

North Lanarkshire Council Report

Finance & Resources Committee

Agenda item _____ approval noting **Ref** FW/HL **Date** 4 Feb 19

Workforce Change Policy

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Executive Summary

In June 2018, the Corporate Management Team considered the first draft of the Workforce Change Policy and gave approval to take the policy out to consultation with stakeholders. The purpose of this report is to present the results of the consultation, and seek approval for publication. Supporting the Council's Workforce for the Future Strategy, the Policy represents a review of how the Council manages movement within the workforce, setting out updated and new guidance elements for recruitment, redeployment, flexible retirement and redundancy.

In line with work underway to streamline strategies across the Council, the Policy will sit below the Workforce for the Future Strategy and replace existing and separate policies on recruitment, redeployment and redundancy.

Recommendations

It is recommended that the Finance & Resources Committee:

1. Approve the changes proposed in consolidating existing policies on recruitment, redeployment and redundancy into the new Workforce Change Policy.
2. Agree to the introduction of flexible retirement, as outlined within the policy.
3. Otherwise note the contents of the report.

Supporting Documents

Council business plan to 2020 Improving the Council's Resource Base – A Workforce Strategy that is built around the needs of the Council (as a single resource base) to deliver the priority outcomes, ensuring future workforce requirements, new skills and innovative approaches, and succession planning are recognised (23.1).

1. Background

- 1.1 On 15 February 2018, Enterprise and Housing Committee gave approval to the Council's Workforce for the Future Strategy. Workforce for the Future means the development of a council wide workforce development strategy which includes a broader learning and development strategy and supporting programme of work, aligned to the council's ASPIRE principles (now We Aspire), business plan and ambition to develop new approaches to thinking and ways of working.
 - 1.2 Contained within this overall approach is the need to ensure that our employment policies are reviewed and fit for purpose. For example, the Smarter Working Policy received final approval at Council on 21 June 2018 and supports the council's ambition to both retain and attract new employees to the council as an employer of choice.
 - 1.3 The Workforce Change Policy provides a focus on how we manage movement within our workforce, providing guidance on recruitment, redeployment and redundancy. In line with earlier approval from the Core CMT, the Policy contains information on Flexible Retirement for the first time. The Workforce Change Policy is attached at Appendix One.
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2. Report

- 2.1 The initial review of the Recruitment Policy, Redundancy Policy and Redeployment Policy was undertaken by a short life working group comprising managers from across the council and representatives from People & Organisational Development. In recognition of the council's ambitions and commitment to building our workforce around our strategic priorities, it was considered appropriate that the review of these key policies should be seen within an overall approach to how we plan for change within our workforce.
- 2.2 The proposed changes to the management of recruitment, redundancy and redeployment are detailed in Appendix Two.
- 2.3 The introduction of flexible retirement, a move which is strongly supported by the trade unions, was given initial approval by the CMT in February 2018. The programme will be based on the principle that cases will be approved on a cost neutral basis, other than in exceptional circumstances where there are sound business reasons to incur limited costs.
- 2.4 *Consultation*
 - 2.4.1 Consultation with stakeholders (trade unions and Employee Equality Forum) took place over July and September 2018. Further feedback was received from HR Business Partners within People & Organisational Development.
 - 2.4.2 Feedback from the Joint Trade Unions (JTU) was broadly supportive with particular emphasis placed on proposed ring-fencing of entry level posts for those

participating on council sponsored training programmes or in other identified groupings e.g. care experienced.

- 2.4.3 The only point of particular concern for the JTU was the language used within the policy to describe the council's commitment to avoiding compulsory redundancies. The JTU consider that they have an agreement with elected members that we will not employ the use of compulsory redundancies. While the council has an excellent track record in avoiding compulsory redundancies, it is not considered appropriate that this option is completely removed and approved within council policy.
- 2.4.4 Feedback from the Employee Equality Forum (EEF) was also generally positive, with requests made to ensure that any decisions on workforce changes which affect individual employees are made within the context of supporting reasonable adjustments, wherever possible. This is agreed and has been reflected within the policy.
- 2.4.5 Feedback from HR Business Partners was primarily focused on implementation of the changes and how this links with systems such as Talentlink. Subject to approval, it is proposed that short-life, operational working group will be established within People & Organisational Development to ensure "back end" systems are in place.

3. Equality and Diversity

3.1 Fairer Scotland

The proposed changes set out within the policy will help to provide improved access to entry level positions for young people and those in defined groupings e.g. care experienced.

3.2 Equality Impact Assessment

An equality impact assessment has been completed.

4. Implications

4.1 Financial Impact

It is likely that a more consistent and robust approach to the management of recruitment, redeployment and redundancy will help to reduce costs associated with recruitment and severance. Flexible retirement approvals will primarily be cost neutral but could incur limited costs where an application is supported by a sound business case.

4.2 HR/Policy/Legislative Impact

The Workforce Change Policy will replace existing standalone policies on Recruitment, Redundancy and Redeployment.

4.3 Environmental Impact

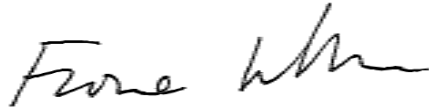
There is no environmental impact.

4.4 **Risk Impact**

The policy has been subject to full consultation so there are no particular risks to highlight.

4. **Measures of success**

4.1 The Policy will support the ongoing achievement of Workforce for the Future priorities and ensure a consistency of approach in how the Council plans movement within the workforce.



Fiona Whittaker

Head of People & Organisational Development

Workforce Change Policy

| | | | |
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| Governance Committee | | Date approved | |
| Review date | | | |

Strategic Alignment
Improving the Council's Resource Base – A Workforce Strategy that is built around the needs of the Council (as a single resource base) to deliver the priority outcomes, ensuring future workforce requirements, new skills and innovative approaches, and succession planning are recognised.

| | | |
|-----------------------------|--|--|
| Consultation process | | |
| Stakeholders | Contacts identified for each service | |
| | <i>Joint Trade Unions</i> <i>JNC for Teaching Staff</i> <i>Employee Equality Forum</i> | |
| Distribution | | |

Change record

| Date | | Author | |
|--------------------|--|---------------|--|
| Change made | | | |

Contents

- Setting the Context
- Section 1– Recruitment Procedure
- Section 2 - Redeployment Procedures
- Section 3 - Flexible Retirement
- Section 4 - Redundancy Procedures
 - Redundancy Selection Matrix

Consultation and Distribution Record

| | |
|-----------------------------|---|
| Consultation process | <i>Consultation will take place following initial consideration by Core CMT.</i> |
| Stakeholders | <i>Following initial consideration, consultation will take place with:</i> <ul style="list-style-type: none">• <i>Trade unions</i>• <i>Employee Equality Forum</i> |
| Distribution | |

Change Record

| | | | |
|--------------------|---------------------------------------|---------------|-------------------------------|
| Date | <i>insert date</i> | Author | <i>insert contact details</i> |
| Change made | <i>insert details of changes made</i> | | |

Setting the Context

North Lanarkshire Council has an ambitious agenda for change, the achievement of which will require the council to continuously review its operations to ensure it remains fit for purpose. This will inevitably require:

- Changes in the way the council is structured and organised to ensure a focus on delivery of the council's ambition.
- Changes in business processes, particularly in the use of information technology to improve efficiency, performance and customer responsiveness.
- Changes in the way the council's employees work and ongoing review of terms and conditions to ensure that it continues to recruit, develop and retain a workforce capable of delivering its agenda in a very challenging, rapidly changing and highly competitive knowledge based economy.

This Workforce Change Policy sets out the council's commitment to managing how changes in the workforce are planned and implemented, with a focus on:

- Recruitment
- Redeployment
- Flexible Retirement
- Redundancy

The council is committed to consulting trade union colleagues on all aspects of workforce changes. This commitment is based on the following principles

- Communicating openly and honestly with representatives, outlining the rationale for change and the associated proposals
- Giving clear and up to date information
- Ensuring trade union representatives are provided with adequate time to appropriately participate in consultation and represent their members as and when required
- It is recognised that meaningful consultation may lead to a change in the draft proposals

The Workforce Change Policy supports the council's Workforce for the Future Strategy.

This document should be read in conjunction with the Managing Workforce Change Framework.

Section 1 - Recruitment & Selection

1. Introduction

- 1.1 North Lanarkshire Council has ambition. As Scotland's fourth largest local authority we are committed to delivering quality services that provide best value, create prosperity, achieves social justice and meets local needs across the area.
- 1.2 Delivering quality services starts with having the right people working here, in the right job at the right time, with the right skills, abilities and attributes. The recruitment and selection process plays a fundamental role in achieving this. The ability of the council to adapt to changing demands is dependent on the recruitment of employees who are flexible and committed.

2. Scope

- 2.1 This procedure is applicable to all employees and job applicants, irrespective of age, sex, disability, ethnicity, race, marital or civil partnership status, sexual orientation, religion or belief, pregnancy or maternity or gender reassignment. The procedure does not apply to teachers for whom separate, comparable guidance exists.

3. General Principles

All appointments will be made on merit and consistent with current employment legislation and the council's [Equality and Diversity in Employment Policy](#), adopting the principles of fairness, consistency and transparency.

Recruitment Methods

- All posts should be advertised on MyjobScotland and applications made in this way. However, to get the best people for the job or to manage large volume recruitment exercises, alternative approaches should be considered to support online job adverts. This could include attending school/college/university open days to promote North Lanarkshire Council as an employer; holding open sessions for large volume recruitment exercises to provide information and allow managers to meet potential job applicants face to face; and working with Supported Enterprise, Routes to Work and engaging with the third sector organisations to attract a broad and diverse range of applicants to our vacancies.
- If further vacancies for the same opportunity (same grade, hours and location) arise in the six months following a recruitment exercise, the recruitment exercise should be revisited with a view to offering the new vacancy to a candidate previously considered appointable.
- For vacancies which are generally found to attract a large volume of applications, consideration should be given to creating a recruitment pool of potential job holders, all of whom have been previously interviewed and found to be appointable.

Advertising/Shortlisting/Interviewing

- Other than in exceptional circumstances (which must be determined by the Head of Service), vacancies must be advertised internally in the first instance. Exceptional circumstances will normally apply where there are known difficulties in recruiting for certain positions (or national shortages) and where it is known that the required skills are unlikely to be held internally.
- Consideration should be given to restricting recruitment up to NLC 3 posts and

below to existing apprentices, trainees or other identified groupings e.g. care experienced, before a decision is taken to go to open recruitment.

- Where existing employees of the council are in a potential redundancy or redeployment situation, posts may be ring-fenced to the employees at risk in the first instance.
- The HR Business Partner is responsible for ensuring that a post has been fully job evaluated before progressing to advert.
- Training (and appropriate re-training) should be provided for those involved in recruitment decisions. At least one interviewer should have received formal training.
- North Lanarkshire Council is a Disability Confident Leader. Our commitment under this scheme means that we will interview all disabled applicants who meet the essential criteria for the job as outlined in the employee specification.
- Interview panels must be made up of at least two people – where possible, a gender balance on the panel would be desirable. In the case of Chief Officers, an elected member appointments process will apply.
- Interviews must be conducted in a fair and consistent manner and must be structured and systematic. Candidates must be objectively evaluated against the criteria of the Employee Specification.
- All information on application forms must be treated as confidential and restricted to those involved directly in the recruitment process and its administration.

Making an Appointment

- External appointments must not be made without a written reference. Information obtained through references must be treated as confidential. For external appointments, one reference must normally be from the current or most recent employer.
- A start date for a new employee should not be provided until all references have been returned and any pre-employment checks have been completed.
- The recruitment process and decisions arising from it must be documented and the documentation held for 6 months after which it must be deleted. Relevant information relating to the successful candidate will be transferred to personal file.
- Information obtained for monitoring purposes will not be made available to the recruitment panel members but will be used to monitor recruitment procedures in line with equal opportunities monitoring.

For further detail on the recruitment process, please see the following guides:

- Preparing to Recruit
- Advertising A Vacancy
- The Selection Process
- Pre-Employment Checks and Offer
- Secondments and Temporary Appointment

Section 2 - Redeployment

1 Aim

- 1.1 It is the aim of the council, by careful forward planning, to ensure as far as possible, security of employment for all its employees. However, it is recognised that there may be changes from time to time due to organisational or personal requirements which may affect staffing needs. In such circumstances, the council will make every effort to redeploy staff into suitable alternative vacancies.
- 1.2 A fair and transparent process will be followed and all decisions and agreements will be recorded.
- 1.3 For the purposes of this Policy, “suitable alternative employment” is where an employee:
- Meets the selection criteria for appointment to a role; OR
 - Could meet the criteria for appointment with some support, training programme (of up to 3 months) or a trial period (of normally no more than 3 months). It is recognised that in exceptional circumstances training of up to one year may be required.

The council’s definition of suitable alternative employment takes into account the statutory definition under s141 of the Employment Rights Act 1996, and both the operational needs of the council and the needs and personal circumstances of each individual employee.

- 1.4 The circumstances in which it may be considered, for employees with 2 years continuous service, include:
- Redundancy
 - Other exceptional circumstances (For example, where the outcome of a grievance/dignity at work case recommends redeployment)
 - Where a fixed term contract ends before the initial expected duration.

Further details on ill health refer to the council's policy and guidance on Managing Attendance and for job sharing refer to the council's Smarter Working Policy. When considering redundancy, please refer to Section 4 of this policy.

2 Scope

This Policy covers all employees with the exception of Teachers. Redeployment will be considered where employment comes to an end unexpectedly or due to ill health.

3 Responsibilities

| | Responsible For |
|--|---|
| Redeployee | <ul style="list-style-type: none"> • Complete redeployment profile. • Register for job alerts. • Fully participate in the redeployment process by reviewing available vacancies, identifying and applying for all suitable vacancies. • Consider training opportunities to support redeployment to a suitable alternative vacancy. • Keep P.O.D. aware of any change in circumstances. |
| Current Line Manager | <ul style="list-style-type: none"> • Notify P.O.D. of any potential redeployment situations. • Provide ongoing support and advice to employees subject to redeployment. • Seek appropriate opportunities to match individuals subject to redeployment to suitable alternative posts within their area. |
| Recruiting Manager | <ul style="list-style-type: none"> • Consider redeployees for available vacancies ahead of all other applicants. • Interview those redeployees that meet essential criteria, as early as possible, and prior to opening up the vacancy to all other applicants. • Provide feedback to redeployees on the outcome of their interview for a vacant post. |
| People & Organisational Development (P.O.D.) | <ul style="list-style-type: none"> • Provide redeployees with information relating the Redeployment Process. • Liaise with the recruiting manager to ensure prior consideration for vacant posts. • Ensuring adherence to the Redeployment Process and promoting its consistent application. • Reviewing individual cases under the agreed appeal process. |

4 The Redeployment Process for Staff on the Redeployment Register

- 4.1 The council will make every effort to redeploy employees and every attempt will be made to match the existing terms and conditions of service as far as is reasonably practicable. However, there will be no guarantee that employees will be redeployed into a post at the same wage/salary, hours of work, location etc. and, therefore, there will be no entitlement to preservation of the previous terms and conditions of employment, including salary/wage **unless** the redeployment arises as an alternative to redundancy. In such circumstances, salary protection will be in place for up to 18 months.
- 4.2 Once it has been established that an employee will be subject to redeployment, the redeployee will meet with their line manager to register for redeployment (including job alerts) and to complete a review of their skills/knowledge/abilities (see Redeployment Profile). This will contribute to establishing any training and development needs to help the employee to secure suitable alternative employment.

- 4.3 Redeployment to alternative jobs at the same grade or lower will be sought. Where an employee is redeployed to a post at a lower grade as an alternative to redundancy, salary preservation will be applied. If a redeployee wishes to be considered for a post at a higher grade, this will be considered a promotion and the employee will be considered for the position as part of an open recruitment exercise and **only in exceptional circumstances** will be considered within the Redeployment Framework.
- 4.4 Before vacancies are advertised, the Redeployment Register will be checked by HR Business Partners to determine if they are any suitable candidates for redeployment. Consideration should also be given to individuals who may be able to fulfil the role providing suitable training is available.
- 4.5 It is expected that an interview will be used for determining the redeployee's suitability for a vacancy. However, the number on the panel will be kept to a minimum (no more than two) and the interview will be conducted as informally as possible. The key objective is to establish whether or not a ring fenced employee meets or can be trained in a reasonable period to meet the essential criteria of the job's person specification. The recruiting manager will be responsible for providing feedback to the individual.

5 Redeployment Arising from Restructure Exercises

- 5.1 Where redeployment arising from a restructure exercise becomes necessary, the employing Service will enter into discussions and consultations with the affected employee(s) and Trade Unions at the earliest practical stage. The Head of People & Organisational Development will also be advised of the circumstances as soon as possible, in order to make sure that appropriate support can be put in place, both for the Service and the individuals involved.
- 5.2 In the first instance, it is proposed that where a post is to be deleted and that there are new posts available, the employee who finds their post is to be deleted will be entitled to be considered for matching to alternative posts which are broadly similar, where the employee meets requirements by demonstrating competencies, skills, knowledge, behaviours and experience. For more information on the Matching Process, please refer to the Managing Workforce Change Framework.
- 5.3 Where broadly suitable roles for matching are not immediately identified, redeployment will be pursued for a period of up to 3 months (this may be extended to 6 months in exceptional circumstances). If at the end of that period, a suitable alternative post has not been secured, the circumstances of each case will be considered within the terms of the relevant council policy.
- 5.4 The council will ensure that employees who are in a redeployment situation will be granted a suitable job placement for a minimum of 4 weeks, where necessary. This will be subject to review at the end of this period but may be extended in exceptional circumstances, to a maximum period of 3 months. The extension will be dependent upon the circumstances of each case, but could include situations where the employee is borderline in relation to meeting the essential criteria, where an element of training (normally not exceeding a period of 3 months) is required to bring the employee up to the minimum standard to adequately fulfil the duties of the post. Within the period of the job placement, the employee will continue on his/her existing terms and conditions of employment as part of a phased transition.

- 5.5 The council will make every effort to redeploy employees within a total period not normally exceeding 6 months (3 months plus statutory notice period), unless there have been extenuating circumstances which warrant special consideration. Management will consider each case on its own merits, and in consultation with People & Organisational Development.
- 5.6 If, having exhausted this procedure, redeployment is not possible, the case will be dealt with in accordance with the appropriate policy or procedure, and may ultimately lead to the termination of the contract of employment.

6 Refusal of Offer

- 6.1 Where an employee declines to be placed on the Redeployment Register and does not wish to be considered for suitable alternative employment or he/she refuses to accept a reasonable offer of employment, then he/she must notify the Employee Relations Manager immediately and in writing with their reasons for this. The Employee Relations Manager will consider whether the refusal is reasonable or not, taking account of:
- The individual's grade and pay
 - The individual's skills and experience (do they have/could have the right skills and experience for the new role?)
 - The aptitude and capability of the individual to undertake the work
 - Working arrangements i.e. hours of work
 - Level of responsibility relevant to the previous role
 - Location and accessibility
 - Ability to support reasonable adjustments (as required)
 - Personal circumstances

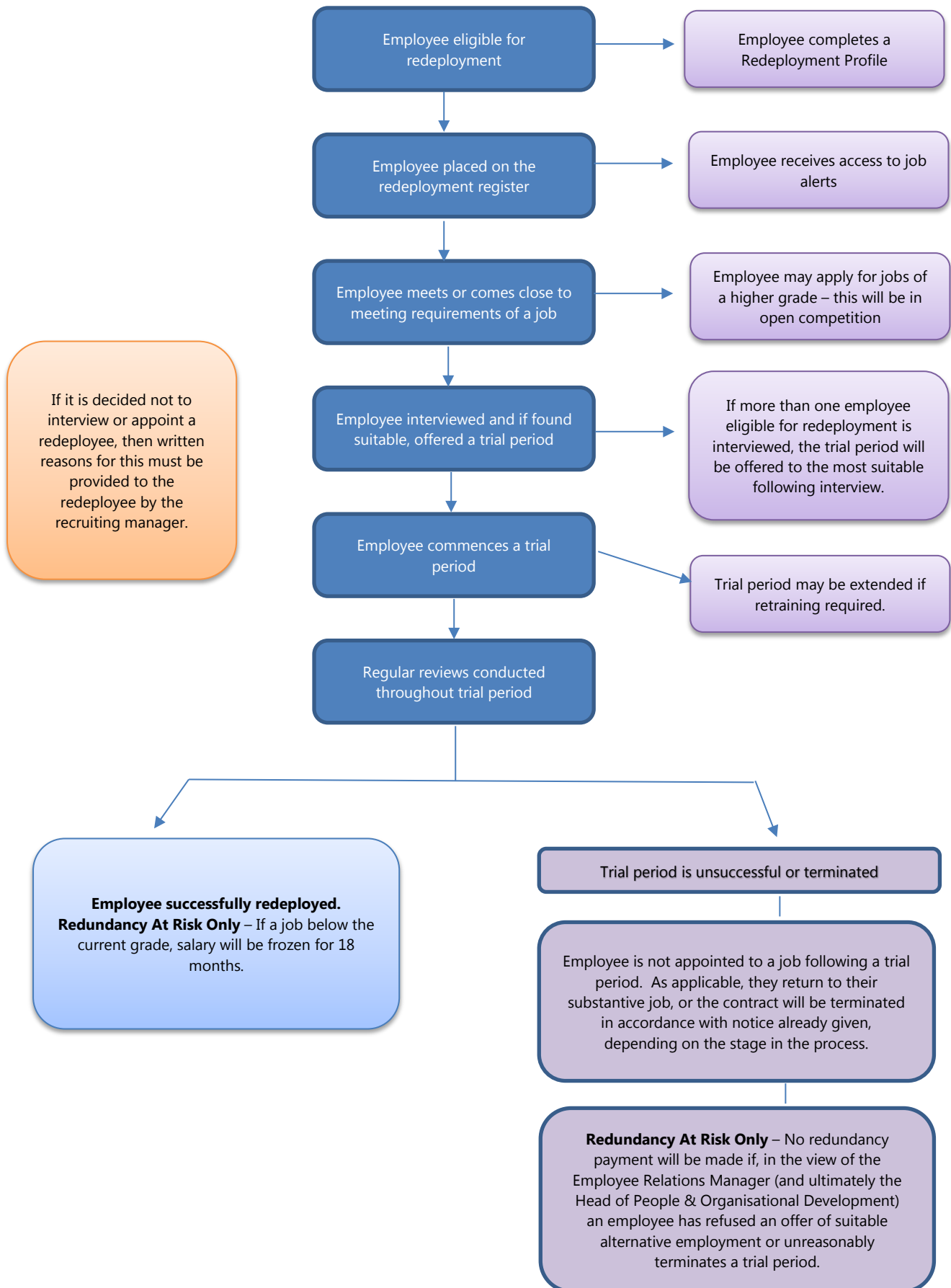
If the refusal is unreasonable **and** the offer of alternative employment is considered suitable, the employee may not be entitled to a redundancy payment. In circumstances where the individual refuses a suitable alternative position and is not at risk of redundancy, his/her employment may (if appropriate and subject to the correct processes and procedures) be terminated in accordance with his/her notice period. The Employee Relations Manager will write to the employee within 7 days to provide an outcome. The individual will have the right of appeal in accordance with due process.

7 Appeal Process

- 7.1 Where the Employee Relations Manager determines either that:
- The employee's refusal is unreasonable OR
 - The offer of employment was a suitable alternative;

The employee will have the right of appeal. The employee must write to the Head of People & Organisational Development within 14 days of receipt of the letter from the Employee Relations Manager. The Head of People & Organisational Development will respond within 7 days. There will be no further right of appeal.

Redeployment Flowchart



Section 3 - Flexible Retirement

1. Introduction

- 1.1 North Lanarkshire Council supports applications from employees to draw their pension benefits while remaining in employment in a reduced capacity. This is known as flexible retirement and gives employees greater flexibility and choice in planning their retirement. Applications will be granted at the discretion of the Chief Executive and Executive Directors.

2. Eligibility

- 2.1 Applications for flexible retirement are welcomed from all local government employees (LGE), craft workers and Chief Officers who are members of the Strathclyde Pension Fund. The conditions applied to access pension benefits will be governed by the relevant Pension Scheme regulations and the council's agreed approach to pension discretions.
- 2.2 There are clear criteria which an employee must satisfy in order to be eligible to apply for flexible retirement:
- You must be aged 60 or over and meet the rule of 85 when age and length of service are combined.
 - You will be required to reduce your contracted working week by at least 20% or take up a lower graded post*.
 - There must be positive benefits to the council in granting flexible retirement.
- 2.3 Strathclyde Pension Fund members should note that depending upon individual circumstances, your pension benefits may be actuarially reduced. Advice on this should be sought from Strathclyde Pension Fund Officer prior to you making an application for flexible retirement. The contact number is 0345 890 8999.

3. Making a Request

- 3.1 Employees should submit their request for flexible retirement in writing to their Head of Service. The request must contain the following information:
- The date from which it is proposed to become effective (please build in enough time for this process to be completed. SPFO require at least 3 months to process your pension).
 - Details of the reduction in contractual working hours requested or how this reduction can be achieved.
 - If you are seeking to meet the eligibility requirements for flexible retirement by moving to a job at a lower grade, this should be as a result of an open recruitment exercise. Your application for flexible retirement cannot be confirmed until the outcome of the recruitment exercise is known.
 - How the proposal provides positive benefits to the council.

4. Process

- 4.1 A meeting with the employee and the Head of Service (or nominated officer) will be arranged within 20 working days of receipt of the request. An HR Business Partner will be in attendance. The purpose of the meeting is to explore the feasibility of the request in depth and discuss how it may be accommodated, or to consider alternatives. The employee may, if they wish, be accompanied at this meeting by their trade union representative or a person of their choice.
- 4.2 A meeting will not be necessary if a request can be granted without further consideration or discussion.
- 4.3 An outcome to the request will be provided within 20 working days of receipt of the request or 10 working days of any meeting.
- 4.4 Where the request is agreed, the Service will confirm the change to the employee's terms and conditions and the date from which it is to take effect. In the event that the Service decides to refuse the request, the employee will be advised, in writing, of the grounds for the refusal and details of the right of appeal.
- 4.5 There will be no occasion where a request is refused without a meeting having been held as set out above to allow for a full discussion of the request and any alternatives.

5. Rights of Appeal

- 5.1 Employees will have the right of appeal. An appeal should be submitted in writing to the Executive Director, stating the grounds of appeal, within 10 working days of the receipt of the decision.
- 5.2 The appeal will be a paper based review of all documentation relating to the application and the reasons for the decision made. The appeal will be considered within Employee Relations. The outcome of the appeal will be confirmed in writing within 10 working days. There will be no further right of appeal.

6. Contractual Issues

- 6.1 Where flexible retirement has been agreed, you will be issued with a new appointment letter and schedule of terms and conditions of employment. Arrangements to adjust your pay, annual leave etc, will be made to reflect the new working arrangements. While continuity of service will be retained, any personal preservation arrangements applying to the employee will cease upon commencement of the flexible retirement arrangement.

Section 4 - Redundancy

1. Introduction

- 1.1 The council has a responsibility to ensure that an appropriate workforce structure is in place to deliver on the future priorities of the organisation and is able to deliver high quality, cost effective and targeted services to the people and communities of North Lanarkshire.

- 1.2 As part of that process, the council will keep under review its workforce requirements and resources having regard to changes in the nature of service delivery, whether by reason of council decisions, Government policy, or changes in the nature of the service demands and methodologies.
- 1.3 The council is committed to mitigating against compulsory redundancy wherever possible, seeking to maintain job security, and to that end compulsory redundancy will only be invoked after all other organisational change processes have been exhausted eg. redeployment, job matching, voluntary severance etc
- 1.4 Where compulsory redundancy is required, the council will handle the process in a fair, consistent, objective and non-discriminatory manner and provide appropriate support to assist employees cope in the circumstances.
- 1.5 Where staffing levels need to be reduced, the council recognises the importance of:-
 - minimising the number of compulsory redundancies,
 - open and full communications with employees and Trade Unions, and
 - fair and sensitive handling of those employees affected.

2. Aim

- 2.1 The aim of this procedure is to establish a background against which necessary decisions to reduce employee levels should be dealt with.

3. Scope

- 3.1 This procedure applies to all council employees with the exception of teachers.

4. Definition of Redundancy

- 4.1 Redundancy is defined in S. 139 (1) (S81. (2) EP (C) Act).

“For the purpose of this Act an employee who is dismissed by reason of redundancy if the dismissal is wholly or mainly attribute to:-

- (a) the fact that his employer has ceased or intend to cease (i) to carry on the business for the purposes of which the employee was employed by him, or (ii) to carry on that business in the place where the employee was so employed.

or

- (b) the fact that the requirement of that business (i) for employees to carry out work of a particular kind, or (ii) for employees to carry out work of a particular kind in the place where the employee was employed by the employer, have ceased or diminished or are expected to cease or diminish”.

For the sake of this procedure the definition has been divided into three ‘redundancy situations’. Every compulsory redundancy must be able to be classified as coming within one of these two categories:

- closure of the business
- a diminishing need for employees to do the work available.

5. Measures to Avoid Displacement of Employees

5.1 The council recognises the importance of careful workforce planning in meeting future service demands and it expects Services, when contemplating changed methods of service delivery to assess implications for workforce requirements and plan accordingly. Planning for change includes continuous and meaningful communication to ensure that all levels of employees are aware of changes as they occur and the impact these changes will have on service provision and working arrangements.

5.2 Changes within the workplace which result in redundancies will not always be the result of a plan to achieve staffing reductions. (For example, when jobs considered to be redundant are replaced with completely new positions. This has the potential to lead to a redundancy situation.) However, regardless of the reason for the redundancy, the council will make every effort to avoid or minimise the number of possible redundancies by considering any or all of the following:

- Restricting or freezing recruitment of permanent employees
- Reducing or eliminating overtime
- Reducing or eliminating the use of casual workers
- Re-training to allow affected employees to undertake suitable alternative employment
- Seeking voluntary earnings reductions
- Seeking applications for voluntary severance
- Freezing or reducing the number of temporary employees
- Restrict the use of agency or temporary workers

5.3 People & Organisational Development will assist and advise Executive Director(s) generally in reviewing these options and will also co-ordinate the extension of such measures into Services of the council not directly affected by the staffing reductions in question, if that is appropriate.

5.4 The Executive Director(s) will notify the Head of People & Organisational Development of any required staffing reductions at the earliest opportunity. In addition, such specific measures under consideration will be subject to full and open consultation with the Trade Unions.

6. Consultation and Engagement

6.1 If the above measures are insufficient to achieve the necessary reductions, compulsory redundancies may be unavoidable. In such circumstances, the council shall consult with the appropriate Trade Union(s) for the category of employee(s) to be made redundant (even if the employee(s) in question are not a member(s) of the Union(s)), as soon as it is known that redundancies will need to be made or are likely to be made.

6.2 This consultation will be undertaken with a view to reaching agreement and avoiding or limiting the effects of collective redundancies. The council will endeavour to consult in

all redundancy situations at the earliest possible opportunity, but at the very least shall consult:-

- 30 days before the first dismissal takes place, where between 20 and 99 employees are to be made redundant within a period of 90 days or less.
- 45 days where over 100 are to be made redundant within a period of 90 days or less.

While there is no legal obligation to do so, Services should aim as far as possible to apply similar timescales for consultation where less than 20 employees are involved.

The timescales for this consultation will be undertaken on the basis that:-

- consultation will take place when the proposals are still at a formative stage,
- adequate information, on which to respond, will be shared,
- adequate time, within which to respond, will be given, and
- the council will conscientiously consider the responses of the consultation.

The consultation should be with a view to reaching agreement with trade union representatives and should include discussions about ways of:-

- avoiding the dismissals,
- reducing the numbers to be dismissed, and
- mitigating the consequences of dismissals.

The council will provide recognised Trade Unions with the following written information:

- the reasons for the proposals,
- the numbers and description of employees which it is proposed to dismiss,
- the total number of employees of any such description at the establishment who may form the pool for selection for redundancy,
- the proposed method of carrying out the redundancies with regard to any agreed procedure, including the period over which the dismissals are to be made,
- the proposed method of calculating the amount of redundancy payments to be made,
- the number of agency works working temporarily for and under the supervision and direction of the council,
- the part of the council's undertaking in which those agency workers are working, and
- the type of work those agency workers are carrying out.

6.3 At the early stages of consultation, managers should keep their employees generally informed on matters (including employees on leave by reason of maternity, adoption, carers' or sickness absence and that the formal consultation is progressing with the trade unions.

6.4 The Head of People & Organisational Development or nominated officer is specifically tasked to co-ordinate the communication and consultation process in all redundancy situations and ensure the above provisions are carried out.

7. Pool for Selection

- 7.1 If Services have to make compulsory redundancies, they will need to establish a 'pool for selection' and it is to these employees that managers will apply the chosen selection criteria.
- 7.2 Given its advantages, and allied with the council's aim of minimising compulsory redundancies, Services may seek volunteers for redundancy within specific areas of the Service or across teams/units etc. as a preliminary stage to selection. It should be anticipated that more volunteers may apply than the numbers needed. Where there are more volunteers for redundancy than is required, there will be **no right of appeal** for those who are not selected for voluntary severance.
- 7.3 In selecting employees for compulsory redundancy, the council expects services to establish criteria which are as precise and objective as possible and apply them fairly and consistently.
- 7.4 The council does not believe it is possible or appropriate in such a diverse situation to lay down authority wide criteria to be used in all redundancy situations. Rather the criteria to be used in each case will be based on future workforce needs with a view to ensuring the retention of a sufficiently skilled and knowledgeable workforce. However, in most cases the criteria will relate to employees' skill base, qualifications, knowledge, diligence, work performance, disciplinary record and length of service, but with no priority given to the latter. Where there are more volunteers for redundancy than is required, the comparative cost of releasing employees will also be considered as a factor. It is important that the criteria for selection forms the basis of our consultation responsibilities with the trade unions. A Redundancy Selection Matrix is attached to this procedure.
- 7.5 In selecting employees for redundancy, the council will not, under any circumstances, make reference to:-
- an employee's action in taking steps to promote health and safety,
 - an employee asserting a statutory right,
 - pregnancy or maternity,
 - Trade Union membership or activities,
 - a reason relating to an employee's disability.

While there is flexibility in defining the pool from which employees will be selected, Services will be expected to act reasonably and with genuine motives. The following factors should assist and guide that consideration:

- Whether other groups of employees are doing similar work;
- Whether employees' jobs are interchangeable;
- Whether the employee's inclusion in the unit is consistent with any previous practice of selection.

While there is no statutory duty to agree selection criteria with the trade unions it would be best practice to attempt to do so.

- 7.6 Selection by means of interview should not form part of the process of identifying redundant employees. However, where all posts of a particular kind are proposed to be deleted (i.e. all employees in a pool are at risk of redundancy) and fewer new posts have been created it would be appropriate to consider filling the new posts by means

of a restricted competitive appointment process, ring-fenced to the employees that are 'at risk' of redundancy. In this regard, selection by interview would only be appropriate where it can clearly be seen, that the 'new' posts differ substantially from the posts that are proposed to be deleted. The reasons for employees being selected for redundancy must be clearly and consistently recorded.

- 7.7 Employees who have been selected for redundancy will be invited to attend a meeting with an appropriate nominated officer and a representative from Organisational and People Solutions representative. At this meeting, the reason for the selection will be clearly outlined and discussed with the employee.
- 7.8 While the Executive Director(s) or other nominated senior officer may co-ordinate the redundancy exercise, a nominated officer will have responsibility for overseeing the selection stage in the process.
- 7.9 In the event that an application to be considered for severance is not approved, the applicant will be provided with full feedback regarding the reasons for the decision. There is no right of appeal against a refusal to grant a severance request, other than in the circumstances outlined in 7.10 below.
- 7.10 Where an employee(s) consider(s) that the selection criteria has not been fairly applied in their particular case there will be an entitlement, on these grounds alone to make representation to the Employee Appeals (Sub-Committee).
- 7.11 The employee or his representative shall write to the Head of People & Organisational Development stating in detail the specific unfairness in his individual case. Such notification must be lodged within 5 working days from the date of the decision on selection. The Sub-Committee shall be convened at the earliest possible date and its decision shall be final.

8. Redeployment

- 8.1 Where an employee has been offered alternative employment as a means to avoid a redundancy situation and the job turns out to be unsuitable, or the individual is not suited to the job, as determined by the council prior to the end of any agreed trial period (this is not likely to exceed 4 weeks), the employee retains the right to be terminated by reason of redundancy and the right to receive redundancy pay, if eligible, in respect of termination of the original contract. In such circumstances, the effective date of, and reason for, the termination would be those detailed in the original notification of dismissal.
- 8.2 If the employee refuses the offer of new employment, he or she will lose the right to a redundancy payment if the offer constituted an offer of suitable employment and the refusal was unreasonable. He or she will still, however, be regarded as having been dismissed by reason of redundancy.
- 8.3 For further details on Redeployment, please refer to section 2 of the Organisational Planning and Change Policy.

9. Additional Support

- 9.1 The council is committed to offering as much practical assistance as possible to employees identified for compulsory redundancy. This assistance will be aimed at helping individuals come to terms with the loss of employment and also practical support

in finding alternative employment with other employers in the event that redeployment is not possible within the council's services.

9.2 Time off Work

9.2.1 Subject to operational requirements, employees in a compulsory redundancy situation will be given reasonable time off work with pay during their notice period to look for alternative work, seek retraining opportunities or to attend interviews. Evidence of interview arrangements or training attendance will be required to be shown to the line manager. All reasonable requests will be considered, but paid leave will be up to the equivalent of one of the employee's working weeks only. For employees leaving the organisation on a voluntary redundancy basis, managers will have the discretion to offer time off with pay, again up to the equivalent of one working week, but this should not be considered an automatic entitlement.

9.3 Re-Employment

9.3.1 Only in exceptional circumstances will the council give consideration to the re-engagement of suitable individuals previously declared redundant. Where such re-employment occurs less than twelve months after the employee has been made redundant, he/she may be required to repay any redundancy payment received.

9.4 Break in Service

9.4.1 If an employee who is under notice of redundancy receives an offer of a job from another employer who is part of the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999, before the termination of employment (and takes up post within 4 weeks of the end of the old employment), there will be no dismissal for redundancy payment purposes, no redundancy payment and continuity of employment will be preserved in the new job.

9.4.2 If an employee takes a redundancy payment and commences work for an employer who is part of the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999 after four weeks have passed, then continuous service will be broken.

9.5 Counselling Service

9.5.1 Employees who feel that they would benefit from support to cope with redundancy may contact the council's employee counselling provider – Time for Talking – on 0800 970 3980. Alternatively, referrals can be made to this service via the line manager.

10. Termination Arrangements

10.1 Where selection for redundancy has been confirmed, those selected will be given written notice of termination and details of payments due in accordance with contractual entitlements.

10.2 Notice

10.2.1 To qualify for redundancy payment, employees must work up to the date on which the notice of redundancy expires. Employees wishing to leave before that notice expires and retain their right to redundancy payment, may do so with the council's permission

and by waiving their right to payment in lieu of notice for the period of notice which they elect not to work. Such permission will not be unreasonably withheld. However, employees leaving early without approval from the council, may lose their right to redundancy payment.

10.3 Redundancy Payment

- 10.3.1 An employee needs to show two years continuous service (with North Lanarkshire Council or an organisation listed in the Modification Order) at the date of redundancy to qualify for a redundancy payment.
- 10.3.2 Payment will be calculated according to age, service and earnings. The statutory upper earnings limit is not applied.
- 10.3.3 The calculation of this payment is laid down by legislation in the Employment Rights Act 1996, and enhanced, as deemed appropriate, by the council by The Local Government (Compensation for Redundancy) (Scotland) Regulations 1994, The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 as amended, the Age Regulations 2006, and the pension regulations in force from time to time.
- 10.3.4 Further information on Redundancy payments can be obtained from the [Severance Information Guidance](#) note.

10.4 Pension

- 10.4.1 Employees who were members of the Local Government Pension Scheme (LGPS) on, or before, 5 April 2006 may be eligible to receive immediate, unreduced LGPS benefits at age 50 if retired on the grounds of redundancy or business efficiency.
- 10.4.2 Employees who joined the LGPS on, or after, 6 April 2006 will be eligible to receive immediate, unreduced payment of LGPS benefits from age 55 if they are retired on the grounds of redundancy or business efficiency.
- 10.4.3 Employees must have 5 years superannuable service, to be eligible for LGPS benefits. The council will add up to 6 2/3 or 10 years to the value of such benefits, always provided that such added years, when added to the employee's pensionable service, does not exceed 40 years OR, when added to their age, does not exceed 65.
- 10.4.4 Further information on pension benefits can be obtained from Strathclyde Pension Fund at www.spfo.org.uk/index.aspx?articleid=14445 and the Severance Information Guidance.

Redundancy Selection Matrix

| Points | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | Multiplier |
|---|----------------------------------|---|-----------------|---|----------------|-----------------------------|---|---------------------------------------|-----------|--------------------------|----|---|------------|
| Job Factor (key skills required to suit requirements of future Service provision) | No relevant skills held | | | | | 50% of required skills held | | More than 50% of required skills held | | All required skills held | | | x3 |
| Performance rating (based on 50% or more achieved at that level) | Not acceptable | | Inconsistent | | | Acceptable | | Shows strength | | Always achieves | | | x3 |
| Discipline records - live action only | Final written or punitive action | | Written warning | | Verbal warning | | | | | No record | | | x2 |
| Sickness absence - number of days | 11+ | | 6 to 10 | | 3 to 5 | | 2 | | 1 | | 0 | Total combined score for sickness absence factors | x2 |
| Sickness absence - number of occasions | >3 | 3 | 2 | 1 | 0 | | | | | | | | |
| Length of service in completed years- only to be used in event of equal scores as a determinative factor | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 or more | | | | x1 |

Notes for Completion

Each employee in the pool starts with zero points and then is awarded points based on above. Lowest scoring employees are those identified for compulsory displacement/redundancy. Where there are equal scores, length of service should be used as a determinative factor.

Absence scores will be based on a comparison with the average sickness absence level expressed in FTE days in the selection pool over three years. Eg. Total number of absence days across the pool over three years/3/number of FTE employees in selection pool = average FTE days lost per year for selection pool. Employees with lesser continuous service with this council should be adjusted accordingly. Absences directly related to pregnancy or to a disability (as defined within the provisions of the Equality Act 2010) should be discounted.

Where PRDs have not been completed consistently, **the whole redundancy pool** should be awarded a total of 27 points each in order to ensure a fair and robust approach. Selection for compulsory redundancy should not be made by interview except in circumstances where all employees of a particular kind are proposed to be deleted and fewer new posts have been created. In these circumstances, it would be appropriate to consider filling the new posts by means of a restricted competitive appointment process, ring fenced to employees at risk of redundancy. Please see the Managing Workforce Change Framework for more details. It will be unfair to automatically select temporary employees or part-time employees, who have separate legal protection under the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations and the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations.

Impact Assessment

| | |
|----------------------------|---|
| Equality | A stage one equality impact assessment has been completed. |
| Fairer Scotland | The Workforce Change Policy supports the council's obligation to support a Fairer Scotland by setting out the clear processes and policies which will apply to all staff during workforce change. |
| Risk | A clear risk management plan will be developed following consultation. At present, the Framework seeks to mitigate risks by applying a clear and consistent policy on workforce change. |
| HR/ Legislative | Trade union/EEF consultation will take place prior to introduction. |
| Environmental | There are no environmental impacts. |

Appendix 2 – Workforce Change Policy – Summary of Changes Made

| Recruitment | |
|---|---|
| Ensure that the Council attracts the best people for the job or to manage large volume recruitment exercises. | Alternative approaches to seeking applicants should be considered. This will include attending school/college/university open days to promote North Lanarkshire Council as an employer; holding open sessions for large volume recruitment exercises to provide information and allow managers to meet potential job applicants face to face; and working with Supported Enterprise, Routes to Work and third sector organisations to attract a broad range of applicants to our vacancies. |
| Streamline recruitment processes. | If further vacancies arise in the six months following a recruitment exercise (same role, grade and location), the recruitment exercise should be revisited with a view to offering the new vacancy to a candidate previously considered appointable. |
| | For vacancies which are generally found to attract a large volume of applications, consideration should be given to creating a recruitment pool of potential job holders, all of whom have been previously interviewed and found to be appointable. |
| | Other than in exceptional circumstances (which must be determined by the Head of Service), vacancies must be advertised internally in the first instance. Exceptional circumstances will normally apply where there are known difficulties in recruiting for certain positions (or national shortages) and where it is known that the required skills are unlikely to be held internally. |
| | Consideration should be given to restricting recruitment to relevant NLC 3 posts and below to existing apprentices, trainees or other identified groupings e.g. care experienced, before a decision is taken to go to open recruitment. |
| Redeployment | |
| Maximise the potential opportunity available to offer redeployment. | At present, the Council currently seeks redeployment for just three months. At times, this can mean redeployment ends in some circumstances where the council is aware that jobs may become available at a later stage (longer than 3 months) It is proposed that redeployment may be extended for up to six months. The decision |

| | |
|--|--|
| | to extend the redeployment period will be made by the Head of Service in discussion with People & Organisational Development. |
| Streamline and clarify the redeployment process. | The circumstances where redeployment will be considered have been reviewed and are now restricted to those in a redundancy situation, exceptional circumstances (e.g. where the outcome of a formal process recommends that an employee is moved to another location) or where a fixed term contract comes to an end earlier than expected (assuming the employee has two years' service at that time). Redeployment linked to medical capability will be managed under the Managing Attendance policy. |
| | Clear definitions of what the Council will consider "suitable alternative employment", as reflected in the Employment Rights Act 1996 have been included. |
| | Where an employee refuses to participate in the redeployment process or unreasonably refuses what is considered to be a suitable alternative employment, they will be required to provide reasons for their refusal in writing. If it is considered, taking into account a number of factors, that the employee has been unreasonable, the employee may not be entitled to a redundancy payment. In the circumstances where a redundancy payment is not granted, a new appeals process has been established. |
| Flexible Retirement | |
| Criteria for eligibility | <p>The following criteria will be applied to be eligible for flexible retirement:</p> <ul style="list-style-type: none"> • Aged 60 or over and meet the rule of 85 when age and length of service are combined. • Required to reduce the contracted working week by at least 20% or take a lower graded post. • There must be positive benefits to the Council in granting flexible retirement. |

| Redundancy | |
|------------------------------------|---|
| Voluntary redundancy | Where there are more “volunteers” during a redundancy selection exercise than are required to reduce establishment numbers, there will be no right of appeal for those who are not selected for voluntary severance. |
| Re-Employment following redundancy | At present, an employee who is made redundant from their post within North Lanarkshire Council, and receives a redundancy payment, is able to be re-employed by the Council after just four weeks without a requirement to re-pay the redundancy payment. Having undertaken research with other local authorities, this position is not replicated across other, large local authorities. As such, it is recommended that the Council position on re-employment should be that we will only give consideration, in exceptional circumstances, to the re-employment of those individuals previously declared redundant. If an employee is re-employed less than twelve months after the initial redundancy, he/she may be required to repay some payments received. As the original decision to make a post redundant should be made only as a last resort, it is anticipated that this situation should not arise on a regular basis. |