



Report to: Council
Date of Meeting: 28 June 2007
Report From: Head of Organisational Development
Title of the Report: Procedures for Managing Organisational Change
Agenda Item Number: **10**

1. PURPOSE AND SUMMARY

1.1 The purpose of this report is to present to members proposed revisions to the Council's existing policies on Handling Restructures and Redundancy and to introduce two new policies in relation to Retirement and Redeployment.

1.2. In summary the proposed revisions are as outlined below:

1.3. Organisational Restructures Policy

This policy has been revised to enable "slotting in" to apply where an employee has been temporarily covering 80% of a post, the criteria included on the person specification has been met and the grade does not change by more than two grades.

1.4. Redundancy Policy and Procedures

Revisions to this policy and procedure are to ensure compliance with Age Discrimination Legislation and changes to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Change of details to severance payments. With effect from 1 October 2006 the limits on service before 18 years of age have been removed. In addition the upper limit of 65 and the tapering down provisions for employees over 64 for redundancy entitlements have been removed.

1.5. Retirement Policy

The creation of a stand-alone Retirement Policy, which details changes to the normal retirement age and the introduction of a statutory retirement procedure

resulting from Age Discrimination legislation, which came into force on 01st October 2007. In particular, employees can now request to work beyond age 65, the 85 year rule has been removed and the option of flexible retirement has been introduced.

1.6 Redeployment Policy

The introduction of a new policy for managing redeployment, which has been drafted in response to an increasing need to consider redeployment as an alternative option to dismissal in sickness absence/ill-health cases and as a means of minimising the need for compulsory redundancies.

2 CONSULTATION

2.1 Consultation in relation to the attached policies and procedures has taken place with the Council's Corporate Management Team, Service Team Managers and trade union representatives.

3. CORPORATE PLAN AND PRIORITIES

3.1 The Council's Procedures for Managing Organisational Change support Priority 6 of the Council's Corporate Plan – New ways of working in Leisure and Priority 7 – Maximising Efficiencies, by ensuring that the Council has effective mechanisms for managing organisational change.

4. IMPLICATIONS

4.1 Financial Implications and Value for Money Statement

There are no direct financial implications as a result of this report.

4.2 Legal

It is the aim of the attached policies and procedures to ensure that the Council meets its legal obligations as an employer in respect of handling redundancies and retirements and with regard to anti-discrimination (age and disability) legislation. The various procedures also comply with the statutory dismissal and disciplinary procedures contained within the Employment Act 2002. The revised redundancy policy also takes into account the new Discretionary Compensation Regulations which came into force on 29th November 2006.

4.3 Human Resources

There are no direct Human Resources implications as a result of this report.

4.4 Other Services

There are no implications for other services.

4.5 Diversity

This policy and its associated procedures comply with the Council's commitment to equality and diversity. Care has been taken in drafting this policy and procedures to ensure that the Council do not unjustifiably discriminate against any minority group. The policy and procedures will be required to undergo a diversity impact assessment in due course by the Equalities and Diversity Project Team.

4.6 Risk

The risks associated with not approving this policy and its associated procedures are that the Authority is likely to be in breach of employment legislation and may as a result be taken to an Employment tribunal.

4.7 Crime and Disorder

There are no known implications for Crime and Disorder.

4.8 Other Implications

There are no other known implications as a result of this report

5. BACKGROUND, POSITION STATEMENT AND OPTION APPRAISAL

5.1 The Council introduced a procedure for organisational re-structures in July 2005, which replaced the Council's existing Managing Change policy. In light of a number of re-structures which have taken place over the past two years, some further minor amendments have been made to the procedure for organisational re-structures. Under section 7 of the handling re-structures procedures, points 7.1 and 7.2 have been updated and simplified with regard to new posts/slotting in and deleted posts/ring-fencing.

5.2 The Council's Redundancy Policy has also been slightly amended to ensure compliance with the statutory dismissal and disciplinary procedures introduced by the Employment Act 2002. The policy also takes into consideration the the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. In addition guidance on the statutory requirements for consultation in redundancy situations and measures for minimising compulsory redundancies has also been added to the policy.

5.3 The Redundancy policy and procedure was previously a stand-alone document, however the revised handling re-structures and redundancy policies and procedures and the new policies on retirement and re-deployment have now been brought together as one comprehensive document under the heading of Procedures for Managing Organisational Change.

- 5.4 The Retirement Policy and Procedure has been drafted to ensure that the Council meet its obligations under the new statutory retirement procedures, which were introduced as a result of the Age Discrimination legislation, which came into force on 01 October 2006. The policy outlines the statutory retirement procedure for normal retirement (age 65) and also details the Council's procedures in respect of early retirement, retirement on the grounds of ill-health and flexible retirement.
- 5.5 The Redeployment policy and procedures have been drafted in response to an increasing need to consider redeployment as an alternative option to dismissal in sickness absence/ill-health cases and as a means of minimising the need for compulsory redundancies. The policy covers the following;
- Reasons for Redeployment
 - Principles of Redeployment
 - Timescales for Redeployment
 - Procedure for redeployment on the grounds of redundancy
 - Procedure for redeployment in other situations, including ill-health and disability.
 - Guidance on trial periods and protection arrangements.
- 5.8 A full copy of the revised policies and procedures is included at Appendix A. Any amendments and/or additions to existing policies and procedures are highlighted in bold.

6. MONITORING

- 6.1. The monitoring of the attached policies and procedures will be the responsibility of the Human Resources and Policy Manager, with a review period for policy changes 24 months from the implementation date, or earlier should legislation change.

7. RECOMMENDATIONS

- 7.1 It is recommended that Council
- 7.1.1. Approve the Policy and Procedure for Managing Organisational Restructures
 - 7.1.2. Approve the Redundancy Policy and Procedure
 - 7.1.3. Approve the Retirement Policy and Procedure
 - 7.1.4. Approve the Redeployment Policy and Procedure

8. BACKGROUND PAPERS / DOCUMENTS REFERRED TO

- 8.1 Procedures for Managing Organisational Change, incorporating
- Handling of Re-structures

- Redundancy Policy and Procedure
- Retirement Policy and Procedure
- Redeployment Policy and Procedure

Cheryl Harvey
HR and Policy Manager
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(0191) 3872236
cherylharvey@chester-le-street.gov.uk