

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Corporate Services Committee: 27 June 2007

Subject: Organisational Change Policy and Restructuring, Redundancy and Redeployment Procedures

1. Purpose

- 1.1** This report seeks Committee approval for the introduction of an Organisational Change Policy with associated redundancy and redeployment procedures.

2. Background

- 2.1** The Council is committed to providing secure employment through strategic workforce planning and effective management of resources. However, it is recognised that to enable the Council to respond to a range of internal and external drivers organisational change is inevitable.
- 2.2** To support those aspects of organisational change which affect working practices and terms and conditions it is important that the Council develops a robust policy and supporting procedure to ensure that there is clear and consistent guidance to support managers and employees through any such change.
- 2.3** The Policy will support the Council's commitment to seek to minimise the effects of organisational change through a range of measures including reprofiling, skill mix, and flexible working arrangements. Compulsory redundancy would only be implemented as a last resort where all other options available have been explored.
- 2.4** The development of the Policy and the associated procedures takes into account ACAS and DTI guidance in relation to redundancy which encourages employers to adopt a formal procedure in this respect.

3. Main Issues

- 3.1** The development of an Organisational Change Policy will ensure a clear and consistent approach to the management of organisational change and will minimise the effects of workplace changes on employees. Currently where organisational change is required there is no clarity around the process and this can result in inconsistent practices being adopted by Managers across the Council.

- 3.2** Corporate Personnel, in consultation with Trades Unions, has developed redundancy and redeployment procedures, and these are supported by an overarching Organisational Change Policy. (Appendix 1)
- 3.3** The Trades Unions have expressed a desire that the Council declares a “no redundancy policy”. They have been advised in discussions that such a commitment would not be possible in any business environment due to external constraints and pressures, the requirement to deliver effective and efficient services which meet business needs and ensure the workforce has the right skills and numbers in place to support service delivery. Additionally within Local Government there is the statutory duty to provide value for money under the Local Government Act which inevitably requires Council’s to review service delivery arrangements and the associated workforce requirements.
- 3.4** Given that changes in service delivery and workforce requirements are inevitable it is therefore critical that the Council has in place policies and procedures to manage this in a way that is both transparent and supportive to staff in dealing with change and to managers in implementing change. Therefore while no commitment can be made to avoiding compulsory redundancy this should only be implemented as a last resort where all other options have been explored and arrangements should be put in place to minimise the impact of change on individuals.
- 3.5** To minimise the effect of any organisational change which impacts on an employee’s terms and conditions the Council requires to balance the cost of retaining skills and knowledge by preserving salary grades of employees affected, through matching or redeployment to lower graded posts, against the cost of potential redundancies or early retirement. It is therefore financially beneficial to incorporate some limited salary preservation into the Policy.
- 3.6** To ensure that any organisational change does not result in lengthy delays to the process an effective appeals mechanism will be required with matching appeals being heard by the most appropriate person which would be the departmental Director, or in the case of Heads of Service, the Chief Executive.
- 3.7** In cases of dismissal on the grounds of redundancy, appeals would continue to be heard by the Council’s Appeal Panel.

4. Personnel Issues

- 4.1** A joint Personnel/Trades Unions Working Group has been established to develop the procedures for redeployment and redundancy as employees perceive organisational change not to be dealt with fairly and consistently. This approach will ensure equity in the process. However, after the new policy and procedure has been introduced significant input will continue to be required from Corporate Personnel to implement, monitor and review the effectiveness of any policy.

5. Financial Implications

- 5.1** While there are no direct financial costs associated with this policy, there are potential costs associated with preservation and considerable resource implications in terms of manager training.

6. Risk Analysis

- 6.1** The risks associated with the non development and implementation of a fair policy include low morale and employee relations difficulties, and costs in dealing with Appeals and Employment Tribunal claims.

7. Conclusions

- 7.1** West Dunbartonshire Council is committed to providing secure employment through strategic workforce planning and effective management of resources. However, it is recognised that organisational change is inevitable and the Council will seek to minimise the effects of workforce changes on individuals through the application of fair and equitable policies and procedures which outline the arrangements to be followed in relation to restructuring, redeployment and redundancy including the potential for preservation of salary. Compulsory redundancy will only be implemented as a last resort after all other options have been explored.

8. Recommendations

- 8.1** The Committee is invited to:-
- (a) note the contents of the report and the need for some level of salary preservation as a way of dealing with organisational change as an alternative to redundancy; and
 - (b) approve the Policy for Organisational Change and associated procedures for managing redeployment and redundancy.

.....
David McMillan
Chief Executive
Date: 19 June 2007

Person to Contact: Tricia O'Neill, Head of Personnel,
Chief Executive's Services, Garshake Road, Dumbarton.
Tel: 01389 737584
Email: tricia.o'neill@west-dunbartonshire.gov.uk

Appendix: Organisational Change Policy (Appendix1)

Background Papers: Nil

Wards Affected: No wards are affected