

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Leader and Cabinet

19 November 2013

**LEAD OFFICER:** HR Manager

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### **Review and update of Organisational Change, Redundancy and Redeployment Policy & Procedures**

#### **Purpose**

1. To consider the revisions to the Council's Organisational change, redundancy and redeployment policy.
2. This is not a key decision however it relates to revision of a Council policy.

#### **Recommendations**

3. It is recommended that Cabinet:
  - a) consider the revisions to the policy to reflect changes in legislation and feedback from Trade Unions as part of the consultation process; and
  - b) approve the policy attached as **Appendix 1** for implementation.

#### **Reasons for Recommendations**

4. The revisions to the policy and procedure reflect changes to legislation and statutory consultation periods. Other changes have been made to incorporate best practice and guidance in relation to managing change within organisations.

#### **Background**

5. The current policy was approved and introduced in November 2010. Policies relating to the employment of Council staff are normally reviewed every three years unless changes in legislation, new guidance and best practice require that a policy is reviewed earlier.
6. Earlier this year the Government announced changes to consultation periods as set out in s.188(1A) of the Trade Union and Labour Relations (Consolidation) Act 1992. From 6 April 2013 the minimum period for collective consultation, in the case of large scale redundancy proposals, was reduced from 90 to 45 days. Employers are required to carry out consultation with employee representatives where they propose to dismiss as redundant 100 or more employees. From 6 April 2013, there must be at least 45 days between the beginning of consultation and the date on which the first dismissals take effect, rather than the previous requirement of 90 days.
7. Also from 6 April 2013, fixed-term contracts that have reached their agreed termination date are excluded when calculating whether or not there is a requirement to consult collectively.

8. In May 2013 the East of England Regional Council, which is made up of representatives from local government employers and trade unions, agreed and issued joint guidance as a good practice approach to dealing with change in local authorities in the East of England.

### **Considerations**

9. The Council's Organisational change, redundancy and redeployment policy and procedure was approved and implemented in November 2010 and is scheduled for a review in November 2013.
10. In April 2013 the Government introduced changes to consultation periods which need to be reflected in the Council's policy.
11. It is important that the Council's policies relating to staff reflect current best practice. The HR Manager has used various sources to ensure that the policy is up to date and in line with best practice models.
12. There are no changes to the calculation of redundancy payments. The calculation is always based on the employee's actual pay (full time salary is pro rata for part time staff), unless the actual pay is below the statutory minimum amount used for the calculation of a redundancy payment, currently this is £450 per week.
13. To ensure that any decision relating to restructuring and the authorisation of redundancies is taken at an appropriate level and in a timely manner, a minor change has been made so that authority rests with the Head of the Paid Service, in consultation with the Executive Director/Director.

### **Options**

14. Cabinet may either approve the policy as presented, or request further revisions.

### **Implications**

15. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

#### ***Financial***

16. There are usually financial implications associated with organisational change, these generally relate to redeployment/retraining costs, redundancy payments, and in some cases Local Government Pension Scheme (LGPS) capital costs for employees who are entitled to early payment of their pension. There are no changes to the policy in terms of the method by which redundancy pay is calculated nor in terms of the Council's approach to early payment of LGPS pension in redundancy situations (this is set out in the Council's Statement of Discretions (LGPS) approved by Council in April 2013).

#### ***Staffing***

17. The policy covers all South Cambridgeshire District Council employees affected by service reviews and reorganisations. The policy sets out a fair and clear process for restructuring and redundancy.

### ***Risk Management***

18. None identified

### ***Equality and Diversity***

19. An Equality Impact Assessment screening has been undertaken and no adverse impacts have been identified.

### **Consultation responses (including from the Youth Council)**

20. Trade Unions have been consulted on the revised policy and some changes to wording have been made to reflect the trade union's suggestions. Both Unison and GMB unions have confirmed that, in principle, they are happy with the policy revisions. The Trade Unions have requested that Members consider the following additions and amendments:
- a) Section 10 Redeployment – Would the Council consider applying pay protection where an employee is redeployed to a lower grade job?
  - b) Section 17 Appeals – The policy only provides for appeal to Executive Director, there is no provision in the policy for there to be an appeal to elected members.
  - c) Section 8 Voluntary Redundancy – Would the Council consider incentivising voluntary redundancy applications by enhancing the terms of the redundancy?
  - d) Section 18 Re-engagement of ex-SCDC employees – the stipulation of a three year break is felt to be excessive.

Consultation with the Youth Council was not deemed appropriate in this case.

### **Effect on Strategic Aims**

**AIM A – We will listen to and engage with residents, parishes and businesses to ensure we deliver first class services and value for money**

21. Delivering value for money and sound management of resources.

### **Background Papers**

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

Guidance on change management- East of England regional Council (May 2013)

ACAS guidance on redundancy consultation [www.acas.org.uk/index.aspx?articleid=4256](http://www.acas.org.uk/index.aspx?articleid=4256)

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