

**PERTH AND KINROSS COUNCIL****Strategic Policy & Resources Committee****15 June 2016****HR Policies – Workforce Change and Fairness at Work****Report by Corporate Human Resources Manager****Purpose of Report**

This report seeks approval of an updated Framework for Managing Workforce Changes. The Framework was reviewed to ensure the Council has a modern and effective tool to support the implementation of the Council's Transformation Strategy. It also ensures that we continue to promote fair, consistent and equitable treatment of employees. The proposed changes incorporate employment legislation updates and feedback on experience of applying the framework. In addition approval is sought to incorporate the Fairness at Work in Integration Protocol as an appendix to the Council's existing Fairness at Work Policy. The protocol will apply to all employees engaging in work in the Perth & Kinross Health & Social Care Partnership.

**1 BACKGROUND****The Framework**

- 1.1 The Framework for Managing Workforce Changes (the Framework) was approved by the Strategic Policy & Resources Executive Sub-Committee on 8 December 2010 (Report No. 10/625) and implemented on 1 March 2011. The Framework applies to all staff groups, although Teachers are excluded from some aspects.
- 1.2 The Framework brought various policies relating to organisational change together into one framework document which could be applied in any workforce change scenarios. It is one of a number of tools that is used to support transformation and other service redesign projects.
- 1.3 The main driver for the review is to ensure that the Framework remains relevant and fit for purpose to support the Council's Transformation agenda in enabling workforce change reviews to take place smoothly and timeously.
- 1.4 The review applied lean management principles to adopt a more streamlined approach to the processes currently applied and reflects changes in legislation which have come into effect since March 2011. In addition, experience of operating the current Framework and feedback from managers involved in recent reviews has highlighted the requirement for workforce change to occur with the least disruption to employees and service delivery.

- 1.5 The pace and extent of transformation and change within the organisation will increase over the next five years and the Framework continues to promote fair, consistent and equitable treatment of our employees. It also supports a culture of innovation, learning and our ongoing commitment to employability and positive approaches to managing our employees. The Council remains committed to continue to provide support and learning opportunities for all employees leading or affected by change and transformation.

### **Perth & Kinross Health & Social Care Partnership**

- 1.6 We have held discussions with HR Colleagues in Angus Council, Dundee City Council and NHS Tayside to consider frameworks that support an HR environment which enables the Health & Social Care Partnership (the Partnership) to flourish. This HR Group has met with the staff side of NHS and trade unions in each Council to consider frameworks and principles which support effective joint working. We have common aims of promoting consistency, fairness and equity to partnership employees, as far as reasonably practical, given that employees will continue to be managed in accordance with the existing management policies and procedures of their employing organisation. The HR Group is not a decision-making body but have made recommendations for each respective employer to consider.
- 1.7 The arrangements for Organisation Change Principles and the Fairness at Work in Integration Protocol have been prepared for inclusion with existing Council policies.

## **2 PROPOSALS**

- 2.1 The revised Framework, attached at Appendix 1, will complement other policies and procedures in supporting improved flexibility and adaptability.
- 2.2 It is proposed that the Framework is adapted to incorporate key changes which managers will apply as appropriate when undertaking a transformational review, any re-design to the structure or composition of teams, or other initiative which results in the movement of staff within the organisation.
- 2.3 The proposed key changes are listed and explained below:

### **Greater focus on 'principles'**

- 2.4 Processes which limit flexibility will be kept to a minimum to ensure that the focus when undertaking a review is on solutions in that particular area. The focus will be to protect people as far as reasonably practical to maximise their continued employment with the Council.

## **Review consultation – incorporate the existing consultation arrangement'**

- 2.5 When undertaking workforce change reviews, the Council follows an arrangement for trade union consultation agreed with the unions and applied since 1996. However this is not contained in the existing Framework. It is proposed to incorporate the existing practice to inform the unions at the commencement of a review into the revised Framework.

## **Options for implementing change/filling posts**

- 2.6 This part of the Framework deals with the mechanics of populating a structure and the movement of staff from one post to a revised or new post. The wording has been revised to provide clarity and increase flexibility as far as reasonably practical.

## **Redundancy Policy**

- 2.7 The consultation periods in the current Framework reflect the prevailing legislative requirements at the time of approval in 2010. This legislation subsequently changed in 2013. It reduced the statutory consultation period for redundancy where 100 or more dismissals are proposed, from 90 days to 45 days. This is the first review of the Framework since implementation in 2011 and it is proposed that our Framework is brought in line with current legislation.
- 2.8 It is also proposed to incorporate other legal changes since 2011, which have been applied in practice by the Council but will now be stated in the revised framework, relating to fixed term and agency workers.
- 2.9 In certain circumstances, when an employee applies for voluntary redundancy, an award of added years to their pension may apply. The revised Framework specifies that there should be no circumstances where an employee will receive both an award of added years **and** a redundancy payment.

## **Transitional payments**

- 2.10 It is proposed the provision for making 'transitional payments' in exceptional circumstances, as agreed in the 'Workforce Management' report submitted to the Executive Sub-Committee of the SP&R Committee on the 17 July 2013 (Report No. 13/359) is incorporated into the Framework. This section applies where employee(s) have accepted a reduction in earnings as a result of a change to their working pattern/arrangements circumstances where the provisions of salary preservation do not apply. The Executive Officer Team have delegated authority in exceptional circumstances to make a transitional payment of up to one year.

## **Appeals – proposed new section**

- 2.11 The current Framework for Managing Workforce Change includes reference to Appeals throughout. It is proposed to add an additional section which will bring together and summarise all appeals in relation to this policy.

## **New – Statement on Re-employment in the Council and Voluntary Severance**

- 2.12 A formal statement has been incorporated in the Framework regarding the re-employment of someone who has left the Council under Voluntary Severance (VS).

## **New – Appendix on Organisation Change Principles for the Perth & Kinross Health & Social Care Partnership**

- 2.13 The principles of how organisational change will be managed in the Health & Social Care Partnership are set out in an Appendix to the Framework. These principles recognise the additional complexity arising from organisational change when the proposed change affects employees from both employing organisations in the Partnership i.e. Council and NHS. These principles are recommended for incorporation into the Framework as an appendix to ensure that it has the appropriate status to be applied effectively in the Council. Similar arrangements are being applied in NHS.

## **New - Fairness at Work in Integration Protocol**

- 2.14 This protocol has been developed by the HR Group for Angus Council, Dundee City Council and NHS Tayside in conjunction with the staff side/trade unions. It outlines the arrangements that will be put in place in the Health & Social Care Partnership where a group of employees from either/or both NHS and Council raise a fairness at work/grievance complaint where it has not been resolved at the lowest possible level. It excludes grievances which relate to an employee's own employer as these will be addressed using their existing procedure. The protocol is recommended for incorporation into the existing Fairness at Work procedure as an appendix to ensure that it has the appropriate status to be applied effectively. Similar arrangements are being applied in NHS.

## **3 CONSULTATION**

- 3.1 There have been a number of meetings with the Trade Unions to consult them on the application of the Framework and the proposed changes. They are keen to ensure fair and equitable treatment of all employees. They welcomed the streamlining of processes and minimising the impact on those directly impacted by change. They understood that by having improved flexibility that each review will be different and that the quality of the consultation will be key to the success of the application of the Framework in each area. They did not, however, agree with the proposed reduction in the consultation period to the statutory minimum. They considered this would send out the wrong message

to staff that we were reducing the consultation period when we were commencing a period of significant change. The Council values our relationship with the trades unions and best practice is to consult as early as practicable so the statutory timescales would be viewed as a minimum and our existing practices to consult will continue. As such introducing the statutory minimum consultation period will not affect existing practice and it is not expected that any subsequent employee relations issues will arise. They asked that the Transitional Payments of up to one year be extended to up to 18 months, noting that as it was discretionary that the time could be less than one year at present.

- 3.2 The Trade Unions have been consulted on the Organisational Change Principles and the Fairness at Work in Integration Protocol at joint trade union/staff side meetings with NHS and Council's Employees Joint Consultative Committee. No issues have been identified. The Executive Officer Team has also been consulted.
- 3.3 Feedback from managers who have led recent reviews has also been incorporated into the revised Framework.
- 3.4 The Corporate Management Group and Executive Officer Team Finance & Resources Group have been consulted on the revised Framework and have agreed with the proposed changes. In relation to the Transition Payments they wished to retain the existing discretion to pay up to 12 months.

#### **4 CONCLUSION AND RECOMMENDATIONS**

- 4.1 The Framework for Managing Workforce Change is a key policy framework for enabling workforce change.
- 4.2 The revised Framework will reflect current legal compliance whilst providing greater flexibility when developing and implementing redesigned and new structures.
- 4.3 The revised Framework will protect people, as far as reasonably practical, to remain in Council employment.
- 4.4 The incorporation of the Organisation Change Principles in the revised Framework will ensure successful organisation changes are applied in the Health & Social Care Partnership (the Partnership) where the change affects employees from both employing organisations in the Partnership.
- 4.5 The incorporation of the Fairness at Work in Integration Protocol will enable a structured process to be applied for any joint Grievance/Fairness at Work complaints in the Partnership where employees from both employing organisations are involved.
- 4.6 In order to ensure that these arrangements have the appropriate status to be applied effectively it is important they are incorporated into the Council's existing procedures.

4.7 It is recommended that the Strategic Policy & Resources Committee:-

- Approve the revised Framework for Managing Workforce Change, including the Organisation Change Principles; and
- Approve the incorporation of the Fairness at Work in Integration Protocol in the Council's Fairness at Work Policy.

**Author**

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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Karen Donaldson	Corporate Human Resources Manager	<b>18 May 2015</b>

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>None</b>
Workforce	<b>Yes</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>Yes</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>None</b>
Legal and Governance	<b>None</b>
Risk	<b>Yes</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>Yes</b>
<b>Communication</b>	
Communications Plan	<b>Yes</b>

## 2. Strategic Implications

### Community Plan / Single Outcome Agreement

- 2.1 The report supports the overall delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of ensuring staff support the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

### Corporate Plan

- 2.2 It is considered that the proposals contained within this report contribute to all five objectives.

## 3. Resource Implications

### Financial

- 3.1 There are no financial implications arising directly from this report.

### Workforce

- 3.2 The implications to the Council workforce of the revisions to the Framework are that there will be greater flexibility in relation to the movement of employees from one role to another, thereby preparing and enabling employees to adopt new roles and new ways of working. This helps protect people to remain in Council employment. The revision allows for a more streamlined approach to populating new organisational structures, one which will focus on the right solutions for the particular staff group and reduce the time taken and consequent anxiety. In a review or restructure situation the recognised Trade Unions will be consulted about the approach and solutions proposed.

### Asset Management (land, property, IT)

- 3.3 There are no land, IT or property implications arising from this report.

## **4. Assessments**

### **Equality Impact Assessment**

- 4.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties. The proposals have been considered under the Corporate Equality Impact Assessment Process (EqIA) and assessed as **relevant** for the purposes of EqIA. A range of measures have been incorporated to ensure our arrangements make appropriate provision for the protected characteristics, and in particular for disability, pregnancy, maternity, paternity leave, race, sex and age. The Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).

### Strategic Environmental Assessment

- 4.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

### Sustainability

- 4.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate. The proposals contained in this report are assessed to have no sustainability related impacts.



## Legal and Governance

- 4.4 The Head of Legal and Governance Services has been consulted in the preparation of this report.

## Risk

- 4.5 The practices set out within this report are designed to ensure that the Council is resourced with a skilled workforce to enable it to modernise, transform and deliver its strategic objectives. It will provide opportunities to maximise and sustain employability of our people. Updating the redundancy collective consultation periods to reflect current legal requirements of 45 days (as opposed to 90 days), reduces the risk to the Council of individual employees claiming a protective award for failure to consult or failing to consult within the required timescale. A protective award can be up to 90 days' pay per employee affected.

## **5. Consultation**

### Internal

- 5.1 The Head of Legal and Governance Services, the Corporate Management Group and Executive Officer Team Finance & Resources Group have been consulted on the content of this report. Several meetings and formal consultation has been undertaken with the Trade Unions on the revised Framework. The Fairness at Work in Integration Protocol and Organisational Change Principles were consulted on via the Employees Joint Consultative Committee.

### External

- 5.2 NHS Tayside and the Staff Side/Trade Unions have been consulted on both the Organisation Change Principles incorporated into the revised Framework and on the Fairness at Work in Integration Protocol.

## **6. Communication**

- 6.1 If approval is given for these proposals a communication plan will be developed to ensure that all employees are aware of and understand the approved changes. An implementation date of the next available month following the Committee decision will be set to enable the communication of the changes to be undertaken. This will be through Inside News Bulletins, Service Newsletters and face to face opportunities, such as briefings or team meetings.

## **7. BACKGROUND PAPERS**

There were no background papers relied upon in the preparation of this report.

## **8. APPENDICES**

Appendix 1: Framework for Managing Workforce Changes

Appendix 2: Fairness at Work in Integration Protocol