

**Report for:** Staffing & Remuneration Committee, December 2021

**Title:** HR Change Management Policy – Agreement of Changes

**Report authorised by:** Susie Faulkner, Director Customer, Transformation & Resources

**Lead Officer:** Dan Paul, Chief People Officer

**Ward(s) affected:** None

**Report for Key/ Non Key Decision:** Non key

**1. Describe the issue under consideration**

- 1.1 To provide the Staffing & Remuneration Committee with an update regarding the on-going review and revision of the Restructuring, Redeployment and Redundancy Policies into an Organisational Change Policy and Practice Note.
- 1.2 This report also outlines the principle and benefit changes to be made as a result of the update to this policy and which, if agreed by the Committee, will form the basis of the new Organisational Change Policy and Practice Note.

**2. Cabinet Member Introduction**  
Not applicable.

**3. Recommendations**

- 3.1 That the Staffing and Remuneration Committee consider the proposals in this report, in particular where agreement has not been reached on the principal of pay protection with the Trade Unions.
- 3.2 Agree the proposals outlined in this report so that the Policy and Practice Note can be prepared for consultation with Corporate Board and the relevant stakeholder groups.

**4. Reason for decision**  
Not applicable.

**5. Alternative options considered**  
Not applicable.

**6. Background information**

At the June Staffing and Remuneration Committee, members were advised of the progress of the ongoing review of HR Policies at Haringey in a report entitled “HR Policy Progress Review”. One of the group of key policies identified for early

review was that relating to Organisational Change, encompassing the current Restructuring, Redeployment and Redundancy policies.

- 6.1 In Summer 2021 as part of our review we began consultation on a new draft Redeployment policy. At the initial discussion with Trade Unions we were asked to consider developing the three policies (Restructuring, Redeployment and Redundancy) into one single Organisational Change Management Policy.
- 6.2 Further consultation has taken place with Trade Unions on the key principles and benefit changes for the Organisational Change Policy. The majority of changes have been agreed with the Trade Unions.
- 6.3 The key current proposals for change from our current policies which the Trade Unions are in agreement with are as follows:

#### **Policy Application**

- 6.3.1 Clarification that the policy applies to those on the HC grading (up to Director level), and those on fixed term contracts.

#### **Redundancy Ringfencing**

- 6.3.2 Simplification of the ringfences. Removal of open and closed ringfences, with all those staff who are 'at risk' in one ringfence, eligible to be considered for any roles in the new structure. Staff will still be assimilated or matched into roles as per the current policy.
- 6.3.3 Assimilation interviews to be removed as a requirement.

#### **Redeployment**

- 6.3.4 Redeployment into a suitable alternative role at one grade up and one grade down from the employee's current grade will cease to be voluntary.
- 6.3.5 There is no proposal to increase the time the employee has in the redeployment pool which will stay at notice period, rather than increased to 12 weeks as per the Trade Union suggestions. Extending this period would have financial implications for the council. Note that planning restructures and workforce planning is key and depending on implementation dates more time in the redundancy pool could be possible on a case by case basis.
- 6.3.6 To provide clarity that redeployees are considered for roles before other internal and external candidates, provided they meet the essential criteria (but this does not mean that recruitment campaigns are frozen).

#### **Suitable Alternative Roles**

- 6.3.7 Criteria for how a post will be evaluated as a suitable alternative will include:
- the similarity of the work to the current job;
  - their skills, abilities and personal circumstances;
  - the total pay and benefits of the job;

- hours and location of the job (which can include hybrid working location).

6.3.8 A process will be implemented if there is dispute as to whether the role is a suitable alternative. After discussion by the Head of Service, the decision will be reviewed by the Head of Employment, Reward and Transformation (ERT). Appeals to Head of ERT's decisions to be reviewed by the Chief People Officer. To note this needs to be a quick process and will operate as such and may be a paper exercise. This does not stop the employee from accessing other formal procedures such as a grievance.

### **Trial Periods**

6.3.9 There was consideration of reducing the trial period from 8 weeks to 4 weeks. Following discussions with the Trade Unions, and the feedback from Members at the October Staff & Remuneration Committee that an 8 week trial period was appropriate, it will remain at 8 weeks with the option to extend to 12 weeks if both employee and line manager need this.

6.3.10 A process is implemented if there is dispute as to whether the trial period has been successful. After discussion by the Head of Service, in the case of dispute, the decision will be reviewed by the Head of Employment, Reward and Transformation (ERT). Appeals to Head of ERT's decisions to be reviewed by the Chief People Officer. To note this needs to be a quick process and will operate as such and may be a paper exercise. This does not stop the employee from accessing other formal procedures such as a grievance.

### **Redundancy Pay**

6.3.11 Clarification that all staff who meet the criteria will receive the same redundancy pay, including fixed-term workers. This is not a change but following consultation with Trade Unions important to note as this was a concern raised during consultation.

### **Procedural Improvements and Clarification**

6.3.12 A number of other procedural improvements have been discussed and agreed which streamline and improve the clarity of the process.

6.4 The key current proposal for change from our current policies which the Trade Unions are not in agreement following consultation is:

### **Pay Protection**

6.4.1 We have proposed introducing a period of pay protection for employees redeployed to a lower grade as a result of a change

management process. This will maintain their existing pay for 12 months at full pay followed by 6 months at 50% pay protection, after which point they will revert to the top spinal column point for the grade for the role to which they have been deployed.

6.4.2 This change to policy is competitive when compared to other London Authorities. Benchmarking information is as follows:

- No pay protection – 8 councils
- 6 months – 5 councils
- 9 months – 2 councils
- 12 months – 7 councils
- 18 months – 3 councils
- 24 months – 3 councils, with one of the three applying no increments or pay awards in this period
- 36 months – 1 council

6.4.3 It should be noted that Trade Unions have made representations that this period should be for 3 years on full pay. During consultation they also put forward an alternative suggestion of phased protection over the 3 year period which is equivalent to 24 months at full pay (year 1- 100%, year 2- 60%, year 3- 40%). Following a failure to agree on this point, it was raised at the CEJCB on 23 November 2021. Their feedback on this point is contained in Appendix 1.

## **7. Timescale**

7.1 Following the agreement of the principles and changes, we will draft the revised Organisational Change Policy and Practice Notes, and commence consultation with staff network groups, Trade Unions and our normal policy consultative mechanisms with the aim to bring the new policy to the February 2022 Staffing and Remuneration Committee.

## **8. Statutory Officers' comments**

### **8.1 Finance**

8.1.1 With the exception of pay protection the proposed policy changes detailed above do not have a financial implication. The proposal to introduce pay protection for employees redeployed to a lower grade as a result of restructuring will increase staffing costs in the affected services.

8.1.2 The number of redeployees has been low to date due to it being a voluntary decision by the employee. Since 2019 there have been 39 employees in the redeployment pool but only 4 employees were redeployed, and these moved to either the same or a higher-grade role. The proposed policy to remove this choice for employees will lead to an increase in employees in the redeployment pool however, due to the need to match a redeployee to a suitable alternative, it is difficult to assess the actual change in numbers successfully redeployed. It

therefore follows that the eventual instances of pay protection and therefore actual cost, are also difficult to estimate at this point in time with any degree of accuracy. Services will nevertheless be expected to manage the additional costs within their overall staffing budget.

- 8.1.3 Moving to a policy of mandatory redeployment may mitigate some redundancy costs, should suitable alternative roles be identified. If a vacant post is successfully filled by a redeployee the cost of recruitment would be avoided.

## **8.2 Legal**

- 8.2.1 The Head of Legal and Governance has been consulted in the preparation of this report, and in noting that the Committee has within its Constitutional terms of reference:

- 8.2.2 To consider policies, procedures and schemes relating to employment matters including pay and grading structure and changes to employee terms and conditions of employment.

- 8.2.3 To approve all human resources policies including pay and grading structures, and changes to employees terms and conditions of employment and to approve policies on how the Council exercises its functions under the Local Government Pension Scheme and the Teachers' Pension Scheme.

- 8.2.4 The Head of Legal and Governance advises that there is no legal reason why the Committee cannot adopt the proposals stated in the Recommendations section of the report.

## **9. Use of Appendices**

Appendix 1: Comments on behalf of the Trade Union.

## **10. Local Government (Access to Information) Act 1985**

Not applicable.