



**General Purposes Committee
23 February 2010**

**Report from the
Assistant Director of Human Resources**

For Action

Wards Affected: ALL

Managing Change Policy and Procedure

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.

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 appendices referred to throughout the policy and procedure relate to the Pay Protection, Redeployment and Redundancy, Severance and Pension policies which 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.

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