

# PERSONNEL COMMITTEE

## Organisational Change Management

9<sup>th</sup> March 2023

### Report of the Head of HR and OD

#### PURPOSE OF REPORT

To seek the Committee's approval on a set of agreed principles for the management of organisational change and the related policy amendments in connection with these.

This report is public.

#### RECOMMENDATIONS

- (1) That Committee approves the appended document outlining the principles that will be applied to organisational change to ensure consistency and bring clarity on how organisational change will be managed throughout the Council.**
- (2) That after the agreement of these principles the committee approves the suggested changes to the related policies and procedures which have also been reviewed in line with the principles document.**

#### 1.0 Introduction

- 1.1 The Council is embarking on a period of organisational change due to Outcome Based Resourcing (OBR) decisions taken to address the budget deficit. The budget decisions for 2023/2024 will have staff implications and therefore the processes and procedures that guide the management of change have been reviewed to ensure that they are robust and fit for purpose.
- 1.2 A great deal of work has been undertaken in conjunction with Members and Trade Unions to ensure that the organisation is prepared as we embark on organisational change, and this work is described in section 2.0. In addition to existing policies which relate to organisational change, we also agreed to formalise a set of key principles for management of change. This ensures clarity for all and means that any future restructuring is done so in a consistent, fair and transparent manner.
- 1.3 There are two policies which are relevant in managing organisational change;
  - The Council's Early Termination of Employment Policy
  - The Council's Redeployment Policy.

These policies have also been revisited to ensure that they are in line with the principles proposed and there are several minor amendments to wording required which for completeness are included in the content of this report. They can be found as appendices to this report.

## **2.0 Management of Restructuring and Organisational Change**

2.1 The Key Principles were originally drafted by the People and Governance OBR group. The principles were shared with Trade Unions at the monthly meeting on 8<sup>th</sup> February, with comments invited and for further discussion at JCC on 1<sup>st</sup> March.

2.2 Subject to approval by Personnel Committee, these principles will be shared with managers and staff in our weekly comms. They will also be incorporated into our restructure toolkit. In recent comms staff have been made aware that the principles were in development and would be shared in due course.

2.3 As mentioned in 2.2, a restructure toolkit to support the application of the Council's policies and procedures has been created and is now live on the intranet. The explains the four stages of the restructuring process:

1. Planning and Preparation, 2. Consultation, 3. Implementation, 4. Consolidation

In addition to professional support from HR Business Partners, this toolkit ensures that managers can self-serve and follow the correct process to treat staff consistently and fairly in-line with our values of Pride, Ownership, Working Together and Ambition, but also keep the Council safe. This toolkit was also shared with Trade Unions for comment.

2.4 A dedicated intranet site for staff covering 'Support and Employment Skills for your next step' has been reviewed and updated to ensure that it is up-to-date and relevant. This will be continually reviewed. Employability courses on interview technique, writing a CV and submitted an application have been added to our suite of e-learning on the Learning Zone, and further life long learning course options are being developed.

2.5 The Council has a clear commitment to Workplace Wellbeing as explained within our Wellbeing Strategy which was shared with Members at a briefing on 14<sup>th</sup> November 2022. Prioritising wellbeing is a key component on managing organisational change, and as such in addition to regular wellbeing activities already in-place, the intranet site with relevant support will continue to be updated, wellbeing is included in the toolkit and we will shortly be launched a new reward platform that includes an Employee Assistance Programme available to all staff, 24/7. This went live on 1<sup>st</sup> March 2023. Services will also be working with staff to develop their own wellbeing plans in coming weeks.

2.6 At a more strategic level, following extensive engagement a draft People Plan has been developed for the organisation for 2023-2026. This People Plan is essential to developing the organisation over the next three years and supporting the workforce as we continue to deliver our priorities.

## **3.0 Required amendments to policy wording**

### **3.1 Access to redeployment**

An amendment to the wording of the redeployment policy is proposed in relation to an employee's ability to be eligible for redeployment opportunities. This is proposed to ensure that employees who wish to be considered for redeployment, having already indicated an interest or having been approved for VR, are still able to look for alternative employment within the council up until their leaving date, and are not by virtue of their application for VR excluded from redeployment. Point 7 on the key principles document supports this approach.

**Proposed amendment as follows to the section 1 of the Redeployment Policy:**

*'It is not intended that this Policy will apply to employees who apply for voluntary*

~~redundancy. Nor will the voluntary redundancy scheme be available to an employee who has sought redeployment under this Policy.~~ *Should employees wish to be considered for voluntary redundancy, but also be considered for redeployment as an alternative to redundancy, they should speak to their manager ‘*

Proposed amendment as follows to the section 8 of the Redeployment Policy:

*‘If at the end of their redeployment period the employee has been unsuccessful in obtaining alternative employment within the Council, their employment will terminate on compulsory redundancy grounds, unless otherwise agreed earlier in the process.’*

**Proposed amendment as follows to section 10.8 of the Early Termination Policy:**

*The terms of the Redeployment Policy will not apply to any employee who applies for VR and does not express an interest in redeployment. Further, an employee who has unsuccessfully sought redeployment in a redundancy situation will not subsequently be eligible to apply for voluntary redundancy.*

### **3.2 Re- employment of Chief Officers**

A review of relevant policies and procedures has also led to the proposal that section 17 of the Early Termination Policy is re-worded. This currently states:

#### ***Re-employment with Lancaster City Council***

17.1 Any employee, up to and including Chief Officer, who:

- was dismissed on redundancy grounds, and has received a voluntary (enhanced) redundancy payment, or
- has received any payment in relation to the termination of their employment

*may be considered for re-employment by the Council after a period of one calendar year has elapsed since the date of termination of employment.*

**Proposed amendment as follows to section 17.1 of the Early Termination Policy:**

*It is the Council's policy not to re-employ any Chief Officer who was previously made redundant from the authority, or later engage them under a contract for service or interim contract except under exceptional circumstances.*

~~Any employee, up to and including Chief Officer,~~ *All other employees,* who:

- *were* dismissed on redundancy grounds, and *have* received a voluntary (enhanced) redundancy payment, or
- *have* received any payment in relation to the termination of their employment

*may be considered for re-employment by the Council after a period of one calendar year has elapsed since the date of termination of employment.*

This is proposed on a value for money basis.

### **4.0 Conclusion**

4.1 Personnel Committee are asked to comment on the approach to management of restructuring and organisational change and approve the key principles document.

4.2 Thereafter Personnel Committee are asked to consider and approve the proposals made to the Redeployment Policy and the Early Termination Policy.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):**

Please see associated Equality Impact Assessment in respect of the proposed policy. There is no notable impact.

**LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

**FINANCIAL IMPLICATIONS**

The proposed policy change may result in voluntary redundancy costs as opposed to compulsory redundancy costs.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

There are no resource implications arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no comments.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments.

**BACKGROUND PAPERS**  
Redeployment Policy  
Early Termination Policy

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