- Fair treatment and support for staff face redundancy

The policy will assume that planned, strategic and coordinated change is the norm and that ad hoc change is the exception. The purpose of this is to allow the Council to respond to unprecedented service and transformational change. Over the coming years this policy will need to be flexible enough to deal with fundamental changes to the structure and functions of the organisation. Therefore, we need to be more flexible in our approach to changing job requirements.

In order to do this we need to build the understanding/expectation that most jobs will change. This will require leadership and cultural change in mindsets of all staff. This policy will enable managers and staff to assume transferability of skills and competencies in old and new roles. This will require adequate learning and development interventions and assessments based on skills and competencies rather than job descriptions. By moving to skills and competency based assessments we will be able to match a greater number of people to posts than we have been able to in the past.

The policy aims to prevent and /or minimise redundancy where practicable . This means that where possible redundancies will only be based on reductions in the number of posts available, whereas current practice is that redundancies also occur largely because of changing job roles.

The reason for focussing on preventing and minimising redundancy where practicable is to ensure job security in the current climate, which is a positive message for staff. The other factor is the financial costs of making staff redundant. In addition, there is often a loss of productivity during the notice period, potential for the redundancy to be challenged and additional resources required to manage the redundancy process (redeployment, consultation, potential sickness). In order to preserve the council's current severance package, we need to manage the number of posts which are made redundant in a strategic way.

There will be occasions where the job has fundamentally changed (e.g. different skill set and/or different functionality); in these instances the council will attempt to redeploy staff into new roles. Again, this will be based on transferable skills rather than job categories.

The policy will be careful to ensure that staff are not forced into unsuitable roles but rather that a flexible and reasonable approach is taken with the emphasis on broadening the definition of 'suitable alternative' posts.

By taking the approach described above, Brent will be able to up skill staff to successfully carry out new roles, prepare for more generic roles as we transition to the Civic Centre, enable the organisation to continue to change and to continually embed change principles during the transformation programme.

#### **4. Staff Consultation and Engagement**

Formal and informal consultation is an essential stage in managing organisational change affecting groups of staff. Managers should actively prepare for and embrace their responsibilities to consult with staff and trade union representatives. There are statutory processes that need to be incorporated in consultation exercises. However, outside of these statutory requirements, effective consultation is a key management and leadership tool to enable change to be implemented successfully.

There is overwhelming evidence that actively engaging staff during change is highly correlated to successful change initiatives. Conversely, failure to consult and engage staff appropriately and effectively is more likely to lead to delay or failed change initiatives.

The council will consult with recognised trade unions and staff on issues which:

- Involve change to contracts of employment, other than where all individuals affected by the changes are in agreement
- Relate to discretionary aspects of implementation of national agreements
- Potentially lead to redundancy
- Involve major changes in working practices, location of employees, etc. irrespective of whether these changes are provided for in the employment contract
- Involve introduction of or changes to local procedural agreements.

#### **5. Equality Impact Assessment of Change Proposals**

An Equality Impact Assessment (EIA) considers whether the proposed change is likely to have a negative impact on one or more groups of employees i.e. places them at a disadvantage. The EIA begins at the proposal development stage and evaluates the impact on affected staff.

Equality Impact Assessments are required by law, and pre-empt the possibility that a proposed change could affect some racial groups/ men/women/people with disabilities unfavourably. Unfavourable treatment could mean that the Council is failing to meet its statutory duties under the Race Relations Act, Disability Discrimination Act and Sex Discrimination Act to eliminate unlawful discrimination and promote equality of opportunity. If EIAs are not carried out, the Equality & Human Rights Commission can commence enforcement proceedings against the Council.

Line managers should use the Council's Equality Impact Assessment toolkit to evaluate the impact of the business reorganisation/change to terms and conditions [[Link](#)].

The Equality Impact Assessment will form part of the collective consultation process as set out in stage 2 of the procedure.

#### **6. Keeping records**

It is important that written records are kept of all stages of the process, including minutes of meetings and all communications with unions, employee representatives and individual employees.

Where there is a dismissal, records must include:

- why the manager contemplated dismissing the individual;
- any views put forward by the employee;
- the reason/s for deciding to dismiss;
- whether an appeal was lodged;
- the outcome of the appeal;
- any grievances raised during the process.

In addition, copies of meeting records should be given to the employee if requested .

## **7. Appeal against Dismissal**

If an employee does wish to appeal he or she must submit their appeal in writing to a manager (in the service area managing the change) within 5 working days of receiving the decision letter. This manager should, as far as is reasonably practicable, be more senior than the manager who made the decision appealed against and must be on the same level of seniority as the manager who made the decision appealed against. In exceptional circumstances it might be appropriate for the manager hearing the appeal to extend the deadline and cases should be judged on their individual merits. The appeal must be in writing and must be clear and specific about the grounds of appeal . At the discretion of the Assistant Director (Human Resources and Diversity) or his/her delegated representative the right of appeal may be disallowed where the letter of appeal does not meet these requirements. Appeals will be addressed and dealt with only in writing. Normally a decision will be issued within 20 working days.

### **Grounds of Appeal**

An employee has the right of appeal against dismissal taken under this procedure on the following grounds:

- The decision – maker came to a conclusion on a material point of fact which no reasonable person could have come to
- Failure to follow this procedure which had a material effect on the decision
- The decision to delete the post/select the employee for redundancy was one which would not have been reached by any reasonable person
- There is information which the employee wishes to introduce for the first time at the appeal which the employee could not reasonably have provided to the decision maker by the time the decision was made and the absence of which had a material effect on the decision.

Appeals will not be allowed on any other grounds.

It will only be permissible to overturn the decision to delete/ the decision to select for redundancy if the manager hearing the appeal is satisfied that it would be reasonably practicable to implement such an appeal decision, having regard in particular to the impact on service delivery and other staff.

The decision of the appeal is final.

## **8. Monitoring the Managing Change Policy**

The Council will regularly monitor the Managing Change Policy to ensure that the purpose of the Policy is being achieved, those using the Policy abide by the operating principles and

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procedures and that the standards expected of managers in its application are being achieved.

## **9. Link Policies**

- Recruitment and Selection Policy
- Redeployment Policy (Appendix 8)
- Redundancy and Severance Pay (Appendix 4)
- Pay Protection (Appendix 3)



# **Managing Change**

## **Procedure**

**December 2009**

## The Procedure

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### 1. Stage 1: Define the extent and nature of the change / reorganisation

In approaching a service or business reorganisation, managers must:

- **Define the purpose or business objective(s) for the change**, for example a need to reduce service costs by £x by a specific date or period or introduction of new service performance indicators / new service delivery methods e.g.. joint provision.
- **Develop clear proposal for change including revised organisation** and workforce structure, new ways of working, skills and workforce development requirements.
- **Review and compare the current versus the proposed organisation structure and workforce requirements** and identify any requirements for change in relation to staffing establishment, working arrangements, skills or knowledge.
- **Take account of the existing establishment** and the extent to which this would need to be changed to achieve the new business or service objectives as below:

Type of Change Required	Impact on existing workforce	Outcomes
Function or service no longer required	Existing jobs are no longer required	Redeployment Redundancy
Function or service remains, but will be delivered differently e.g. new systems or terms and conditions	Some job functions remain without any reduction or change in purpose	Assimilation (Job-matching)
	Same or similar number of staff required but the job functions, roles and or working arrangements change	Assimilation
	Existing jobs functions remain but some change in the role or working arrangements	Assimilation
	Existing jobs functions remain but reduction in staff required to perform the jobs	Competitive Assimilation Redeployment Redundancy
Function or service to be delivered in partnership	As above + contractual change e.g. change in terms and conditions linked to new employer / management arrangements	Contractual (Appendix 7 & 8)
Function / Service to be contracted out	Business transfer of existing job functions to new external employer	TUPE Regs apply – {link}

The following are examples of where a job may have ceased or changed to a significant extent:

- (i) The duties of the 'new' post are so different that the nature of the job has fundamentally changed and/or a fundamentally different set of skills are required
- (ii) A key component of the job is significantly different and or the way the job will be delivered requires a different skill set e.g. involves the use of significantly different systems and/or technology.
- (iii) The 'new' job requires qualifications that the 'old' job didn't e.g. a license to practice; CQSW.
- (iv) Terms and conditions have changed resulting in a significantly different working pattern.

In the above scenarios the manager needs to identify the appropriate options e.g. additional training/development, assimilation and/or redeployment. Where agreement to new terms or working conditions is required contractual changes may be involved – **see Appendix 5 & 6.**

- Where an existing job remains, with no, or hardly any, change at all, then managers will be required to inform the affected employees and consult with them and receive any views they wish to put forward.
- Employees' contracts should allow the Council to require them to work in any of the Council's offices and in this procedure a change in work location refers to a major relocation of the business e.g. a change that would require the employee to move their home or result in an unreasonable journey to and from work, eg a location outside the borough.

### **Change by contractual authority**

A contract of employment can be changed provided a flexibility clause clearly allowing the change is contained within the contract. Reasonable notice of the change must be given to the employee following consultation on the reasons for the change and consideration of the employee's views. The procedure to be followed is set out in Appendix 5.

### **Change by mutual consent – dismissal/reengagement where no agreement is reached**

It is advisable to get the employee's written agreement to any contractual changes. Any such agreement must be made voluntarily and the written agreement should say it has been made voluntarily.

Where the employee does not agree to the changes, the contract of employment should be terminated with notice and an offer of re-engagement should be made on the new terms and conditions. A dismissal in this instance can lead to an unfair dismissal claim even if the employee accepts the new job.

When assessing whether the 'dismissal' is reasonable, the following should be considered:

- i) was there a sound business case?;
- ii) was a reasonable procedure followed, including consulting with the employee?;

- iii) where reasonable objections to change were put forward, did the employer attempt to reach some form of compromise?
- iv) were the changes free from discrimination?
- v) was a new contract offered at the end of the notice period on the revised terms?
- vi) were attempts made to look for alternative employment?

Dismissal should be the last resort and may only happen after a reasonable process has been followed.

Establishing a sound business case is a two stage process:

- (i) there must be a real business need built on sound economic, operational, organisational or administrative grounds;
- (ii) the method chosen to achieve that business need is a rational way of achieving the results required;

The procedure to be followed is set out in Appendix 6.

## **2. Stage 2: Authority to progress change proposals**

Once managers have established the business case for change and developed proposals as above, the following authority / approvals must also be in place:

### **Establishment Control**

Establishment control protocols must be followed e.g. authorisation to create or change establishment.

### **Standing orders**

Check Standing Orders and delegated powers under the Constitution to see if Committee or Executive approval is required for any proposed changes. Currently the Executive must make the decision concerning the restructure if it would or would be likely to result in the redundancies of more than 20 people.

The Constitution states that Members must make a decision concerning a restructure if it would or is likely to result in redundancies of more than 20 people.

### **Finance Approval**

You will need to notify the Director of Finance of any proposed redundancy situation as soon as it becomes apparent.

### **Equality Impact Assessment**

You will need to carry out an Equality impact Assessment. Please refer to the Equality Impact Assessment procedures – **Link** for full details.

### **Job Evaluation**

All posts within the new organisation structure need to be evaluated by HR in accordance with the Council's job evaluation procedure.



### 3. Stage 3: Consultation on change proposals

Once proposals are developed and approved managers must ensure that individuals and groups of staff and trade unions are properly informed and consulted. The purpose of the consultation stage is to communicate with and involve affected staff in the development and implementation of the change proposal.

The aim of the managing policy is where practicable to minimise redundancy due to changing job requirements. The statutory requirements are focused on consultation regarding potential dismissals or changes in terms and conditions. Where new ways of working rather than redundancy are the objective of the change proposal the consultation process and documentation should clarify the purpose and outcome for staff. For example, the introduction of flexible and or new ways of working including systems, skills or training development.

#### Varying Employment Contracts

If employment contracts need to be changed for efficiency or service reasons, management will attempt to reach agreement through consultation with staff and trade unions at the earliest opportunity, in accordance with the formal consultation procedure.

If it is not possible to reach agreement with either the trade unions on a collective basis or individual employees it may be necessary to inform staff and their representatives that the change will be introduced from a stated future date. Employees will then be given the appropriate notice of termination of their existing contracts and offered immediate re-engagement on a new contract under the new or revised terms. Employees should also be told that given the need to recruit to their posts in the event they do not accept the new contract that the offer of reengagement on a new contract will only remain open for acceptance up to a specified date prior to the expiry of the notice of termination.

If a member of staff reasonably refuses to accept a new contract of employment or the new contract does not constitute suitable alternative employment, the redeployment procedures will be used to assist the employee in finding alternative work within the council.

#### Informal Consultation

Managers should ensure meaningful consultation by engaging staff early in the consultation process. Effective consultation can only occur where employees and their representatives are given detailed, clear and good-quality information with enough time to allow them to respond to management proposals before decisions are made.

Informal consultation and communication should also take place where managers are considering changes to working practices which fall outside of formal consultation processes.

#### Considering whether there is a redundancy

It will be necessary to assess if the proposals could mean making someone redundant. A redundancy will arise if an employee is dismissed wholly or mainly due to the fact that:

the employer has ceased or intends to cease to carry on the business for the purposes for which the employee was employed or to carry on the business in the place where the employee was so employed; or

the requirements of the business for employees

- to carry on work of a particular kind or
- to carry on work of a particular kind in a place where they were so employed,

have ceased or diminished or are expected to cease or diminish

Formal collective consultation

**See Appendix 2– Framework for Staff Consultation.**

There is a statutory duty on the Council to consult recognised trade union representatives of affected employees where a manager is considering dismissing :

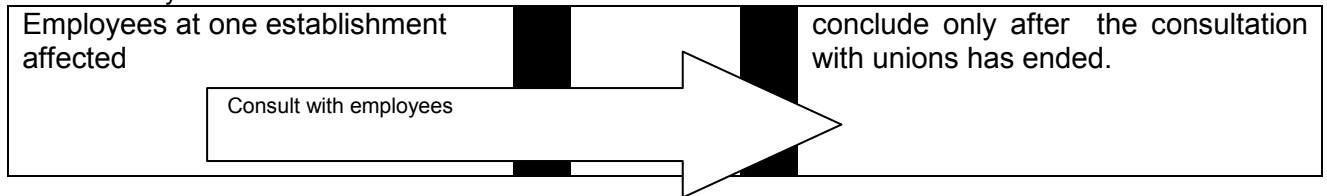
- 20 or more employees as a result of a business reorganisation or change in terms and conditions
- at one “establishment”
- Within a period of 90 days or less

Case law indicates that an “establishment” is the unit to which the affected workers are assigned to carry out their duties – it is not necessary that the management of the unit have the power to make redundancies nor that the unit has its own dedicated management nor that the unit has any legal, economic, financial, administrative or technological autonomy. Given this, the “establishment” that needs to be considered in deciding whether the statutory duty arises will be at the most the Service Unit in which the affected workers work and may in certain circumstances be a smaller part of the Council’s operation. If in a particular case what precisely is the “establishment” is unclear and the identity of the establishment will be relevant to whether the statutory duty arises, then managers should seek advice from one of the Council’s Senior Employment Lawyers.

Affected employees are employees who may be affected by the proposed dismissals or who may be affected by the measures taken in connection with the proposed dismissals i.e. a reorganisation in one area may cause a re-organisation of work, in another area, in which case the recognised trade union representatives of the employees in the second area also need to be consulted.

Formal Consultation at a Glance

Group	30 calendar days	90 calendar days	Comments
Less than 20 employees affected at one establishment Consult with employees at earliest opportunity			No set timescale. Need sufficient time for consultation to be meaningful but normally a minimum of 15 calendar days (can be 2 weeks but must ensure adequate consultation)
20 or more employees affected at one establishment Consult with trade unions for 30 days Consult with employees			Consultation with employees must conclude only after the consultation with unions has ended.
100 or more Consult with trade unions for 90 days			Consultation with employees must



The statutory time limits require that the consultation process must begin in good time before any dismissals are likely to happen but in any event no later than:

<b>Number of employees involved:</b>	<b>Timescales:</b>
Involving 100 or more employees	90 days before the proposed date of the first dismissal
Involving 20 – 99 employees	30 days before the proposed date of the first dismissal

The 'number of employees involved' is based on an estimate of the number of positions where dismissal may be the outcome. The fact that the Council may be confident that employees will accept their change of role or accept redeployment or voluntary redundancy does not alter the starting total.

Managers should assume that consultation is required to start at the point that dismissals might be possible, rather than waiting until there is a firm proposal.

"Recognised trade union representatives" will be representatives of the trade unions recognised by the Council for collective bargaining purposes for the employees affected, whether or not they actually have any members in the area affected by the dismissals.

#### Timescales

Formal consultation is a minimum of 15 working days. Longer or shorter periods can be agreed with the recognised trade union representatives. When the consultation has finished ( which may be before the end of the consultation period ), where no Committee decision is required, the proposals as amended by the consultation process will be implemented,

#### Notice to Secretary of State

The Council is required to notify the Secretary of State for the Department of Business, Innovation and Skills on form HR1 of proposed dismissals as a result of a business reorganisation or changes in terms and conditions involving 20 or more employees at one establishment within a period of 90 days or less. Notice must be given before any of the employees are given notice of dismissal. Where the Council proposes to dismiss 100 or more employees at one establishment within a period of 90 days or less the HR1 form must be given at least 90 days before the first dismissal is proposed to take effect. , Where the Council proposed to dismiss 20 to 99 employees at one establishment within a period of 90 days or less the HR1 form must be given at least 30 days before the first dismissal is proposed to take effect. . The HR1 can be obtained from <http://www.dbis.gov.uk/er/redundancy/hr1.pdf>. It must be completed by the Directorate HR Manager and forwarded to the Department of Business Innovation and Skills, Redundancy Payments Office, 83-85 Hagley Road, Birmingham B168QG.

A copy of the HR1 form should be sent to the Branch Secretary of each of the recognised trade unions/employee representatives).

### Commencing Consultation

Formal consultation begins with information being provided to each of the trade union representatives. This will be in writing to the Branch Secretaries of those unions.

The information must include the:

- reasons for the contemplated dismissals;
- numbers and types of jobs of those who may be dismissed;
- total number of people employed in those jobs at the establishment in question
- proposed method of selecting those who may be dismissed;
- the proposed method of carrying out the dismissals and the period over which they will take place

The consultation will normally be carried out by the Head of the Service Unit in which the dismissals/contractual changes are proposed. Exceptionally, the initial notice to representatives and first consultation meeting may be handled corporately by Human Resources where dismissals are proposed across the Council.

The consultation process will include:

- seeking views about the ways of avoiding dismissals; and
- reducing the numbers of employees who may be dismissed,
  - mitigating the consequences of the dismissals,

Consultation must aim to reach agreement with the representatives, through a genuine exchange of ideas and opinions. If alternative proposals are put forward by the representatives, they must be considered and if rejected, written reasons provided.

Union representatives must be given the facilities to report back to, and seek the views of, the employees they represent. Where possible, joint communiqués should be used to summarise the issues discussed, the points agreed and matters for further consideration.

Failure to comply with any of the statutory collective consultation duties may result in compensation payments being awarded in favour of the affected employees against the Council. In addition, a procedural failure could render the dismissals unfair.

### Individual staff consultation

An individual consultation meeting enables each employee to consider the implications for them personally and put forward their views. This exchange of views should be made in a formal meeting at which the employee has the right to be accompanied by a trade union representative or work colleague. Their views should be listened to and given careful consideration.

Individual consultation can commence before the collective consultation stage has been completed. However, meaningful consultation with Trade Unions means that proposals can change significantly during the consultation period. If changes impact significantly on employees, then it is important that they are told about these changes. In all cases, the meeting that confirms the outcome of the individual consultation (the determination meeting), cannot take place until after collective consultation has concluded.

A checklist showing how to undertake individual consultation is set out in the Key Stages of the Process – Appendix 2, Step 3.

### Absent Staff

Staff who are absent from work must also be consulted, for example, employees on long-term sickness, maternity leave, adoption leave, parental leave, paternity leave, emergency family leave and secondment should not be overlooked. It is also important to adapt to the circumstances, e.g. by visiting an employee at home. Particular care must be taken when

dealing with long-term ill health situations and the employee's condition must be assessed before deciding upon the most appropriate course of action.

#### Closing the consultation phase

At the end of the consultation phase the final outcome and decisions regarding the final proposals should be clearly communicated to individuals and trade unions including the timetable for implementation, if revised from original timescale including in consultation documents.

Group and/or individual meetings should be held with staff affected to confirm the outcome of the consultation. Staff and trade unions should be consulted on the proposed implementation plan.

#### **4. Stage 4 Implementing reorganisation and change proposals**

Implementing change is a management responsibility and must be completed with HR assistance to ensure a consistent and objective process. HR advice will be required prior to implementing job-matching, ring-fencing or redundancy selection procedures.

In order to avoid compulsory redundancies managers should first identify the potential for:

- Assimilation
- Early retirement
- Voluntary and transferred (bumped) redundancies

### **Job matching and Selection Criteria**

Job-matching and selection will always be based on matching the employee's skills, knowledge and experience with the skills, knowledge and experience required by the person specifications for the new roles. Comparison between old and new jobs will be based on the new role's person specification to allow greater flexibility to place individuals into alternative jobs. The employee's performance in their current post can be taken into account, where relevant, in assessing whether s/he meets the new post's person specification.

### **Assimilation (job matching without selection)**

Assimilation applies where an employee is matched to a post without the need for an interview and the:

- new or existing post is available in the same service unit or Council wide if looking at functional groups and the post is substantially similar to the post which is being deleted or changed
- new or existing post's grade is no more than two above or one below that of the post being deleted or changed ; and
- there is the same number or fewer potential redeployees than available matching posts

A match will need to be undertaken between the employee's skills profile and the new post's person specification. The skills matching process is carried out by the manager responsible for the change. HR will support managers to undertake the skills matching process. See Appendix 7 for the skills-matching process.

### **Competitive Assimilation (job-matching with selection process)**

- Competitive assimilation will apply where substantially similar roles within the function are available but there are more potential redeployees than available matching posts
- As with above a match will need to be undertaken between the employee's skills profile and the new post's person specification. The skills matching process is carried out by the manager responsible for the change. HR will support managers to undertake skills assessment. The potential redeployees will need to be interviewed to decide which of them gets the job(s),

As with assimilation, staff must be considered for roles that are at most 1 or 2 grades up or at most 1 grade down from the grade of their existing post to enable greater flexibility for managing change.

Employees at risk of redundancy can apply for positions or request to be assimilated into positions 2 grades below their substantive grade. If the employee is successful at interview or is assimilated to such a post, pay protection of one year will apply as well as a 4 week trial period. It must be noted that this is the employee's choice and is a provision to avoid redundancy. If the employee accepts a post on this basis, they will lose their right to any redundancy payments due and will revert to the salary for the job they have applied for/been slotted into at the end of the one year protection period. It is acknowledged that this is technically a redundancy situation and accepting a job 2 grades below the employee's substantive grade is purely at the employee's discretion.

Ring fenced interviews

These will take place when :-

- There is a new or existing post available in the same service unit
- The new or existing post's grade is no more than two above or one below that of the post being deleted or changed  
  
( If posts meeting these criteria exist the employee should be provided details and invited to complete a skills profile)
- The employee is willing to attend a ringfenced interview and has provided a completed skills profile
- Following a comparison of the employee's skills profile with the new/existing post's person specification the employee appears to be potentially suitable for the new existing post.

In deciding whether at a ring-fenced interview to appoint an employee to a post the manager must decide whether and to what extent the employee meets the post's person specification. The employee's performance in their current post can be taken into account, where relevant, in assessing whether s/he meets the post's person specification. In addition to the criteria set out in the person specification the employee's attendance and conduct record over the previous two years or since they started employment ( whichever period is the shorter) and their timekeeping record over the previous six months or since they started employment ( whichever period is the shorter) should also be taken into account in deciding whether to select him/her for the post.

As a general rule the process should be as informal as possible in order to reduce stress for the employees involved.

If successful, the terms and conditions of the new role will be confirmed in writing by way of the offer of a new contract of employment and upon acceptance the employee will be deemed to have accepted the alternative job.

Employees may express an interest in particular posts at the individual consultation stage. If so they should be provided with details of the posts and invited to complete a skills profile. There is no right of appeal against the outcome of the job-matching process. . An employee can write to ask for the outcome of the job-matching process in their case to be reviewed if they feel the outcome involved breach of this procedure. The review will only be carried out if the employee gives clear and specific reasons for why this procedure was breached. The manager who made the queried decision will normally carry out the review in consultation with their HR Adviser. The employee should be informed in writing of the outcome of the review and the reasons for the outcome.

Where an employee fails to participate in the job-matching process selection of the employee for a new role may take place by management assessment without the employee's participation ( for example by using documents and other information about the employee).

Where staff are successfully matched to new posts in the structure changes must be confirmed to the successful candidates in writing within one month of taking up the post.

Where staff are not successfully matched to new posts they will form part of a redundancy / redeployment selection pool. (See below)

## 5. Stage 5 Redundancy

It is important that the Council retains the best people - those most capable of delivering the services required. The selection criteria for redundancy will be based on the skills, experience, qualifications and performance levels required to undertake the new duties i.e. the selection criteria are based on who the Council needs to keep and not who it might most appropriately lose. It is important for organisational effectiveness that this principle is maintained throughout the process.

The selection criteria for redundancy may include:

- Competence (Skills and experience)
- Standard of work performance or aptitude for work
- Attendance and disciplinary record

Recognised trade unions should be consulted over which selection criteria for redundancy are used. The Council will make every reasonable effort to give existing staff an opportunity to obtain a post in the new structure and avoid redundancy. However, when an organisation is changing, redundancies are sometimes inevitable.

### Voluntary redundancy

Volunteers for redundancy should normally be invited from the group of employees who are vulnerable to redundancy. However, the decision whether to accept a request by an employee to take voluntary redundancy is at the discretion of the Council, who will retain the employees best suited to the 'new' jobs. This should be made clear to staff who volunteer for redundancy.

### Bumped redundancy

Bumped redundancy may also be appropriate. HR advice should be sought prior to finalising a redundancy decision.

A bumped redundancy is where an employee ( who is not in the original redundancy selection pool) volunteers to be made redundant and their job is given to the potentially redundant employee. Bumped redundancies can only take place where a redundancy situation has arisen and the manager is satisfied that a bumped redundancy is in the interests of the Council. Full account should be taken of the costs of such a proposal. In all cases of bumped redundancy arrangements for the redeployment must be finalised before agreeing to the release of the volunteer.

### Determination Meeting

Where individuals are selected for redundancy a determination meeting should be held to confirm the outcome of the consultation stage to those employees who are to be dismissed.

Managers should write to the employee setting out the response to any views expressed and invite them to a meeting (accompanied by a work colleague or Trades Union Representative if they wish). The meeting should be held at a reasonable time and place and the employee must take all reasonable steps to attend.



If the decision is to dismiss the employee, the manager should confirm the decision, the reasons, the date employment will end and any entitlements (such as redundancy payments) and appeal rights.

The meeting should be as supportive as possible. It is important the employee properly understands the position and what will happen now. The manager should explain to the employee that they are now a redeployee and follow the redeployment policy.

The procedure for managers to follow when handling redundancies can be found in Appendix 3 at the end of this Policy. The procedure must be followed carefully.

After the meeting, the manager should provide the employee if requested with a copy of the notes of the consultation and determination meetings; and confirm their appeal rights.

#### Authority to Dismiss

Any decisions resulting in dismissal must be approved by a manager authorised to dismiss the employee

#### Notice of Dismissal

Where it is necessary to issue a notice of dismissal for reasons of redundancy, the letter should either be handed to the employee or handdelivered to their home address or posted to their home address by recorded delivery. The letter should:

- give contractual or statutory notice, whichever is the longer
- give the date of termination
- give the reasons for dismissal
- provide details of payments due, including any redundancy/severance pay
- offer support and assistance (see Redeployment Procedure).
- confirm the employee's appeal rights

## **6. Stage 6 Redeployment and suitable alternative employment.**

Where it is not possible to match staff to new roles in their Service Unit they will be given notice of dismissal and immediately be placed on a redeployment register and the council's redeployment policy will apply.

Initially any roles within their current Service Unit should be considered, subject to whether other employees may have priority. Refer to the redeployment policy for the priority order. If the employees' role has changed due to council wide reorganisation, then vacancies across the Council will be considered for that particular type of role (e.g. a council-wide change to the way the council manages Finance, will result in vacancies in all relevant Finance functions being considered).

Where staff are successfully matched to an available vacancy – a four week trial period will apply. The trial period may be extended by agreement at the outset to take account of any agreed training. ( e.g. if the employee needs to acquire new skills as a result of new ways of working or technology). The agreement must :-

- Be in writing and be made before the employee starts work under the new contract
- Specify the date on which the period of retraining will end
- Specify the terms and conditions of employment that will apply to the employee after the end of the retraining period

In normal circumstances the trial period should be for a maximum of 8 weeks.

Draft 14 January 2010

**Protection of pay upon being placed in an alternative job**

Where the alternative post accepted by the employee is graded below the employees' current grade, the Pay Protection Policy applies (see Appendix 3)



**Appendix 1**

**Staff Consultation Paper on proposals to *[state purpose or known name of the review/change programme]***

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DRAFT

## 1. Background and Context

### **NOTE:**

*Identify if a new Strategy has already been agreed which is one of the key triggers for the change.*

*If a Committee recommendation is linked to this change give the details.*

*Explain any background to how this proposal was arrived at – include any stakeholder consultation or changes to legislation etc.*

*Identify other key drivers ie; government proposal, other best practice etc.*

*Where it is proposed to dismiss 20 or more employees as a result of a business reorganisation or change in terms and conditions at one establishment within a period of 90 days or less there are specific statutory time limits. Refer to Stage 3 of the Managing Organisational Change Policy if this is likely to apply. A statutory notice also has to be sent to the Department of Business Innovation and Skills and only the Strategic HR Manager should do this.*

## 2. Timescales for Comments

### **CONTENT TO INCLUDE**

Appendix *[insert number]* attached outlines the timetable for achieving the restructure.

The official/formal consultation period with staff starts on *[insert date]* and ends on *[insert date]*.

Comments are invited therefore from all affected staff within this period. Written comments can be sent to *[insert name]* who is the Lead Manager directly via e-mail.

As part of the consultation staff and trade unions are invited to put forward alternative proposals to meet the savings target *[if appropriate]*.

During this period, however, there will be a consultation meeting for all affected members of staff. This meeting will take place on *[insert date]* at *[insert time]* at *[insert location]*.

In addition to this meeting, individual staff members are invited to have 'one to one' meetings/discussions with *[insert name]* who is the Lead Manager or the HR advisor (dependant on the circumstances and size of the reorganisation).

### **NOTE:**

*Ensure that those who are temporarily out of the section i.e.; on secondment; maternity leave; long term sickness are communicated with and have copies of the documents sent to them. Seek their input into how they wish to be consulted. Keep a file note of their decision and confirm this back to them in writing.*

For some proposals several group meetings may be necessary.

*Where the proposals would mean that someone's job is to be deleted and they are likely to be redundant they should be invited to a meeting – they are entitled to the reasons for the proposed dismissal and a copy of this consultation document should be sufficient for this purpose.*

*Where the process involves the selection from a pool staff are entitled to see their assessment in writing and to contest it. It is good practice to arrange a meeting with the manager to discuss the matter. Where staff agree it is permissible to hold group meetings. The purpose of the meeting is to allow employees to respond to the proposals/assessment before a final decision is made. Staff are entitled to receive the written details of the assessment in advance of the meeting with sufficient time to allow them to consider the information and be able to respond.*

Indicate who will be making decisions on the feedback received at the end of the consultation period and where the final decision making will be made i.e.; Lead Manager; DMT; CMT; Executive etc.

### 3. Current Structures and/or Working Arrangements

**NOTE:**

It may be necessary, especially if the proposal is consolidating or merging services from two different areas, to include something about the current service delivery. This can help the staff & trade unions appreciate why the change is to take place.

### 4. Budgets/Savings

**NOTE:**

Comment on the savings that this change hopes to realise and ask for alternatives ways of achieving savings to the proposals.

Include any alternatives that may have been considered and discounted and the reasons why these were not considered viable.

If this proposal includes the loss of posts then you will need to comment on other measures that you are taking to reduce the need to make redundancies i.e.; reducing agency staff usage; reduction in overtime; termination of temporary staff etc or why such measures were not considered viable

### 5. Proposal for new structure/service/working arrangements

**NOTE:**

Include either in the document or as appendices proposed new structure charts.

Include as Appendices the Job descriptions & Person Specifications of the proposed new posts which should include the evaluated grades. As these are subject to consultation if they change substantially after/during consultation they may need to go back for re-evaluation and the document should tell staff this too.

Tell staff what will the new arrangements deliver that is different/better than the current arrangements ?

Invite comment on all documentation and the proposals – use the model timetable & the section later in this framework to indicate when and to whom comments should be sent

Ensure that the managing change policy is sent to staff with this document or that they are provided with the link to it on the intranet if you are sure that all staff have access to the intranet

### 6. Proposed Staffing

**CONTENT TO INCLUDE**

The tables below show the proposed changes to existing posts and the posts proposed within the new structure. The posts are then reflected in the new proposed structure chart in Appendix ?.

Existing Post/Structure	Grade	Change (specify whether .....)
		Unchanged
		Deleted
		New Post
		Changed by ...
<b>TOTAL POSTS</b>		

New Post/Structure	Grade	Comment (specify whether .....)
		New Post
<b>TOTAL POSTS</b>		

## **7. Accommodation**

### **NOTE:**

*Comment on impact on physical location if any. Include any moves of location expected and any protection of employees' income through payment of additional fares, additional petrol costs (if applicable).*

## **8. Assimilation and ring fencing**

### **NOTE:**

*Include how assimilation and ring fencing will be dealt with. It is helpful to identify and specific proposals and invite comment on these proposals.*

*For example:*

*It is proposed that:-*

- *[insert post names] are assimilated in to [insert post titles] as they are considered to be substantially similar and as such the postholders will be offered the posts without the need for interviews*
- *the new posts of [insert post titles] are initially ring fenced for [insert names] as [ ] may be suitable for these posts. It is proposed that [ ] are invited to complete a skills profile for whichever of the new posts they are interested in and they will be interviewed for whichever of the posts they appear to be potentially suitable.*

## **9. Selection Criteria**

### **NOTE:**

*If the process is to reduce the number of posts then it may be necessary to select employees from a pool. Establish if there is to be a selection pool – i.e.; establishment closing; function ceasing; specific posts to be deleted. You will also need to consider if there are those who do similar work who ought to also be included in the pool that may not be directly managed by you.*

*The selection criteria will be the extent to which the employee meets the person specification for the posts which will remain in the Council together with conduct and attendance.*

*The employee must be informed in writing prior to the selection decision what records will be relied upon in assessing job performance, attendance, conduct, and timekeeping ie; appraisal, supervision notes, timesheets, disciplinary records.*

*Selection can take place with an interview, or in exceptional circumstances, by management assessment. Where an employee fails to participate in an interview or other selection process the employee can be selected by management assessment – ie using documents and other information alone. The manager leading the change programme will determine the method of assessment.*

**10. Timetable for Achieving Restructure**

To Whom	Via What	When/by	Documents
Formal Member/CMT/DMT approval [whatever is appropriate]	Appropriate meeting		Proposal document
	Draft Job Descriptions and Person Specifications and have provisional Job Evaluations completed		JD's, PS's, JE's
	Prepare consultation document including arrangements for assimilation and ring fence.		Consultation document/s
Trade Unions & Staff	Share Consultation Document with staff & Trade Unions inviting feedback in writing by the deadline stated in the document	Start consultation period (minimum 15 days)	Letter and consultation documents
	Hold internal meeting with Trade Union		
	Hold staff group meeting		
	Hold individual meetings with staff affected		
	Consider the feedback from the consultation process and amend proposals as considered necessary		
	Respond in writing to Trade Unions & staff to confirm final structure etc.		
	Assimilation process/interviews to take place		
	New structure in place		

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## **Redundancy**

### **Step 1 - Preparing for consultation**

- Identify the employees affected;
- Examine the employees' personal records;
- Assess the impact on each individual;
- ;
- Identify potential issues that individuals may raise;
- Managers should include in the selection pool employees who are doing the same or similar work
- If 20 or more employees are involved, a statutory consultation process of 30 days will be required and the Secretary of State for Trade and Industry needs to be notified (on Form HR1);
- If less than 20 employees involved Brent's custom and practice arrangement is to allow a minimum of 15 calendar days consultation, but this can be reduced to 2 weeks where necessary provided adequate consultation is possible
- Agree method of consulting with employees individually – about roles/hours/place of work
- Where it is evident that the post(s) of specific individuals are being deleted, managers must speak to the employee(s) first
- Prepare 'script' for collective communication - overview, process and timescales;
- Prepare for individual consultation – full explanation/details of change(s)/implications/benefits/timescales/termination arrangements.

### **Step 2 – Collective consultation**

Provide the Corporate Trades Unions Representatives with the following information:

- The reasons for the contemplated dismissals;
- The number of jobs of those who may be dismissed;
- The total number of people employed in those jobs;
- The proposed method of identifying who will be dismissed;
- The method of carrying out those dismissals and across what period of time;
- A copy of Form HR1.

The consultation process must include:

- Seeking views about ways of avoiding dismissals
- Reducing the number of employees who may be dismissed;
- Facilities to consult with the effected employees;
- Consideration of all views put forward;
- A formal response to all matters raised. Provide written confirmation where suggestions were accepted and reasons where suggestions were rejected.

### **Step 3 - Individual consultation**

- Arrange a meeting with each employee effected;
- Explain their right to be accompanied by a Trades Union Representative or work colleague;
- The time and location of the meeting must be reasonable and the employee must take all reasonable steps to attend the meeting;
- Explain the reason/s why change is required;
- Explain the scope of the change(s) required and the commercial benefits to the business;
- Explain how the change/s required will impact on the employee;
- Ask the employee for his or her reaction and listen carefully to the response;
- If the employee raises concerns, discuss each of the issues in turn;
- Show understanding, but stress the business need;

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- Consider any form of acceptable alternative or compromise the employee puts forward;
- In particular, you must consider any reasonable adjustment to accommodate disability;
- Take a full note of the meeting
- Adjourn the meeting to consider any views put forward.

**Note:** Step 3 (individual consultation) can commence before step 2 (collective consultation) has been completed, however, no decisions can be taken until the collective consultation stage has been completed i.e. employees may not be issued with notice of redundancy until collective consultation has been completed.

#### **Step 4- Determination meeting**

- Write to the employee setting out the response to any views expressed and invite them to a meeting (accompanied if they wish).
- Remind the employee that they must take all reasonable steps to attend.

If the decision is to dismiss the employee hold a meeting at a reasonable place and time and confirm:

- The decision with the reason
- Entitlements at termination
- The date of the termination
- The details of any ringfenced interviews that the employee will be considered for
- Appeal rights
- That the employee is now a redeployee and will be contacted by HR to explain the redeployment process

After the meeting:

- Provide the employee with a copy of the notes of the consultation meeting and determination meeting
- Refer the employee to the Council's Redeployment team.

#### **Step 5 – Appeal**

- Employee submits appeal in writing to a more senior manager in the service area
- The written appeal must state grounds for appeal – see section 7 of the policy
- Assistant Director of Human Resources (or nominated officer) considers the grounds for appeal
- The employee is given a written response to the points raised

#### **Step 6 - Competitive Assimilation**

- Arrange interviews for all employees in the assimilation pool.
- Assess the candidates against the selection criteria
- Keep a record of the assessments
- Offer the position(s) to the successful candidate(s).
- Confirm any changes in writing

#### **Step 7 – Assimilation**

- Assess the candidates against the person specification
- Keep a record of the matching process
- Offer the positions to relevant candidates
- Confirm any changes in writing

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## **Step 8- Redeployment**

Go to the redeployment process. [Link](#)

## **Step 9 – Ringfenced interviews**

- Identify vacant posts on the new structure and consider redeployees (from the borough-wide redeployment list) in the priority order set out in the Redeployment Procedure
- Identify vacant posts on the 'new' structure that are at the same grade and conditions as the displaced staff (from the 'old' structure)
- Identify vacant posts on the 'new' structure that are on different grades and conditions as the displaced staff (from the 'old' structure)
- Conduct ringfenced interviews
- Where the employee is successful issue new employment contracts and inform payroll administration

## **Step 10 – Dismissal**

- Where the employee is not successful, meet with the employee again to explain the position
- Issue the redundancy dismissal letter
- Carry out redeployment search (through People Centre)
- Where redeployment is unsuccessful, make arrangements for the employee to receive any entitlements if applicable

## **Employees who refuse suitable alternative job offers**

- Employee advised of the consequences of the refusal (ie no redundancy pay)
- Letter of dismissal sent to employee
- No redundancy or severance pay entitlement
- Any entitlement to a pension payment would remain

**Pay Protection Policy**

1. Where an employee suffers a financial loss by accepting a post on a lower grade than their current post, pay protection will apply. Pay protection is for a period of one year. During the one year period only, the employee will receive their former salary; however there will be no entitlement to the annual pay award.
2. Pay Protection applies to all staff who have been given notice of redundancy and have found redeployment or for those who have been offered suitable alternative employment due to organisational change.
3. The protection period begins from the date immediately following successful completion of the four week trial period. If the trial period is extended, the protection will begin on the 5<sup>th</sup> week. If however, the trial period begins or continues after the previous contract has been terminated, protection will apply from the start of the new post.
4. When the protected period has ended, the salary will be revised immediately and paid in accordance with the salary grade on appointment and which protection was given.
5. Protection of salary will cease when:
  - the protection period has ended
  - the salary of the new post reaches or overtakes the protected salary
  - If an employee applies voluntarily for, and is appointed to, another position within the authority, where the salary is lower than that protected

## **Redundancy, Severance and Pension Payment**

### **1. Redundancy Payments**

Employees who have at least 2 years continuous local government or related service will be eligible for a redundancy payment based on age and length of qualifying service. In order to qualify for a redundancy payment the dismissal must satisfy the statutory test of redundancy set out in paragraph 3 of this procedure. Where a genuine redundancy does not exist it will not be possible to make a redundancy payment even if the employee is leaving the employment of the Council as a result of the restructure.

Employees who accept an offer of alternative employment made before their old contract ends, where the new contract will start within 4 weeks of their old contract ending, will not be entitled to a redundancy payment (subject to their statutory right to a trial period (see paragraph 8 of attached guidance)). Where the employee refuses such an offer s/he will also lose the right to a redundancy payment if the offer is of suitable alternative employment and the refusal was unreasonable. These provisions apply where the offer is made by the Council or by any other body covered by the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999 (as amended).

It should be noted that the LGPS regulations would still require the early payment of the employee's pension benefits even where the employee has lost the right to a redundancy or severance payment as detailed in this paragraph. A pension would also be payable if the employee is dismissed due to the termination of a fixed term contract of two or more years unless the grounds for the termination can be demonstrated as not being redundancy.

Service does not have to be continuous provided that the break does not exceed 7 consecutive days, running from Sunday to Saturday (except where there is a redundancy and a new job is taken up as a result of an offer made by the employer before the old job ends, in which case the break can be up to 4 weeks). Previous service will not count, for the purpose of a redundancy payment, if the employee has already received a redundancy payment for that period.

The Council's policy is to exercise its discretion to use actual average weekly pay (rather than the statutory ceiling on the amount of a week's pay) for the calculation of redundancy payments where there are no offers of alternative employment available. However, where an employee refuses an offer of employment that goes beyond their current role but with a period of development the offer redundancy pay will be subject to the statutory ceiling of a week's pay. In this case there will also be no entitlement to a severance payment as set out below.

Where it has been identified that there is no entitlement to a redundancy and severance payment the manager will complete the relevant section of the leaver form in order that the People Centre are aware that no redundancy or severance payments shall be made

### **2. Severance Payment**

The Council has the discretion to pay an additional amount in excess of the statutory redundancy payment. At the time of writing this policy the council will award an amount equivalent to half the statutory redundancy payment. This award is made to all employees who are entitled to receive a redundancy payment. There is no legal requirement for the council to make such an award and does not form part of employees' terms and conditions.

The severance arrangement is subject to review and may be amended or suspended in the future.

The current criterion is that severance will only be payable where the redundant employee meets the following 3 criteria:

**1. Performance has been satisfactory** – the current appraisal will be used to assess this.

**2. Attendance has been satisfactory** – the following exclusions will be made from records (where clearly notified with supporting medical evidence):

1. Maternity/paternity related absence
2. Industrial injuries
3. Work related stress
4. Disability related absence
5. Special leave (including jury service)

One off longer term absences e.g. broken leg should be considered favourably if the underlying attendance record is satisfactory (an average of 7 days per person per year).

**3. There are no unexpired disciplinary warnings**

### **3. Pension Payments**

Employees who were members of the scheme as at 31<sup>st</sup> March 2008 (and have been so continuously from that date) and who are 50 or over may receive the immediate payment of their pension benefits if the redundancy takes place before 31st March 2010. Other scheme members may receive the immediate payment of their pension benefits only if they are 55 or over. Please note that the scheme member must also have at least three months membership or have transferred membership from another pension scheme.

Pension benefits are based on the membership accrued up to the last day of service and are not subject to a reduction.

If benefits are paid before the employees 65th birthday there may be an additional strain on the pension fund. The unit or the school would be required to make good that loss over a three year period following the termination of employment.

**There is no entitlement to redundancy and severance payment where an employee unreasonably refuses a suitable job offer. Employees will need to be warned of this possibility to take this into consideration when coming to a decision on the job offer.**

**Handling Change by 'Contractual Authority'(Using a flexibility clause)**

**Step 1 - The case for change**

- Define the business need
- Define the revised working arrangements
- Define the benefits to the business
- Establish whether there is flexibility in the employment contract that allows for the change.
- Establish the correct process, taking advice if necessary
- Agree the timescales for communication and implementation

**Step 2 - Preparing for communication and individual briefing**

- Identify the employees effected
- Examine the employees' contracts and personal records
- Assess the likely impact on each individual effected
- Re-assess the legal implications on an individual basis, e.g. potential discrimination
- Decide method of informing employees individually – roles/time/place
- Prepare 'script' for individual briefings – explanation/change(s) required /benefits/timescales

**Step 3 - Individual briefing**

- Arrange a meeting with each employee effected
- Explain the reason/s why change is required
- Explain the scope of the change/s required and the commercial benefits to the business
- Explain the term/s of the contract which give the right to introduce change
- Ensure the individual fully understands the Company's right to change terms
- Explain how the change/s required will impact on the employee
- Ask the employee for any comments and listen carefully to the response
- Where no issues are raised, confirm the changes will be recorded in writing - go to Step 4
- If the employee has some concerns, discuss each of the issues in turn
- Show understanding, but stress the contractual right/business need
- Consider any form of acceptable alternative or compromise the employee puts forward
- In particular, you must consider any reasonable adjustment to accommodate disability
- Where the matter is resolved, confirm the changes will be recorded in writing - go to Step 4
- If the employee indicates continued non-acceptance, stress the contractual right to change
- Explain that a refusal to accept change will amount to breach of contract
- Confirm that change/s will go ahead in any event
- Explain the individual's right to use the grievance procedure if dissatisfied
- If the matter remains unresolved, take advice from HR and/or Legal.

**Step 4 – Confirming and monitoring change/s**

- Confirm change/s in writing liaising with HR
- Sign and date the original letter, and a copy, in readiness for a meeting with the employee
- Meet with the employee and explain the letter's contents to ensure complete understanding
- Get the employee to sign and date the original letter and the copy
- Give the signed original letter to the employee, confirming it is the official notification of change
- Place the signed copy in the employee's personal file
- Place notes taken at meeting/s and a copy of this checklist in the employee's personal file
- Follow up to ensure the change(s) take place at the time stated
- Monitor the situation post-change

## **Changes brought about by mutual consent / dismissal and re-engagement**

### **Step 1 - The case for change**

- Define the business need
- Define the revised working arrangements
- Define the quantifiable benefits to the business
- Confirm advantages to the business far outweigh any potential disadvantages to employees
- Confirm the approach – (1) seek voluntary agreement (2) if no agreement, dismiss and re-engage
- Conduct a race impact assessment
- Assess the potential legal implications, taking advice if necessary
- Agree the proposed timescales for communication and implementation

### **Step 2 - Preparing for consultation**

- Identify the employees effected
- Examine the employees' personal records
- Assess the impact on each individual
- Re-assess the legal implications on an individual basis, e.g. potential discrimination
- Identify any potential barriers to change which individuals may raise
- Prepare positive responses to any anticipated negative reaction
- Agree method of communicating collectively - union reps/employees' - roles/time/place
- If 20 or more employees are involved, a statutory consultation process will be required
- Agree method of consulting with employees individually – roles/time/place
- Produce a 'sellable product' to avoid the need to consider dismissal
- Prepare 'script' for collective communication - overview, process and timescales
- Prepare for individual consultation – full explanation/details of change(s)/benefits/timescales
- Communicate arrangements for collective communication
- Conduct collective consultation where 20 or more employees are involved
- Conduct collective communication

### **Step 3 - Individual consultation**

- Arrange a meeting with each employee effected
- Offer representation, but stress it is not a disciplinary situation
- Explain the reason/s why change is required
- Explain the scope of the change(s) required and the commercial benefits to the business
- Stress that the initial aim is to reach voluntary agreement
- Explain how the change/s required will impact on the employee
- Ask the employee for his or her reaction and listen carefully to the response
- Where agreement is reached immediately, confirm changes will be recorded - go to Step 6
- If the employee raises concerns, discuss each of the issues in turn
- Show understanding, but stress the business need
- Consider any form of acceptable alternative or compromise the employee puts forward
- In particular, you must consider any reasonable adjustment to accommodate disability



- Where agreement is reached, confirm the changes will be recorded in writing - go to Step 6
- If agreement cannot be reached, go to Step 4

#### **Step 4 – Extended consultation**

- If agreement cannot be reached, explain there may be a possibility that employment will be terminated, but at this stage no final decision has been reached.
- Explain that if employment is terminated, the employee will be offered a new contract on the new terms to commence immediately after the notice period ends.
- Explain that there will be a further 4 weeks' consultation for the individual to reconsider
- If, at this stage, the employee then agrees to change, go to Step 6
- However, if there is still no agreement, start the 4 week consultation period
- Confirm the discussions so far and the arrangements for consultation in writing
- Keep in touch with the individual and discuss any alternatives or compromises put forward
- Consider any reasonable objections as to why she or he cannot meet the new arrangements
- Consider any reasonable adjustments which would remove the potential for discrimination
- If the employee agrees to change during or at the end of the 4 weeks, go to Step 6

#### **Step 5 – Dismissal and re-engagement**

Each step must be taken without unreasonable delay

- If there is still no agreement after 4 weeks, the existing contract has to be terminated
- Set out in writing the circumstances which are leading the organisation to consider dismissing the individual employee
- Send the written statement to the employee and invite the employee to attend a meeting to discuss the matter, offering the right to representation
- Ensure the timing and location of the meeting are reasonable and point out that the employee must take all reasonable steps to attend the meeting
- Ensure the meeting is conducted in a manner that enables both sides to explain their cases.
- Re-cap on the business need, the process adopted so far and the discussions to date
- Ensure that any objections raised have been unreasonable
- Ensure that no satisfactory adjustment can be made or compromise reached
- Terminate the existing contract with full notice for "some other substantial reason", confirming this in writing, explaining the right of appeal
- Explain that at the end of the notice period a new contract will be on offer with the new terms
- Explain it is still open to the employee to agree to the new terms during the notice period
- Confirm that if the new contract is not accepted at the end of notice, employment will end
- Confirm the dismissal, the offer of re-engagement and the terms in writing
- If the employee agrees to change during the notice period, go to Step 6
- If the employee appeals, go to Step 7
- If the employee accepts the new contract at the end of the notice period, issue a new contract

### **Step 6 – Confirming and monitoring agreed change(s)**

- Confirm change(s) agreed in writing liaising with HR
- Sign and date the original letter, and a copy, in readiness for a meeting with the employee
- Meet with the employee and explain the letter's contents to ensure complete understanding
- Get the employee to sign and date the original letter and the copy
- Give the signed original letter to the employee, confirming it is the official notification of change
- Place the signed copy in the employee's personal file
- Place notes taken at meeting/s and a copy of this checklist in the employee's personal file
- Follow up to ensure the change(s) take place at the time agreed
- Monitor the situation post-change from the business and the employee's perspective

### **Step 7 - Appeal**

- If the employee does wish to appeal, he or she must inform [enter details of a person senior to the person who took the Step 2 decision].
- Employee submits appeal in writing to Assistant Director of Human Resources
- The written appeal must state grounds for appeal
- Assistant Director of Human Resources (or nominated officer) considers the grounds for appeal
- The employee is given a written response to the points raised

**Slotting-in / Ring-fencing Procedure**

**JE Team**

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## Slotting-in / Ring-fencing

### Procedure

The matching process is based primarily on agreed and up to date person specifications. Job matching should be carried out by management and the person specifications should be compared using the rating scale below.

#### Step by step

- Identify possible matches
- Make sure existing person specifications are up to date (review if out of date and agree with postholder)
- Before conducting the proposed matches the new post must be evaluated and the grade has to be confirmed.
- Read the person specifications and any other relevant information
- Compare the person specifications using the rating scale below on a factor by factor basis.
- Complete the matching table and provide evidence to back decisions.

### Rating Scale

0	1	2
No Change	Minor Change	Significant Change

### Definition of Minor Change

A minor change is defined as a change an employee could reasonably learn during a trial period.

### **Definition of a Significant Change**


A significant change is a change that would require an employee to develop new skills/knowledge beyond the trial period. The employee would need to demonstrate the required competencies during the trial period.

### Exclusions

Where the new post requires criteria that cannot be met within the trial period, or extended trial period, the post will automatically be unsuitable and this process cannot be used. For example, where a post requires a qualification that would take 2 years to gain and the affected employee does not have the qualification, the post will be deemed unsuitable.

### Slotting-in / Ring-fencing Criteria<sup>1</sup>

#### **Grade differences:**

One or two grades up  or one grade down 

Assimilation can only occur when:

- The old and new posts are substantially similar but within the same grade range.
- There are the same number or fewer potential redeployees than available matching posts

Ring fencing occurs when:

- A maximum of two grades up or one down exists and the role is deemed as a suitable alternative by management.
- There are more potential redeployees than roles available and the roles are substantially similar.
- 

**Example Matching Table**

<b>Person Spec Criteria</b>	<b>New (Provide details)</b>	<b>Old (Provide details)</b>	<b>Rating Scale</b>
<b>Knowledge</b>	High level knowledge of LG policies/	No Match	2
<b>Skills &amp; Abilities</b>	Ability to effectively interpret a range of different legislations	Ability to review policies making sure they are in line with legislation.	1
<b>Qualifications</b>	Social work	No Match	2
<b>Experience</b>	Experience of dealing effectively with complex and detailed enquiries across arrange of services	Experience of dealing with a range of enquiries not limited to one area.	1
<b>Special Requirements</b>	Advanced CRB	No Match	2
<b>Other (Attendance/Disciplinary record)</b>	N/A	N/A	N/A

**Matching Results**

(Where significant change is shown in 2 or more of the key highlighted red areas the post is no longer deemed to be suitable for assimilation)



## **HUMAN RESOURCES**

### **REDEPLOYMENT POLICY**

**January 2010**

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# Redeployment Policy

## 1.0 Purpose

1.1 As an employer the council has a responsibility to minimise the number of job losses by finding and offering suitable alternative employment within the council to any employee who faces dismissal as a result of one of the specified criteria defined below.

<b>Redeployment Reason</b>	<b>Criteria</b>
<b>Redundancy</b>	Under notice (or imminent notice) of dismissal by reason of redundancy. Redundancy arises in any one of four situations: <ul style="list-style-type: none"> <li>i. job redundancy, the business closes down;</li> <li>ii. place of work redundancy, the employee's place of work closes down;</li> <li>iii. employee redundancy, the employer's requirements for employees to carry out work of a particular kind have ceased or diminished this includes the termination of fixed term contracts of 2 year's duration; and</li> <li>iv. bumped redundancy, an employee whose job is redundant is allocated another employee's job, and that employee consequently becomes redundant.</li> </ul>
<b>Capability</b>	Where ill-health or disability affects the continuation of employment in their substantive post, although meaning that they are capable of carrying out other work, further to Occupational Health assessment.  Where there is poor performance in the substantive post but there is potential to carry out other work, for example a demotion to a post of a lower grade.
<b>Conduct</b>	Where redeployment has been recommended as the outcome of a disciplinary process.
<b>The termination of a fixed term contract</b>	A fixed term contract of one year's continuous service ends and is not renewed.
<b>A statutory requirement which could prevent the employment continuing</b>	For example, a driver losing their licence.
<b>Some other substantial reason</b>	For example, where an employee has to be withdrawn from their substantive post because of a fundamental breakdown in working relationships that is not due to conduct and/or performance, however the working relationship is untenable in that it is harmful to service delivery and having a negative impact on colleagues.

1.2 An employee falling within the remit of this Policy will be included in the council's Redeployment Pool and the council's Redeployment Procedure will apply.

## 2.0 Scope and exceptions



- 2.1 With the exception of schools based staff, this policy applies to all employees covered by NJC conditions of service for Local Government Services or the JNC conditions of service for Chief Officers in Local Authorities who meet any of the reasons for redeployment set out in Section 1.0 above.
- 2.2 Since the objective of the Redeployment Policy is primarily to avoid termination of employment in specific situations, positions which are 1 or 2 grades up or 1 grade down from their existing grade will be considered to enable greater flexibility for managing change. For all other posts, applications must be made in the normal way.
- 2.3 Changes driven by reorganisation which result in the possibility of part of the council's operations being contracted-out do not come within the scope of this Procedure. These matters are dealt with in the council's Blue Book provisions.
- 2.4 Nothing in this procedure is intended to be contractually binding upon the council, and the provisions may be unilaterally varied by the council after reasonable and appropriate consultation with unions.
- 2.5 This procedure does not apply to employees being dealt with as a result of poor performance during their probationary period.
- 2.6 The redeployment process is not for people who want a new job or change of career.
- 2.7 Eligibility for redeployment will cease on expiry of a fixed-term contract or the expiry of notice issued. Individual employees should therefore put themselves forward for consideration for any suitable vacancies prior to expiry of their notice period and should continue to do so on the occasions where an extended job search is granted.
- 2.8 Agency and other workers not employed by the Council, generally have no rights or entitlements under this procedure. However, where a worker is claiming employment rights, individual cases should be judged on their merits, in consultation with Human Resources.

### **3.0 Principles**

- 3.1 The key principles of redeployment are:
  - That attempts will be made to redeploy an employee who faces termination of their employment as a result of one of the specified criteria defined in section 1.0, wherever possible.
  - Redeployment to alternative roles will be promoted.
  - Employability will be promoted.
  - Transferable skills will be identified and developed.
  - Redundancy will be the exception not the rule.
  - Fair treatment and support for the redeployee.

### **4.0 Legal context**

- 4.1 The Redeployment Policy takes into consideration the provisions of the Rehabilitation of Offenders Act 1974, the Sex Discrimination Act 1975, the Disability Discrimination Act 1995, the Employment Rights Act 1996, CRB checking provisions as established under Part V of the Police Act 1997, the Employment Relations Act 1999, the Race Relations (Amendment Act) 2000, the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000, the Employment Equality (Age) Regulations 2006, the Equality Act 2006, the Work and Families Act 2006, the Fixed Term Employees (Prevention of Less Favourable Treatment) (Amendment) Regulations 2008, the Employment Act 2008 and the ACAS Code of Practice on Disciplinary and Grievance Procedures 2009.

### **5.0 Considering any adverse impact**

5.1 The Council wishes to ensure that its policies and procedures do not impact unfairly on employees with reference to race, sex, age, religion or belief, sexual orientation or disability. Managers are therefore required to ensure that their application of this policy does not have adverse impact that is not reasonably justifiable.

## **6.0 Evaluation review and change**

6.1 The Council will regularly monitor the Redeployment Policy to ensure that those using the Policy abide by the operating principles and procedures, and that the standards expected of managers in its application are being achieved.

## **7.0 Complaints**

7.1 Any individual who feels they have not been treated fairly under the redeployment procedure should initially seek to resolve this informally. If this proves unsuccessful complaints will be dealt with under the terms of the relevant appeal procedure as relates to the reason for their redeployment such as Capability Procedure, Attendance Management Procedure, Managing Change Procedure, Disciplinary Procedure, Temporary or Fixed-term Contracts Guidelines and the Fairness at Work Procedure for redeployment decisions arising from a grievance e.g. following the fundamental breakdown in a working relationship.

## **8.0 Keeping records**

8.1 It is important that written records are kept of all stages of the process, including interviews for posts, any communications with the trade unions, employee representatives and individual employees.

## **9.0 Links to other relevant policies and procedures**

- Redeployment Procedure
- Capability Procedure
- Managing Change Policy and Procedure
- Disciplinary Procedure
- Temporary and Fixed Term Contract Guidelines
- Managing Alcohol, Drugs and Substance Misuse at Work Policy and Procedure
- Fairness at Work Policy and Procedure



**HUMAN RESOURCES**  
**REDEPLOYMENT PROCEDURE**

**January 2010**

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# Redeployment Procedure

## 1.0 Purpose

1.1 The purpose of this procedure is to ensure that the redeployment process to be followed is fair and consistent in approach by ensuring that:

- i. the roles and responsibilities of all parties involved are clearly understood;
- ii. staff remain valued and recognised; and
- iii. support is available to staff in a redeployment situation to enable their development moving forward.

1.2 As an employer the council has a responsibility to minimise the number of job losses by finding and offering suitable alternative employment within the council to any employee who faces dismissal as a result of one of specified criteria as defined below.

<b>Redeployment Reason</b>	<b>Criteria</b>
<b>Redundancy</b>	Under notice (or imminent notice) of dismissal by reason of redundancy. Redundancy arises in any one of four situations: <ul style="list-style-type: none"> <li>v. job redundancy, the business closes down;</li> <li>vi. place of work redundancy, the employee's place of work closes down;</li> <li>vii. employee redundancy, the employer's requirements for employees to carry out work of a particular kind have ceased or diminished this includes the termination of fixed term contracts of 2 year's duration; and</li> <li>viii. bumped redundancy, an employee whose job is redundant is allocated another employee's job, and that employee consequently becomes redundant.</li> </ul>
<b>Capability</b>	Where ill-health or disability affects the continuation of employment in their substantive post, although meaning that they are capable of carrying out other work, further to Occupational Health assessment.  Where there is poor performance in the substantive post but there is potential to carry out other work, for example a demotion to a post of a lower grade.
<b>Conduct</b>	Where redeployment has been recommended as the outcome of a disciplinary process.
<b>The termination of a fixed term contract</b>	A fixed term contract of one year's continuous service ends and is not renewed.
<b>A statutory requirement which could prevent the employment continuing</b>	For example, a driver losing their licence.
<b>Some other substantial reason</b>	For example, where an employee has to be withdrawn from their substantive post because of a fundamental breakdown in working relationships that is not due to conduct and/or performance, however the working relationship is untenable in that it is harmful to service delivery and having a negative impact on colleagues.

1.3 An employee falling within the remit of this Policy will be included in the council's Redeployment Pool and the council's Redeployment Procedure will apply.

## 2.0 Redeployment priorities

- 2.1 Redeployment opportunities will be offered in the following category priority order, with category 1 representing the highest priority:-

Priority Category	Criteria
<b>Category 1</b>	Employees issued with notice of redundancy while on maternity or adoption leave or upon returning from maternity or adoption leave.
<b>Category 2</b>	If there is no-one in redeployment category one or they have been discounted in the process, then any disabled employee who needs to be considered for an alternative role (whether by reason of redundancy or not), which includes placing that disabled employee in a suitable post without the need for any competitive interview as a reasonable adjustment.  *For further guidance on the DDA see <b>page x</b> of this procedure.
<b>Category 3</b>	All other redundant redeployees.
<b>Category 4</b>	Employees suffering from ill health (not deemed to fall within the DDA criteria), who are capable of fulfilling another role.
<b>Category 5</b>	Employees whose incapability evidenced by poor performance requires the Council to consider alternative work.
<b>Category 6</b>	Employees under notice of dismissal for some other substantial reason.
<b>Category 7</b>	Employees under notice because continued employment in their current role would contravene a statutory enactment.

## 3.0 The redeployment process

- 3.1 Before notice of dismissal is issued a check of redeployment opportunities within the employees own unit and council wide must be made.
- 3.2 The redeployment period runs concurrently with the employee's contractual notice of dismissal, except where the employee has yet to be issued their notice but is at imminent risk of redundancy in which case the redeployment process by agreement with the employee can start earlier than the maximum notice period of 12 weeks.
- 3.3 As formal notice is issued or redeployment has been identified as the most appropriate course of action, the line manager in a meeting with the employee must explain the Redeployment Procedure in full including any potential outcomes and the employee's obligations the process. The line manager should confirm to the employee the start and end date of the redeployment search, and ensure that appropriate access is in place to complete the Redeployment Skills Profile normally through a dedicated account in i-GRasp, the council's on-line recruitment system.
- 3.4 On completion of the Redeployment Skills Profile a job search process starts that considers a redeployee's skills and experience against all available council vacancies and gives priority consideration and preferential interviews to posts of 1 or 2 grades up or 1 grade down from their existing grade throughout the redeployment period; individuals should normally meet all of the essential criteria for the post however consideration should be given to the amount of additional training or re-training that would be required to enable the individual to meet the required competence.

- 3.5 Vacant posts within the council will not be advertised until a job search for suitable alternative posts has been carried out against redeployees in the redeployment pool.
- 3.6 Support for redeployees' is available through Human Resources on the completion of a skills profile plus advice on: job applications, supporting statements, CV writing and interview preparation.
- 3.7 A 24 hour telephone counselling facility, or face to face counselling, is available through Care First by contacting 0800 174319.
- 3.8 The council will provide reasonable time off to pursue job opportunities both inside and outside the Council.
- 3.9 When placed in the Redeployment Pool in certain cases the Unit Manager of the redeployee may determine the employee is not required to come into work i.e. where working relationships have irretrievably broken down or where there is no meaningful work to do i.e. when the post is redundant.
- 3.10 If at the end of the notice period suitable alternative employment has not been found, then the employee's contract will be terminated under the relevant HR procedure unless the job search period warrants an extended search period in the event of one or both of the following reasons:
- i. where there has been a delay in the redeployment process which has meant that the job search has not been completed within the notice period.
  - ii. That a suitable position is / positions are known to be imminently arising.
- 3.11 Once the redeployment process has been completed all remaining vacancies will be subject to the normal recruitment and selection procedures.

#### **4.0 Suitable alternative employment**

- 4.1 On receipt of notification of vacancies for advertisement, the People Centre will assess the suitability of the skills and experience of the redeployee against the vacancies arising during the employee's redeployment period. This is with a view to assisting them in identifying potential suitable alternative council employment.
- 4.2 The following key criteria will be applied by the People Centre when conducting a match:
- i. the vacant post will be 1 or 2 grades up or 1 grade down from their existing post;  
and
  - ii. the redeployee will have the appropriate experience, skills and / or qualifications required by the person specification.

4.3 Suitable alternative employment is intended to reflect the match between the employee's current or most recent role(s), their skills, knowledge, qualifications (where relevant), aptitude and capability compared with the requirements of the new post with or without further training. Key factors to be taken into account when considering suitable alternative employment encompass is it reasonable to expect the employee to accept a new role based on the differences between their substantive post and potential post given:

- the nature of the job, including consideration of any additional duties assigned to their role over and above the job description;
- job status;
- the salary;
- knowledge, qualifications and skills;
- the required hours of work and work pattern;
- the accessibility of proposed new location;
- any personal circumstances e.g. outside work care responsibilities;  
and
- personal career prospects.

4.4 If a redeployee's current role is part-time, or if the redeployee has flexible working arrangements in place in their substantive post, for any position they may be redeployed to a new request for part-time or flexible working will need to be made at the time of applying for the position.

4.5 A discussion with the redeployee should confirm whether they are prepared to accept an alternative job that would involve a demotion (less pay) rather than become unemployed.

4.6 If the post being applied for is exempt from the Rehabilitation of Offenders Act 1974, then the redeployee must declare all information about convictions, including those regarded as 'spent'. If the post is not exempt then the redeployee should only provide details of convictions, which are not 'spent'. If applying for a post which is covered by this Act any queries should be taken up the People Centre.

4.7 If the post being applied for requires substantial access to children or vulnerable adults as part of the normal duties of the post, a Criminal Records Bureau (CRB) check will be required and the redeployee will be sent a CRB form to complete. This process will be explained to the redeployee at interview and appointment will be made subject to satisfactory clearance.

4.8 If the post is deemed to be suitable alternative employment, the redeployee will be required to complete a Supporting Statement against the person specification for the vacant post within 48 hours, this together with the Redeployment Skills Profile form will be forwarded to the recruiting manager who will assess the redeployment candidate against the relevant person specification criteria for the post and the redeployee will be called for an interview.

4.9 If the redeployee does not wish to apply for a post that the People Centre identify as potentially suitable the People Centre notify the Substantive Manager and proceed to advertise the post in the normal way.

4.10 Where delays in the process mean that a reasonable job search was not completed within the notice period; or there is reason to believe that the job search may be successful imminently, for example the redeployee has an interview scheduled shortly after anticipated termination date; their employment may be extended to accommodate an extended job search. This must be in consultation with Human Resources.

## 5.0 The redeployment interview



- 5.1 The key purpose of the interview will be to establish whether or not the position is suitable for the employee, meeting the essential criteria of the person specification, also taking into account the employee's background, current/recent level of: seniority, skills and type/level of experience, as well as the terms and conditions applicable to the post in question.
- 5.2 Appointment of redeployees' to posts within the council will be by interviews unless there is a specific need by which the person specification criteria of the post needs to be tested in some other way i.e. keyboard speed.
- 5.3 The number of people assigned to the recruiting panel will be kept to a minimum. The interviews should be as informal as possible but must ensure that suitability for the post is properly assessed.
- 5.4 The Recruiting Manager must keep a record of their scores to return to the People Centre.
- 5.5 Where the redeployee is successful at interview, refer to Section 11.0 regarding trial periods below.
- 5.6 Where the redeployee is unsuccessful at interview, the recruiting manager must offer the redeployee feedback and the job search for a suitable alternative post will continue for the remainder, if any of their notice period.
- 5.7 There is no right of appeal against the outcome of redeployment interview if the redeployee is unsuccessful. However, the Fairness at Work Procedure could be used by the redeployee to raise issues of discrimination regarding the process.

## **6.0 Accepting or rejecting suitable alternative employment**

- 6.1 In all cases of redeployment there will be a 4 week trial period (noting specific additional criteria attached to redundancy situations below), an offer and acceptance of a post is to move on a confirmed date by management, to the new post's terms and conditions of employment. A reference should be taken up from the immediate line manager of the substantive post to confirm that the role is right for the individual and to help in the identification of any training needs. An appointment to certain posts may necessitate further pre-appointment checks e.g. CRB clearance. Failure to accept the post will result in the referral back to the relevant HR procedure the redeployee was within i.e. Managing Change Procedure, Attendance Management Procedure or Disciplinary Procedure and ultimately the termination of their employment. In such cases Human Resources must be consulted.
- 6.2 In a redundancy situation:
  - i. If an offer of suitable alternative employment is made, but the employee unreasonably refuses to accept it, an employee in a redundancy situation will lose his/her right to their redundancy payment.
  - ii. If management accept that the alternative employment offered is not entirely suitable for the employee and/or the employee's refusal of the offer is reasonable in the circumstances, he/she will be treated as having been dismissed by reason of redundancy on the date that his/her original job came to an end. In these circumstances, the employee will retain the right to their redundancy payment.
  - iii. Where alternative employment is offered and accepted in a redundancy situation, a four week trial period will ensue.
  - iv. On confirmation of a trial period being offered and accepted one reference should be requested from the substantive post's line manager to confirm that the role is right for the individual and to help in the identification of any training needs. Appointment to certain posts may necessitate further pre-trial period checks e.g. CRB clearance.

## **7.0 Accepting a temporary / fixed term post or secondment**

- 7.1 Where a redundant redeployee accepts redeployment to a temporary / fixed term or secondment post, at the end of that period they will revert to the redeployment pool.
- 7.2 In the event that no further suitable redeployment opportunities are available prior to the end of the temporary / fixed-term or secondment post, they will receive their redundancy entitlement based on their continuous service up to the date of the termination of their employment.
- 7.3 For all redeployees accepting a temporary / fixed term post or secondment, the redeployment search will recommence again 12 weeks before the date the contract is due to end assuming the contract accepted is longer than 12 weeks, if not then the redeployment search continues throughout the temporary / fixed term or secondment period.
- 7.4 At the end of a limited contract, the redundancy payments will be met from the unit the employee was originally made redundant from.

## **8.0 Ill-health redeployee**

- 8.1 Management in consultation with Occupational Health and any other relevant medical advice must ensure that any adjustments, limitations or restrictions that may apply are managed appropriately.

## **9.0 The trial period**

- 9.1 A redeployee who is successful at interview will be entitled to a four week trial period in the new post. The trial period gives both employee and the appointing manager the opportunity to try out the new job before making the final decision on its suitability. The trial period should be extended by a further 2 months, to a total of 3 months to allow for re-training. The decision to extend and the length of extension must be in consultation with Human Resources and must be set out to the redeployee in writing.
- 9.2 During the trial period, the line manager of the new post should meet with the employee on a weekly basis to discuss their performance.
- 9.3 Where possible the view on the suitability of a role following a trial period should be agreed jointly between the manager and the redeployee. Where agreement is not possible, management reserves the right to make the final decision on whether the trial period has been concluded successfully or not, although the views of the redeployee will be taken into account.
- 9.4 In the event that the council decides to terminate the employee's employment at the end of the trial period, a redundant employee will retain the right to their redundancy payment. The relevant date for the purposes of calculating redundancy pay in these circumstances will be the date on which the employee's original job ended (and not the date that marked the end of the trial period).
- 9.5 The trial period may cease early if it becomes evident that the role is not suitable by either management or the redeployee.
- 9.6 Eligibility to a redundancy payment may also be lost if an individual unreasonably refuses an offer of suitable alternative employment.

## **10.0 Salary payment and protection**

- 10.1 For employees who are being redeployed who would otherwise be redundant, the receiving unit pays the redeployee's salary during the trial period; if the job is at a higher grade than

their substantive post then the higher grade applies, if the job is at a lower grade than their substantive post then for the trial period refer to the Pay Protection Appendix 3 contained within the Managing Change Procedure.

- 10.2 For employees who are being redeployed due to ill health/capability or any of the other non redundancy reasons, the receiving unit pays the redeployee's salary during the trial period; if the job is at a higher grade than their substantive post then the higher grade applies, if the job is at a lower grade than their substantive post then the lower grade applies, noting there is no pay protection facility.
- 10.3 In the event that the trial period is not successful then the terms of the original post are the terms of any termination payments.

## 11.0 Outcome of Trial Period

11.1 **Successful Trial Period.** If the trial period is successful, the manager will:-

- Write to the employee to confirm their continued employment in the post and the terms of the employment.
- Confirm for redundancy redeployees' any salary protection arrangements in accordance with the Salary Protection arrangement contained within the Council's Managing Change Procedure (Refer to Appendix 3).
- Confirm any training and support that may have been identified and agreed during the trial period.
- Inform payroll of the confirmed appointment.
- Ensure any further local induction needs to the new department are met.
- Arrange for Statement of Particulars of employment to be issued.
- Arrange for a reference from the previous line manager to ensure that the role is right for the individual, and to help in the identification of any training needs.

11.2 Where suitable alternative employment exists, it must be offered to the employee after he or she has been given notice of dismissal but before the original job comes to an end. The new job must begin either immediately after the original job comes to an end and additionally for a redundant redeployee within four weeks of the termination of the old job. For redundant redeployees where either of these conditions are met, the employee will not be entitled to receive a statutory redundancy payment, as there will have been no termination of employment, hence no redundancy.

11.3 If a decision is made to offer the employee the position, the offer will be made in writing and the employee will be given 3 working days to decide whether or not to accept it. This time period may be extended by agreement if the alternative position involves any major changes for the employee such as a move to a new location.

11.4 **Unsuccessful Trial Period:** Where either the employee or the manager feels that the post is not suitable or the trial period unsuccessful the manager should do the following:

- Meet with the employee to discuss the outcome of the trial period. Explore the possible suitability of the post with additional short term training and support.
- Discuss with the departmental HR team and the substantive line manager with a view to decide if the trial period should come to an end and if the job search should recommence for the remainder of the employee's notice period.

- If it is concluded that the employee has unreasonably refused a suitable alternative offer of employment, or that the employee has not engaged fully in the process redundancy payments will not be payable.
- If at the end of the trial period no other possible alternative employment is found; then the employee's contract of employment would be terminated under the relevant procedure.

## **12.0 Disabled redeployee (Disability Discrimination Act 1995)**

12.1 A person is defined by the Disability Discrimination Act 1995 (DDA) as having a "disability" if he or she "has a physical or mental impairment which has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities." There are four key areas which must be satisfied:

- the person must have an impairment that is either physical or mental;
- the impairment must adversely affect "ability to carry out normal day-to-day activities";
- that adverse effect must be "substantial"; and
- that adverse effect must be "long-term".

12.2 Under the DDA there is a requirement to consider reasonable adjustments to the workplace or the way in which the work is done to resolve any issues that the disabled person may be faced with in undertaking an alternative job. The nature of the reasonable adjustments that have to be considered will depend on the facts and circumstances of each case. Consideration should be given to retraining and / or transfer to a lower graded post if no others options are available as with other redeployees. Consistent with this approach, in circumstances where more than one redeployee equally meets the person specification for a particular post, a job offer will be made to the redeployee who is considered disabled under the DDA; this must be in consultation with Human Resources. Brent Council is committed to:

- Considering what, if any, adjustments could reasonably be made to support a disabled job redeployee and discuss these with them directly.
- Seeking professional advice on internal or external as appropriate on disability adjustments.
- Assess a disabled redeployee's suitability for taking into account any reasonable adjustments that could be made, so as to allow the person to compete for the job on a level playing field.
- Ensure that no disabled applicant is refused a job for a reason related to his or her disability unless the refusal can be objectively justified on grounds that are material and substantial.

## **13.0 Complaints**

13.1 Any individual who feels they have not been treated fairly under the redeployment procedure should initially seek to resolve this informally. If this proves unsuccessful complaints will be dealt with under the terms of the relevant appeal procedure as relates to the reason for their redeployment such as Capability Procedure, Attendance Management Procedure, Managing Change Procedure, Disciplinary Procedure, Temporary or Fixed-term Contracts Guidelines and the Fairness at Work Procedure for redeployment decisions arising from a grievance e.g. following the fundamental breakdown in a working relationship.

**The substantive manager's responsibilities within the process:**

- Check for redeployment opportunities within the employees own Unit before notice of dismissal is issued.
- Notify the People Centre of the redeployee's status, who will set up an account for the redeployee on the e-recruitment system.
- Provide support to individuals subject to redeployment by meeting to explain the redeployment process and provide guidance in completing the profile document and supporting statement.
- Advise the redeployee of their responsibility to be pro-active in seeking alternative work.
- Meet with their redeployee periodically to discuss how they are and their progress with the job search.
- Find the employee temporary duties (if applicable).
- Allow the employee reasonable time off to prepare for and attend interviews (what is reasonable).
- Consider learning and development needs that may assist the redeployee in respect of seeking alternative work, during their trial period and becoming established in the post.
- Keep records of any communications with the employee about their redeployment status, communications with the trade unions, or employee representatives.

**The redeployee's responsibilities within the process:**

- Actively engage in the redeployment process to seek alternative employment within the Council, i.e. by completing the Skills Profile form and checking the Council's Intranet on a regular basis for suitable employment opportunities this includes those staff who maybe absence from the workplace due to sickness absence, maternity or other types of leave.
- Complete supporting statement's promptly upon request from People Centre in regards to applying for internal suitable alternative employment.
- Consider reasonable changes in the work environment, pay and responsibilities.
- Make use of opportunities and facilities available for job search inside and outside the council.
- Prepare adequately for interviews i.e. make sure that they are familiar with the job description and requirements as outlined in the person specification of the potential suitable alternative post.
- Not to unreasonably turn down an offer of suitable alternative employment.
- Carry out any reasonable temporary duties assigned to them by their line manager when they are under trial for a post.

**The recruiting manager's responsibilities within the process:**

- Notify the People Centre of any post(s) to be advertised before taking any action to advertise a vacant post.
- Accept responsibility for employees by responding positively to requests from other departments to consider staff subject to redeployment.

- Set up the recruiting panel and will ensure the short list takes place quickly. The shortlist of the redeployment candidate will be against the essential criteria for the post as detailed in the job description and person specification.
- Confirm the interview arrangement and details to the People Centre and the shortlisted redeployee.
- Confirm the outcome of the interview to the People Centre and the employee.
- A record of the interview, the reasons for the selection of the successful applicant and the reasons for the rejection of the unsuccessful candidates should be documented by the recruiting manager. This record should be objective and should focus on factors such as the extent to which a candidate's qualifications, skills and experience matched up to the requirements defined in the person specification. These records should be retained for six months, after which they should be destroyed in the absence of any litigation. Noting that under the Data Protection Act 1998, the recruiting managers' interview notes held in a structured file (paper or computer based) can be subject to access requests from both successful and unsuccessful job applicants.
- Be available to provide feedback where the redeployment candidates do not meet the essential criteria or have been unsuccessful at the interview.
- Arrange the redeployee's local induction.
- Provide appropriate managerial support to the redeployee, assess and monitor their suitability for the post during the trial period.
- Provide weekly progress report to the substantive post's departmental Human Resources Team and copied the People Centre.
- Confirm the outcome of the trial period to the People Centre.
- Ensure that any on-going learning and development needs are identified and work objectives are set under the IPAD performance management appraisal scheme framework.

**The People Centre's responsibilities within the process:**

- Maintain a register (database) of staff subject to redeployment.
- Receive notification of all vacancies before they are advertised and identify suitable alternative posts against redeployees in the Redeployment Pool i.e. a vacant post of one grade above or below their substantive post and that they have the appropriate qualifications, where these are required in the Person Specification.
- Assist redeployees' with advice regarding a skills profile and supporting statement.
- Provide a copy of the Redeployee Staff Information Pack.
- Notify redeployee's of forthcoming vacancies by sending the list.
- Determine through the suitability of redeployee for specific posts.
- Liaise with appointing manager to ensure redeployees are given prior consideration for vacant posts in the priority order set out in Section 2.
- Confirm arrangement and interview details to the redeployee and the change manager (line manager).
- Confirm the outcome of the trial period to both the redeployee and change manager (line manager).
- Ensure that any job specific requirement checks i.e. CRB clearance are actioned.

- Take up a reference from the line manager of the redeployee's substantive post to ensure that the role identified as potentially suitable is right for the individual and to help in the identification of any training needs.
- Maintain good quality audit trail of the process for redeployment.
- Undertake redeployment data monitoring including equalities monitoring in respect of successful and unsuccessful redeployment searches, monitoring outcomes by race/ethnicity; age; disability; gender/transgender; religion/belief; sexual orientation.
- Provide reports as and when require to analyse the effectiveness of the process and any adverse equality impact.

**Human Resources' responsibilities within the process:**

- Ensures that manager checks for redeployment opportunities within the employee's own Unit before notice of dismissal is issued.
- Provide coaching in interviewing skills and mock interviews etc.
- Inform employees of facilities which are available inside and outside the Council to assist in obtaining employment.
- Support the change manager (line manager) and the recruiting manager with advice and guidance on the process.
- Determine the support required in completing a skills profile plus advice on: job applications, supporting statements, CV writing and interview preparation.
- Resolve any queries about final payment i.e. redundancy pay calculations and pay protection issues.

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## Redeployment Process Activity Checklist


Appendix 2

Steps / Task	Activity	Responsible Lead Officer
<b>Starting the process (Referral)</b>	<ul style="list-style-type: none"> <li>• Check for redeployment opportunities within the employees own Unit before notice is issued.</li> <li>• Issue letter of referral to redeployment pool, confirm reasons and timescales</li> <li>• Explain the redeployment process to employee and advised them to be pro-active in applying for alternative posts.</li> <li>• Support the employee with completing a skills profile.</li> <li>• Allocate temporary duties and confirm working arrangements for the redeployment period.</li> <li>• Notify the People Centre.</li> <li>• Meet the employee on a weekly basis to discuss their general welfare ad job search.</li> <li>• Allow employee reasonable time off to prepare for and attend interviews.</li> </ul>	<b>Change Manager (substantive post line manager)</b>
<b>Job Search &amp; Suitability Assessment – (Council jobs will not be advertised until a matching exercise against redeployees in the redeployment pool has been carried out)</b>	<ul style="list-style-type: none"> <li>• Register employee as a redeployee</li> <li>• Check for receipt of the skills profile. If not received, notify change manager.</li> <li>• Explain process for obtaining suitable alternative job to redeployee.</li> <li>• Send Vacancy bulletin to redeployee on a weekly basis in advance of</li> <li>• Identify possible suitable posts against employees on the redeployment register with vacancies</li> <li>• Liaise between redeployee and recruiting manager.</li> <li>• Update employee on progress.</li> <li>• Determine the support required in completing a skills profile plus advice on: job applications, supporting statements, CV writing and interview preparation.</li> </ul>	<b>People Centre</b>
<b>Interviews</b>	<ul style="list-style-type: none"> <li>• Assess the redeployee against the selection criteria for role (make interview compulsory).</li> <li>• Arrange interviews and confirm details to redeployee and the People Centre.</li> <li>• Inform People Centre of the outcome of the short list and /or the interview.</li> <li>• Provides feedback if requested</li> <li>• Offer post on a 4 weeks trial basis if successful at interview.</li> </ul>	<b>Recruiting Mgr / Recruiting Panel</b>
<b>Redeployee</b>	<ul style="list-style-type: none"> <li>• Completes Redeployment Profile form</li> <li>• Completes Supporting Statement for the post considered potentially suitable</li> <li>• If shortlisted, attends interview</li> <li>• If successful is offered 4 week trial period (see During Trial Period below)</li> <li>• If unsuccessful, outcome confirmed in writing and remains in redeployment pool</li> </ul>	



<p><b>During the Trial Period (4 weeks)*</b></p>	<ul style="list-style-type: none"> <li>• Meet weekly with employee and provide appropriate line managerial support, assess and monitor their suitability for the post using the criteria on person specification.</li> <li>• Discuss redeployee's refusal of offer with HR and line manager.</li> <li>• Seek advice and guidance on the process from HR and the People Centre as and when you require.</li> </ul>	<p><b>Appt Line Mgr</b></p>
<p><b>Successful Trial Period</b></p>	<ul style="list-style-type: none"> <li>• On successful completion, offer post and confirm to People Centre.</li> <li>• Issue written confirmation of appointment to employee and issue new Statement of Particulars of Employment.</li> <li>• Confirm any salary protection arrangements in accordance with council's salary protection arrangement.</li> <li>• Confirm any training and support that may have been identified and agreed during the trial period.</li> <li>• Inform payroll as appropriate.....</li> <li>• Continue with employee's induction to the new department where applicable.</li> <li>• If employee refuses the offer, inform them that they will not be entitled to a redundancy payment at the end of the process.</li> <li>• Discuss redeployee's refusal of offer with HR and line manager.</li> <li>• Follow the advice provided.</li> </ul>	<p><b>Appt Line Mgr</b></p>
<p><b>Unsuccessful Trial Period</b></p>	<ul style="list-style-type: none"> <li>• Identify skills gap (shortfalls) and assess if this can be addressed within an acceptable timeframe with additional training.</li> <li>• Discuss redeployee's suitability and the assessment with them.</li> <li>• Consult with HR and line manager on possible extension of the trial period.</li> <li>• Confirm the outcome of discussion to redeployee.</li> <li>• Notify People Centre and line manager of unsuccessful trial period and provide them with the records.</li> </ul>	<p><b>Appt Line Mgr</b></p>
<p><b>Conclusion of the Job Search</b></p>	<ul style="list-style-type: none"> <li>• Assess whether a reasonable timely job search has been undertaken across the council during the redeployment period.</li> <li>• Assess whether a short extension to the redeployment period is likely to secure a suitable redeployment opportunity.</li> <li>• Refer the redeployee back to the originating department.</li> <li>• Termination of contract and exit interview.</li> </ul>	<p><b>Appt Line Mgr / HR/Change Mgr /People Centre</b></p>
<p><b>Monitoring</b></p>	<ul style="list-style-type: none"> <li>• Monitor and keep records of the outcome for individual redeployee.</li> <li>• Monitor the outcome for all redeployees</li> <li>• Undertake Equalities monitoring in respect of successful and unsuccessful redeployment searches monitor outcome by race/ethnicity, age, disability, gender/transgender, religion/ belief and sexual orientation</li> <li>• Assess the effectiveness of the process.</li> <li>• Provide reports as and when required.</li> </ul>	<p><b>People Centre</b></p>

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	<p style="text-align: center;"><b>General Purposes Committee</b> 26 January 2010</p> <p style="text-align: center;"><b>Report from the Director of Finance and Corporate Resources</b></p>
For Action	Wards Affected: ALL
<b>Calculation of Council Tax Base 2010/11</b>	

## 1. Summary

- 1.1 This report sets out council tax base calculations to be used for 2010/11. The level of council tax base set is used in the calculation of the council tax for 2010/11. Regulations require that the council tax base is set by 31<sup>st</sup> January prior to the start of the financial year.

## 2. Recommendations

### 2.1 To agree that:

- (i) The collection rate for the council tax for 2010/11 is set at 97.5%.
- (ii) In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, the amount calculated by the council as its council tax base for 2010/11 is set at **96,457**.

## 3. DETAIL

### 3.1. Background

3.1.1. The calculation of the tax base is one of the main stages in the process of setting the council tax, which is scheduled for the Council Meeting on 1 March 2010. Under regulations issued in 1992, the calculation must be carried out by 31<sup>st</sup> January prior to the start of the financial year.

3.1.2. The calculation is based on the council tax base return submitted to the Department of Communities and Local Government in October 2009 (attached as Appendix A), which is used in Government grant calculations. For 2010/11 the tax base used in grant calculations is 98,628 Band D equivalent properties.

3.1.3 This tax base assumes 100% collection of council tax. In practice, councils collect less than 100% for a variety of reasons including non-collection of

council tax and changes to the council tax base during the year. The council tax base set by the council takes account of likely collection rates, based on what is expected to be collected eventually, not just by the end of the financial year in question.

- 3.1.4 Any adjustment to the tax base figure will have an effect on the precept from the GLA (i.e. if the tax base figure increases, then the precept from the GLA would increase accordingly – currently the GLA precept accounts for 22.5% of the total council tax bills in Brent).

## **3.2 Council Tax Collection Rate**

- 3.2.1 Since 2001/02 the council's collection rate has been set at 97.5% as an assessment of the amount to be collected for the relevant year. For more recent years there is still a considerable way to go to reach 97.5% ie council tax collected by the end of December 2009 in respect of 2006/07 is 95.2%, 2007/08 is 96.4%, and 2008/09 is 96.8%. These percentages relate to the percentage of the budget requirement rounded up to 100% (from the 97.5% collection assumption). This is not the same as the collection percentage measured against the net collectable debit (as in 3.2.3. below), as this is affected by new assessments, exemptions discounts and Council Tax Benefit.
- 3.2.2 In-year collection levels have improved in recent years from 93.2% in 2006/07 to 94.6% in 2007/08 and 94.7% in 2008/09. By the end of December 2009, 83.6% of 2009/10 council tax had been collected compared to an equivalent figure of 83.3% in 2008/09.
- 3.2.3 Levels of collection are not only affected by non-payment but also by changes to the collectable amount during the course of the financial year (and after). These changes are due to fluctuations in the number of single person households in receipt of a 25% discount (currently 39,000 properties) as well as exemptions and valuation reductions due to appeals. The total collectable has tended to fall during the course of most years, due to additional exemptions and discounts. There has been a considerable increase in 2009/10 due to new properties coming in to rating, but with the recession affecting new house building, the possibility of the collectable total falling still needs to be taken in to account when setting the tax base.
- 3.2.4 If an over-optimistic assumption of the achievable collection rate is made, at some later stage a deficit in the Collection Fund will have to be declared, resulting in the need to increase the level of Council Tax in that year. The Council's external auditors have paid close attention to collection assumptions in the past, and would be unlikely to accept an over-optimistic assumption for 2010/11.
- 3.2.5 It is therefore recommended that the Council Tax collection rate be set at 97.5%.

### **3.3 Discounts for Second Homes and Long-Term Empty Properties**

3.3.1 Empty properties are fully exempt from council tax for six months. After this period they are classified as long-term empty.

3.3.2 Local authorities have the power to reduce the discount for long term empty furnished properties and second homes from 50% to 10%. For these properties, the Council can keep the additional income raised (shared with the GLA as preceptor). At Full Council in January 2004, Members agreed to set the discount for these properties in Brent at 10%. The difference between the 50% discount assumed in the council tax base return for these properties and the 10% discount set by Members can be added to the overall council tax base. There are currently 718 such properties (756 Band D equivalent). The overall impact on the number of Band D equivalent properties in 2009/10 is to increase it by 302 (40% of 756)

3.3.3 For long term empty unfurnished properties, the discount can be reduced to zero, and this was agreed by Full Council in January 2008. This is taken in to account in the DCLG tax base calculation.

### **3.4 Setting the Council Tax Base**

3.4.1 The tax base for 2010/11 is as follows:

- Band D equivalent properties on the return to the DCLG (attached as Appendix A = 98,628);

Plus

- 302 (being the impact of adding back 40% of the value of second and long term empty furnished properties at Band D equivalent

multiplied by:

- The estimated rate of collection (97.5%)

3.4.2 This produces the following calculation:

$$(98,628 + 302) \times 97.5\% = 96,457$$

This compares to a figure of 95,279 in 2009/10. The increase of 1,178 (1.24%) is due to an increase of 1,474 in the number of dwellings on the valuation list, which has been partly offset by a small increase in the number of exemptions and discounts.

## **4 FINANCIAL IMPLICATIONS**

4.1 These are included in the detail above.

## **5. LEGAL IMPLICATIONS**

- 5.1. The Council Tax Base is the equivalent number of Band D dwellings (after taking account of discounts and exemptions) which would raise the same amount of tax as the actual number of liable dwellings in the borough, with their actual spread of bands. The Band D equivalent total is then multiplied by the estimated collection rate for the year, to give the Council Tax Base figure. In the Council Tax calculation process to be undertaken at Full Council on 1<sup>st</sup> March 2010 this figure will be used to calculate the amount of tax to be levied for a Band D dwelling. The Council Tax level for each valuation band is then calculated by a fixed ratio which each band bears to the Band D figure. The Council's Constitution currently requires that the calculation of the Council Tax Base be carried out by the General Purposes Committee.
- 5.2 Section 11A of the 1992 Local Government Act enables the Secretary of State to designate by regulations:
- (i) Categories of properties in respect of which the discount available in respect of empty properties may be reduced to a percentage of at least 10% (section 11A(3)); and
  - (ii) categories of properties in respect of which the discount may be reduced to any percentage or eliminated entirely (section 11A(4)).

In the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 the Secretary of State has designated furnished dwellings which are not the sole or main residence of an individual for the purposes of section 11A(3) (except caravan pitches and boat moorings) and unfurnished unoccupied properties for the purposes of section 11A(4).

- 5.3 The determination the Council made on 26<sup>th</sup> January 2004 to set the discount for second and long term empty properties at 10% was in accordance with these regulations. This Committee decided in January 2008 to remove the 10% discount for unfurnished unoccupied properties.

## **6. DIVERSITY IMPLICATIONS**

- 6.1. The proposals in this report have been subject to screening and officers believe that there are no diversity implications arising from it.

## **7. STAFFING IMPLICATIONS**

- 7.1. None arising directly from this report.

## **8. BACKGROUND INFORMATION**

Local Government Finance Act 1992.

The Local Authorities (Calculation of Council Tax Base) Regulations 1992.

Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003

Council Tax Valuation List.

Anyone wishing to inspect the above documents should contact David Huberman, Finance Manager, Brent Financial Services, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD. Telephone 0208-937-1478.

**DUNCAN McLEOD**  
**Director of Finance and Corporate Resources**

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## CTB(October 2009)

## Calculation of Council Tax Base for Formula Grant Purposes

Please e-mail to : [ctb.statistics@communities.gsi.gov.uk](mailto:ctb.statistics@communities.gsi.gov.uk)  
Please enter your details after checking that you have selected the correct local authority name

Check that this is your authority :	Brent
Local authority contact name :	DAVID HUBERMAN
Local authority telephone number :	0208-937-1478
Local authority fax number :	0208-937-1399
Local authority e-mail address :	david.huberman@brent.gov.uk

## CTB(October 2009) form for : Brent

Completed forms should be received by CLG by Friday 16 October 2009

Dwellings shown on the Valuation List for the authority on Monday 14 September 2009	Band A entitled to disabled relief reduction COLUMN 1	Band A COLUMN 2	Band B COLUMN 3	Band C COLUMN 4	Band D COLUMN 5	Band E COLUMN 6	Band F COLUMN 7	Band G COLUMN 8	Band H COLUMN 9	TOTAL COLUMN 10
1. Total number of dwellings on the Valuation List		2,545	11,986	32,649	30,583	21,665	6,189	3,332	254	109,203
2. Number of dwellings on valuation list exempt on 5 October 2009 (Class A to W exemptions)		186	497	1,236	756	547	143	99	17	3,481
3. Number of demolished dwellings and dwellings outside area of authority on 5 October 2009 (please see notes)		0	0	0	0	0	0	0	0	0
4. Number of chargeable dwellings on 5 October 2009 (treating demolished dwellings etc as exempt) (lines 1-2-3)		2,359	11,489	31,413	29,827	21,118	6,046	3,233	237	105,722
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 5 October 2009		1	25	71	260	242	106	57	9	771
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	1	25	71	260	242	106	57	9		771
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	1	2,383	11,535	31,602	29,809	20,982	5,997	3,185	228	105,722
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 5 October 2009	1	1,279	7,087	15,229	9,063	4,598	1,012	455	14	38,738
9. Number of dwellings in line 7 entitled to a 25% discount on 5 October 2009 due to all but one resident being disregarded for council tax purposes	0	9	76	247	252	158	41	23	2	808
10. Number of dwellings in line 7 entitled to a 50% discount on 5 October 2009 due to all residents being disregarded for council tax purposes	0	0	6	18	28	25	37	38	16	168
11. Number of dwellings in line 7 classed as second homes and so treated for Formula Grant purposes as being entitled to a 50% discount on 5 October 2009 (even if a lower discount has been granted in practice).		74	48	210	159	123	51	42	11	718
12. Number of dwellings in line 7 classed as long-term empty and receiving a 50% discount on 5 October 2009		0	0	0	0	0	0	0	0	0
13. Total number of dwellings in line 7 entitled to a 50% discount for Formula Grant purposes on 5 October 2009 (lines 10+11+12)	0	74	54	228	187	148	88	80	27	886
14. Number of dwellings in line 7 classed as long-term empty and receiving zero% discount on 5 October 2009		203	51	197	133	85	29	29	6	733
15. Number of dwellings in line 7 classed as long-term empty and receiving between zero% and 50% discount on 5 October 2009. Please enter % discount here (please see notes):		0	0	0	0	0	0	0	0	0
16. Number of dwellings in line 7 where there is liability to pay 100% council tax (lines 7-8-9-13-15)	0	1,021	4,318	15,898	20,307	16,078	4,856	2,627	185	65,290
17. Total equivalent number of dwellings after discounts, exemptions and disabled relief (to 2 decimal places) [(line 8 x 0.75) + (line 9 x 0.75) + (line 13 x 0.5) + line 15 x ((100 - % discount)/100) + line 16]	0.75	2,024.00	9,717.25	27,619.00	27,386.75	19,719.00	5,689.75	3,025.50	210.50	95,393
18. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
19. Number of band D equivalents (to 1 decimal place) (line 17 x line 18)	0.4	1,349.3	7,557.9	24,550.2	27,386.8	24,101.0	8,218.5	5,042.5	421.0	98,627.6
20. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2009-10 (to 1 decimal place)										
21. Tax base for Formula Grant purposes (to 1 decimal place) (line 19 col 10 + line 20)										98,627.6

## Certificate of Chief Financial Officer

I certify that the information provided on this form is based on the dwellings shown in the Valuation List for my authority on 14 September 2009 and that it accurately reflects information available to me about exemptions, demolished dwellings etc, disabled relief and discounts applicable on 5 October 2009.

Chief Financial Officer : .....

Date : .....

Local authority contact name : DAVID HUBERMAN  
Local authority telephone number : 0208-937-1478  
Local authority fax number : 0208-937-1399  
Local authority e-mail address : david.huberman@brent.gov.uk

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## General Purposes Committee 26<sup>th</sup> January 2010

### Report from the Director of Business Transformation

For Action

Wards Affected: ALL

## Amendments to the Council's policy for Admission Agreements

### 1.0 Summary

- 1.1 Under the One Council initiative the Council has launched a range of projects designed to achieve significant cost savings and deliver quality services. One aim is to ensure better procurement of services from external organisations. As some procurements require the transfer of staff it is timely that there is consolidation of the Council's approach to Admission Agreements that allow transferring staff continued access to the Local Government Pension Scheme (LGPS).

### 2.0 Recommendations:

- 2.1 That Members agree the new process and criteria for non community admission bodies detailed in Appendix A.
- 2.3 That Members note the criteria for community admission bodies detailed in Appendix A will remain unchanged.

### 3.0 Detail

- 3.1 Members are reminded that there are different types of organisation that may request access to the LGPS via an admission agreement, namely:
- (a) Community admission bodies; and
  - (b) Non-community admission bodies
- 3.2 Charitable and not for profit organisations, are entitled to request access to the LGPS under regulation 5 of the Local Government Pension Scheme (Administration) Regulations 2008 ("the Regulations"). Such organisations are

referred to in the Regulations as “community admission bodies”. The current Council policy for their admission to the scheme is:

- (i) That the body has a potential pension membership exceeding 25 staff; and
- (ii) That the organisation pays for any actuarial work required in setting up the admission agreement.

and at least two of the criteria below are met:-

- (iii) The organisation has been a viable entity for a period of not less than 36 months (evidence required by the provision of 2 years’ audited financial reports and accounts)
  - (iv) Evidence that the organisation’s sources of income and business plan for the next three years are satisfactory
- (v) Affiliation to a national organisation or existence of a parent body that will provide a financial guarantee

3.3 In the current economic climate it is unlikely that charitable organisations will apply for access to the scheme due to its expense. Officers can confirm that the trend in recent years is that organisations of this type are leaving, rather than joining, the pension fund.

3.4 The LGPS is a final salary pension scheme that is available to the majority of council’s non teaching staff. Where the whole or part of a Council service is outsourced and the outsourcing contract is entered into by the Council after 30<sup>th</sup> September 2007, a direction by the Secretary of State under section 101 of the Local Government Act 2003 requires that the contract with the third party provider must require the contractor to ensure pension protection for Council employees who transfer under TUPE to the contractor or to a sub-contractor as a result of the outsourcing. In order that pension protection is secured for these employees they must, as employees of their new employer, have rights to acquire pension benefits and those rights must be:

- (i) the same as, or
- (ii) count as being broadly comparable to or better than

those which they had, or had the right to acquire, as a Council employee (i.e. the rights they had to the future accrual of pension benefits as members of the LGPS or would have had if they had joined the LGPS). The direction does not give the Council any discretion to omit this term from the contract.

3.5 The Council is also required to ensure that former council staff who are transferred from an outgoing contractor to its successor also receive pension protection.

## **Pension Protection and its effect on Best Value:**

- 3.6 The pension obligations on contractors where the whole or part of a Council service is outsourced can make it difficult for the contractor to place a competitive bid. The contractor has two choices:
- (i) provision of a broadly comparable scheme; or
  - (ii) access to the LGPS via an admissions agreement

### Provision of a Broadly Comparable Pension Scheme (BCPS)

- 3.7 A BCPS is a scheme that has been certified by a qualified actuary as being broadly comparable to the LGPS. An actuarially certified broadly comparable scheme will be one which, in the professional opinion of the actuary, satisfies the condition that there are no identifiable employees who will suffer material detriment overall in terms of their future accrual of pension benefits under the scheme. A contractor may have to set up or amend its existing pension scheme or require amendments from a third party pension scheme which will be quantifiable expense for the contractor. There are a number of areas of uncertainty with a BCPS for a contractor which may lead it to increase its bid price to cover the uncertainty. For example, the contractor would be required to pay an ongoing contribution to the BCPS and that contribution may increase due to market conditions. The contractor will have some control over the investment risk but the stock market is unpredictable which means that the contractor is likely to assess its potential loss and increase its bid price accordingly.
- 3.8 Council policy also requires in the case of an outsourcing that, except in exceptional circumstances, the staff can transfer their accrued pension rights from the LGPS to the contractor's scheme without any reduction in their pension entitlements. Council policy also requires that in the case of a retendering, except in exceptional circumstances, there are arrangements allowing transferring former Council staff to transfer their accrued pension rights from the outgoing contractor's pension scheme to a successor's pension scheme without any reduction in their pension entitlements. This is known as a bulk transfer arrangement and may also be costly for contractors.

### Access to the Local Government Pension Scheme via an Admission Agreement

- 3.9 Regulation 6 (2) (a) (i) of the Local Government Pension Scheme (Administration) Regulations empowers the Council to allow organisations other than community admission bodies that provide it services or assets (called "transferee admission bodies") access to the LGPS. This means that staff transferring from the Council that provide services under the contract may remain members of the LGPS.
- 3.10 Access to the LGPS provides the most reassurance to the staff which may ensure their retention to deliver best value to the Council but represents unknown expense to the contractor. There are various risks including

longevity and demographic risks in relation to those transferring but the main areas of risk are:

- (a) **Investment Loss:** In order to maximise the value of the contributions made to it the pension fund it is invested. If returns are good the amount in the fund increases and employers may pay less but if returns are poor employers may be required to pay more. Contractors have no control over fund investment. So they may be required to be paid an unquantifiable additional amount to the pension fund.
- (b) **Basis Loss:** The actuary carries out a valuation of the pension every three years. The actuary will assume various conditions for the future of the fund such as the level of anticipated retirements. The actuary may change the basis of his/her calculations which may lead to an increase in employers' contributions. Again the contractor would be required to manage an unknown risk over which it has no control.
- (c) **Changes in Legislation:** The benefits payable under the LGPS are governed by legislation. The Government could decide to change the regulations so that members of the scheme get better benefits. Yet again the contractor would have no control over this but may be required to pay higher contributions to pay for the improved benefits.

3.11 It is possible that a naïve contractor may not consider the risk associated with entering an admission agreement. Its bid may therefore be competitive but the organisation may face financial difficulty during the contract which may lead to a decline in the service provided.

3.12 An informed bidder will consider the pension risk which it is likely to do in one of two ways:

- (i) It may consider the potential cost that the pension risk will be. In order to protect itself fully the organisation may take the worst case scenario and raise its bid price accordingly. This should help it to avoid financial difficulty should its contributions increase but this may mean that its bid is no longer competitive. As a consequence the Council may discount a contractor that may have provided an excellent, value for money service. In short the Council may fail to achieve best value because of the pension risk.
- (ii) In consideration of the potential cost, the contractor may suggest that it will, for example, take on the risks over which it has some control or over which the risk is manageable. Such risks include:
  - a. Early and ill health retirements
  - b. Excessive pay rises
  - c. Exercising its discretion e.g. deciding that it will allow a member to receive a higher pension

and that the Council takes on other risks such as the investment risk, basis risk and increases associated with changes in the legislation. With this assurance the contractor can place an informed competitive bid.

3.13 Officers believe that the alternative approach as detailed in 3.12 (ii), known as a risk sharing agreement, represents a pragmatic way of achieving best value because it:

- (i) may encourage bids from quality organisations (whom may otherwise have been disinclined to do so because of the pension risk) thus increasing competition
- (ii) enables bidders to submit an informed competitive bid
- (iii) helps to ensure that there is clarity of financial information for the letting unit and the contractor.
- (iv) is in line with guidance from the Local Government Employers (LGE) that recommends that there is due consideration of the pension risks by the Council and the contractor.

3.14 Members are asked to agree that where Council staff are to be TUPE transferred in connection with an outsourcing, or ex-Council staff are to be TUPE transferred in connection with a retendering, that contractors may be informed that the Council is prepared to enter into a risk sharing agreement relating to admission to the LGPS and that the principles of that agreement will be provided in the invitation to tender. At the discretion of the Director of Finance and Corporate Resources the Council may enter into risk sharing agreements with other organisations who may provide Council services such as Primary Care Trusts or Mental Health Trusts.

3.15 Members are also asked to agree that a risk sharing agreement may be entered into :-

- (i) where as a result of an outsourcing staff are TUPE transferred from the Council, or where as a result of a retendering former Council staff are TUPE transferred from a contractor to a successor organisation and
- (ii) the Director of Finance and Corporate Resources is satisfied that the pension fund is and will be no worse off than it would have been had the staff remained in their current employment, that the risk sharing agreement ensures best value and that the circumstances do not require a further decision by the General Purposes Committee.

#### **Current council criteria for Admission Agreements for transferee admission bodies**

3.16 The Council's policy for the admission of transferee admission bodies to the pension fund has been agreed by various Council committees. These are that:

- (i) The organisation will be required to pay a contribution rate that is set by the council's actuary sufficient to meet only the future service liabilities of transferring staff.
- (ii) Undertake to pay the capitalised cost of any ill health retirements (over and above the budget set by the actuary in the triennial valuation) by way of equal lump sums over three years or at the end of the contract whichever is soonest
- (iii) Pay any estimated actuarial deficit calculated by the councils actuary within six months of the end of the contract
- (iv) Where available, a parent guarantee should be obtained
- (v) That the organisation pays for any actuarial work required in setting up the admission agreement

3.17 The Council's constitution delegates to the Director of Finance and Corporate Resources the decision whether or not an admission agreement shall be entered into but if there is a departure from the criteria in paragraph 3.16 the matter must be referred to the General Purposes Committee.

3.18 The criteria are designed to protect the pension fund but are inflexible and may delay the procurement process if officers are required to refer the matter to committee. They may also prevent best value being achieved as described in this report.

#### **Proposed change to process and criteria for admission agreements for transferee admission bodies**

3.19 For the reasons detailed above, Members are asked to approve a revised process and criteria that will apply to transferee admission bodies as set out in Appendix A:

#### **4.0 Financial Implications**

4.1 The measures proposed should assist the council to achieve best value and protect the pension fund. The financial implications are provided in the detail of this report.

#### **5.0 Legal Implications**

5.1 The legal implications are provided in the detail of this report.

#### **6.0 Diversity Implications**

6.1 There are no diversity issues arising from this report.

#### **7.0 Staffing Implications**

The provision of an admission agreement will allow the transferring staff continued access to the LGPS. This means that the staff will have access to



the same pension rights they would have had if they had remained council employees. This assurance may assist in retaining key transferring staff. Their retention may assist the council in achieving best value.

### **Contact Officers**

Andy Gray  
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People Centre  
Chesterfield House  
Tel: 020 8937 3900  
Email: [Andrew.gray@brent.gov.uk](mailto:Andrew.gray@brent.gov.uk)

**Graham Ellis**  
**Director of Business Transformation.**

**Criteria for Admission Agreements for Community Admission Bodies**

- (i) That the body has a potential pension membership exceeding 25 staff; and
- (ii) That the organisation pays for any actuarial work required in setting up the admission agreement.

and at least two of the criteria below are met:-

- (iii) The organisation has been a viable entity for a period of not less than 36 months (evidence required by the provision of 2 years' audited financial reports and accounts)
- (iv) Evidence that the organisation's sources of income and business plan for the next three years are satisfactory
- (v) Affiliation to a national organisation or existence of a parent body that will provide a financial guarantee

**Process and Criteria for Admission Agreements for Non-Community Bodies (Transferee Admission Bodies)**

- (i) Project and/or procurement officers intending to conduct a procurement exercise in which Council or ex-Council staff may be TUPE transferred, are required to contact the Council's pension manager at the earliest possible opportunity to ensure that the pension implications of a transfer are identified. Consideration will be given as to whether the proposed outsourcing fulfils legislative requirements as to matters such as pensions protection and if so will include a decision, following consultation with Legal Services, as to whether a risk share agreement will be offered.
- (ii) The unit or school will be required to obtain from the Council's pensions manager the actuarially assessed employer's costs associated with an admission agreement. The actuary's fees will be met by the unit's or school's budget. The unit or school will also be required to meet the cost of any additional actuarial work associated with the admission agreement and/or the risk share agreement.
- (iii) The non-community body will pay an employer rate that is commensurate with 100% notional funding at the beginning of the admission agreement and will make payments to the fund in accordance with the actuary's assessment of future liabilities of transferring staff or in accordance with a risk sharing agreement if one is entered into.
- (iv) Where the Council has made a decision to offer a risk share agreement and the non-community body propose an admission agreement subject to a risk share agreement, the Director of Finance and Corporate Resources

may agree to enter into such risk sharing agreement if satisfied that the pension fund will be no worse off than if the transferring staff had remained in their current employment and that the risk sharing agreement achieves best value

- (v) The matter may be referred to the General Purposes Committee by the Director of Finance and Corporate Resources if the proposed risk share agreement is not in accordance with paragraph (iv) above or if it is the Director's opinion that the circumstances otherwise require it.

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