



**Organisational Change
Policy incorporating Pay
Protection Procedure**

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1. Introduction

Lindsey Lodge Hospice is committed to providing high quality care through the effective management and development of all its members of staff and believes that the effective management of resources and talent is an essential part of this. Organisations need to adapt and change in order to be successful and to respond to demands placed upon them. We recognise that we must ensure that the provision of our service is maintained and improved upon and that we must evolve and positively embrace change in order that we can maximise our performance.

Change can be needed for many different reasons, for example due to economic factors, or changes in the organisational structure, and when these changes affect the provision of our services and the employment contracts of our staff, we refer to it as 'organisational change'.

2. Key Principles

This policy will operate under the following key principles:

- HR advice should be available to support change processes
- The rationale for change should be made clear
- All staff can be accompanied by a colleague or trade union representative during formal consultation processes.
- All staff will have the right to appeal in line with the section 12 of this policy.
- The Hospice will seek to maximise opportunities for all staff affected to ensure that compulsory redundancies are negated or kept to a minimum
- The organisation will communicate with openness, fairness and transparency
- Legislative requirements and timeframes will be adhered to and the leaders of the change programme will familiarise themselves with these requirements and with the key principals contained within this document.

3. Purpose and Scope

This policy sets out the standards and processes that the Hospice aim to achieve when managing organisational change. Throughout any organisational change, we will:

- Be open and inclusive and ensure that information and ideas are exchanged.
- Work in partnership with our staff and their representatives.
- Recognise and value individual's contribution to the organisation and provide appropriate support.
- Retain the skills, experience and commitment of individuals wherever possible.

- Encourage and help develop skills to meet changing service needs
- Ensure that individuals are treated fairly, with courtesy and respect and no-one will receive less favourable treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, part-time status, fixed term contract status or whether an individual is a member of a trade union or not.
- Act with integrity and seek to adopt best employment practice in being a model employer

This policy applies to all members of staff employed by Lindsey Lodge Hospice.

4. Duties and Responsibilities

Team Leaders/Line Managers

Team Leaders/Line Managers have a responsibility to:

- Involve HR and a senior manager when organisational change is identified to ensure best practice is followed and the Hospice remains legally compliant
- Operate within the procedures of this policy and apply such procedures fairly and consistently
- Keep affected staff, their union representatives as appropriate and other relevant stakeholders fully informed throughout the change programme
- Not discriminate against any member of staff during this process on the basis of: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, part-time status, fixed term contract status or whether you are a member of a trade union or not
- Maintain the effectiveness of the service during the change programme

Human Resources

The Human Resources department have a responsibility to:

- Support Team Leaders/Line Managers and the organisation at all stages of the change programme
- Advise on best practice within the context of this policy advocating a fair and transparent process
- Advise staff members, their nominated union representatives and key stakeholders on queries in relation to the change

The Employee

The Employee has a responsibility to:

- Engage with the change process including reading documentation/ attending briefings, meetings and consultations
- Raise their concerns, questions, queries when given the opportunity to do so
- Maintain a high standard of day-to-day working during the change programme

Organisational Change

Organisational Change is any structural or managerial change in the organisation of service provision impacting upon the workforce which could for example be as a result of service change.

These changes could include the following:

- Changing the structure of a particular service
- Commissioning of services
- Changes of skill or band mix
- Changes in working practices
- Changes in hours or working patterns
- Changes in work base
- A reduction in the number of or type of posts required overall.

The list is not exhaustive and other factors may be considered. The consultation process can be amended to be shorter or longer depending upon the complexity of the change and the numbers of staff involved.

5. Explanation of Terms

The following terms will be used throughout the policy:

Staff affected by change

These are defined as any employee whose post, contracted hours of work, location or conditions of service may be affected by the change.

Consultation

Consultation involves listening and taking account of the views of employees and therefore this will take place before any final decisions are made to implement changes.

Redeployment

When a member of staff is moved or allocated to a different position and/or function or organisation as a result of the change process.

6. Communication

Where there are proposals for organisational change, the need for good and timely communication is essential. Communication may be undertaken in different ways, for example, meetings, correspondence, newsletters, emails etc. Where significant organisational change is taking place it is helpful to agree a communication plan with Staff involved and their nominated Trade Unions representatives so that communication is as open, transparent, responsive and effective as possible. This process will be led by an

appropriate nominated senior management representative (who will be referred to as the manager throughout this policy).

The communication plan should cover proposals, their potential impact, and the process of implementation throughout the change process, and should ensure that all appropriate staff are involved in these communications. Communication is a two way process and effective communication will be up as well as downward. Staff should be able to ask questions and provide comments and feedback throughout and at the end of the consultation process. As far as possible, communication will be verbal, backed up in writing where appropriate.

7. Consultation

- Where possible, consultation will take place whilst the proposals for change are still at their formative stage
- There are legislative guidelines on consultation timelines (depending on the size and potential outcomes of the change being proposed) and the appropriate consultation period will be outlined in any formal consultation papers. For any changes that may result in 20-99 redundancies, a minimum 30 day consultation is required, with 100 or more redundancies requiring 45 days consultation as a legal minimum.
- The Hospice may decide when appropriate to run a consultation period for longer than the legal minimum required to ensure a meaningful consultation can take place.
- Meaningful consultation with staff and their nominated union representatives, as appropriate will involve:
 - o Providing details of the proposed changes and adequate information on which to respond, normally in the form of a formal consultation paper
 - o Allowing adequate timing in which to allow affected staff to respond to on the proposed changes
 - o Acknowledging and considering responses and giving timely feedback on the decision taken
- Where possible, the relevant manager will ensure that staff and their nominated union representatives are briefed on the proposals and the associated timescales prior to any formal consultation paper being circulated. The purpose of this briefing will be to:
 - o Explain the proposals.
 - o Discuss the content of any consultation paper.
 - o To set out the plan for sharing this information with affected staff.

8. Formal Consultation Paper

A formal consultation paper will be drawn up by the manager to set out the options for the proposed change with its respective advantages and disadvantages. This consultation paper should invite comments, suggestions and feedback. It should also ensure that the implications of the proposed change are clear, including a clear plan with time scales for consultation feedback, review of the feedback, confirmation of the final proposals and proposed implementation plan. A template consultation process is available under appendix A

9. Consultation Timescales

- There may be exceptional circumstances when the Hospice is unable to apply the timescales as set out due to pressing service needs, these will be discussed and agreed with staff affected and their nominated union representative as appropriate.
- The formal consultation paper will be provided to all affected staff ensuring that there is enough time for staff to consider and respond to its contents. Where the proposed change(s) will result in redundancy, a minimum consultation period of one month should normally apply unless management and the staff affected and their representatives agree otherwise.
- In the event of potential redundancies, consultation periods may be longer and will be agreed with staff affected and their nominated union representatives.

10. Considering Feedback and Decision Making

- When consulting on change the manager must be open minded and be prepared to examine any alternative suggestions put forward by staff. If in the light of these, the manager significantly amends the proposal, a revised consultation paper should be re-issued and a further consultation period ensued.
- There should also be discussion with staff affected regarding a date of implementation, which should then become the agreed date

11. Implementing Change

Following the end of the consultation period, the manager must issue in writing to each member of staff affected by the change the decision made and the reasons for this, including a brief explanation why any other options were not accepted. In addition the letter should confirm the implementation date for the change(s) and set out any implementation arrangements.

12. Right of appeal

Decisions in respect of posts to be made compulsorily redundant will be made jointly by the appropriate senior manager and the Chief Executive supported and advised by the HR department. Staff who are selected for redundancy and who are given notice to terminate their employment will have the right of appeal to the Board of Trustees against the

termination of their employment. The appeal should be made in writing and addressed to the Chair of the Trustees within fourteen days of receipt of the employee's written notice of dismissal by reason of redundancy,

Other than decisions in respect of redundancy all other concerns or appeals against the application of this policy should be directed in the first instance to the HR department who will ensure matters are progressed in line with the grievance process.

13. Policy Review

The policy and processes contained within these documents will be in place for three years following approval.

14. References

AGENDA FOR CHANGE (ENGLAND) NHS TERMS AND CONDITIONS OF SERVICE
www.nhsemployers.org.uk

www.gov.uk/redundancy-your-rights

www.acas.org.uk/managing_change

Main Author: Jane Lacey-Hatton Ratification by HR Committee date: 20 th February 2018 Review internal: This policy and procedure will be reviewed after 3 years or earlier at the request of the HR Committee.				
TO BE REVIEWED	REVIEW COMPLETED	BY	APPROVED BY	CIRCULATION
Workforce Committee		Jane Lacey Hatton	HR Committee & Board at the meetings held on 20 th November 2018	All Staff -access via L Drive

Appendix A - Formal Consultation (Template)

Meeting XXXXX to be held on XXXXXX at XXXX in the XXXXX

Purpose

- Should outline who the paper is written for and brief explanation of what the changes are for example restructure, change in working pattern, change in location etc.

Background

- Should detail the background of the services and the rational for changes.
- Current arrangements
- Should detail current arrangements/structure/skills mix etc.
- Proposed changes and options
- Should detail the proposed options for change to the services and implications of those changes for the service and staff.

Benefits

- For each option, outline the benefits the changes will bring for the staff, service, patients (if applicable) and organisation etc.

Risks

- For each option, identify any risks in terms of not implementing or implementing the changes.

Consultation / Feedback and Timescales

- Process and method for consultation e.g. team meetings, 1 to 1s, feedback sessions, staff briefings to be carried out, date of commencement of formal consultation, draft period of time for consultation. Ensure that there is a named person to whom feedback on the consultation document should be returned.
- Feedback can also be received via the Staff Reps and/or staff engagement sessions.

Implementation

- Proposed implementation date

Support available

- Details of support available.

Name:

Date:

Appendix B - Organisational Change Procedure for Filling Posts /individuals 'at risk' and redundancies.

What is the Appointment Process to a revised structure?

The appointment process will involve a number of stages:

1. Preparation of job descriptions and person specifications to reflect revised service requirements.
2. Determining suitable alternative employment/who is eligible to apply for posts.
3. Slotting in arrangements
4. Ring fenced competition.
5. Internal open competition
6. External competition

Who will be Eligible to Apply for Posts in the new structure?

Only the following categories of staff who are affected by the change are eligible to apply for posts in the new structure through either slotting in or ring-fenced competition:

- Substantive staff of the organisation (Note: this excludes staff on fixed term contracts due to maternity or sickness cover, or employed specifically as a result of the organisational change).
- Staff who fulfil the essential criteria as outlined in the person specification.
- Staff with a current basic salary within the following ranges of the basic salary:
+/- 1 pay band.

Staff on secondment or acting-up will be considered on the basis of their permanent post, not their seconded/acting up role.

Employees who are on maternity leave have an automatic right to be offered suitable alternative employment (where available).

Eligibility for posts will be assessed by matching the content of the new posts to the functions carried out by individuals in their present post. A displaced employee is an individual whose substantive position/jobs no longer exists due to organisational changes.

1. Suitable alternative employment

Suitable alternative employment is work that is on broadly similar terms and within the same range of skills required as the current employment where the individuals meets the essential criteria of the person specification. Staff who are displaced and at risk of redundancy will be given prior consideration for suitable post in line with the skills, experience and capabilities. The following factors will be taken into account when seeking any alternative job opportunities:

- Banding/Grade (same or one grade above or below).
- Skills and experience
- Pay and protection of earnings

- Personal circumstances
- Equivalent hours of work
- Status
- Working environment

2. Job Descriptions

All posts will have a detailed job description and person specification. These will include the essential skills, qualifications, experience and qualities required of the post holder.

Changes to existing posts will be evaluated through the agenda for change job evaluation process.

Appointments to the new structure will be made level by level, starting from the top down. Staff at risk will not be considered for posts in the next level of the management structure until the first round of matching to that structure has been completed.

3. Slotting in Arrangements

Where there is a single post in the new structure, which has a job description that is substantially similar (more than 50 % the old job) and where the present substantive and permanent post holder meets the minimum criteria as outlined in the person specification that person will be slotted in. The line manager and HR department are responsible for demonstrating that these criteria are met.

Where there is a post or posts in the new structure which clearly result from the merging of two or more posts from the old structure then those existing post holders will be the initial candidates for the new post or posts. In this instance, ring-fenced competition will apply.

This process will be monitored by the Human Resources Department. Any member of staff who feels that they have been incorrectly excluded or included for consideration for any post has the right of appeal in accordance with the Hospice's grievance process.

4. Ring Fenced Competition

This occurs when the pool of candidates to be considered for a post is restricted to a particular group of staff who have been placed at risk. Once slotting-in arrangements have been completed a further process of ring-fenced competition will take place before the posts are opened to internal competition. This process includes the following:

- All eligible employees will receive a letter or other written communication from their manager, written in consultation with human resources, detailing the posts available to them. This will include job description and person specifications for each of the relevant posts.
- It will also include details of how to apply, the closing date and the method of selection. Job share applications will be considered for all posts unless otherwise stated.

- A single application form must be completed for all posts applied for, to be accompanied by a letter from the applicant listing the posts for which application is being made and, where appropriate, indicating an order of preference.
- Application forms should demonstrate how the candidate meets the essential criteria for the post.
- All applicants will be considered for their preferences subject to their meeting the essential requirements of the person specification for the post, and taking further training into consideration where appropriate.

5. Interviews

- In circumstances where there are more posts than applicants and no conflict in expressed preferences, candidates may be offered the relevant posts with just an informal interview with the manager, provided they clearly meet the minimum criteria.
- Where there are more posts than applicants but expressed preferences do conflict, selection interviews will be held.
- Where there are more applicants than posts, selection interviews will be held.
- Short-listed candidates will be given reasonable notice of the interview date (approximately 5 working days, and every effort will be made to see all candidates on the same date or within a reasonable time thereafter.
- Selection panels will consist of at least two people, at least one of whom is a trained interviewer and at least one will be a manager. The line manager for the post should chair the panel. External assessors may be used in some circumstances.
- Interviews will be co-ordinated to ensure that the interview process is completed as swiftly as possible without unnecessary duplication of interviews.
- The Chair of the selection panel will also ensure that the conduct of the interview does not directly or indirectly discriminate against any individual candidate.
- The Chair will record the panel's findings and the reasons for the decisions reached on each candidate. All offers of posts will be confirmed in writing.
- Internal candidates who are unsuccessful at interview will be offered post-interview feedback.

6. Internal (Open) Competition

If appointments to vacant posts have not been made, staff who are currently at risk and eligible for redeployment will be considered in the first instance.

7. Failure to match staff to available posts

In circumstances where the process, described above, fails to match an individual to an available post the following arrangements will apply to staff who are therefore at risk.

- Staff who are not matched to posts in the new structure will be considered for alternative employment (redeployment)
- The individual will be consulted to identify scope for matching to suitable alternative employment
- Staff at risk will, when they apply, receive priority consideration for interview as a redeployee for all posts at or one below their current salary in the occupations agreed as suitable alternatives elsewhere in the organisation.
- Any posts remaining vacant after the redeployment exercise has taken place will be subject to open competition.

- In exceptional circumstances where posts are newly created and it is demonstrated that no current employee meets the person specification, open competition will take place in the first instance.

8. Protection of Pay

Where an individual is appointed to a post at a lower salary, pay protection will apply in accordance with the Hospice's procedure on pay protection (see appendix C - page 15).

9. Redundancy Payments

(based on section 16(a) Agenda for Change Terms and Conditions Handbook).

If, after all internal processes have been exhausted including redeployment efforts, a suitable alternative post has not been found, the individual will be deemed to be redundant and the following provisions will apply:

Staff who are made redundant should receive one month's pay per year of reckonable service with a maximum of 24 months' pay (only full years of reckonable service can be counted when calculating redundancy pay as employment for part of a year should be disregarded).

A month's pay subject to a total annual earning floor of £23,000 and cap of £80,000 will be either an amount equal to 1/12th of the annual salary at the date of termination or 4.35 times a week's pay whichever is more beneficial to the employee. The calculation of 4.35 times a week's pay should be made in accordance with the employment rights act 1996.

Continuous Service

In redundancy compensation there are two concepts of service, continuous service which employers needs to consider first and reckonable service which then determines the period of service to be counted in paying redundancy.

Employees must have sufficient continuity of service to be eligible for a redundancy payment.

A minimum of two years Lindsey Lodge Service (can include service with another NHS employer with a break of no more than one statutory week)

Where an employee has had a break in NHS service of more than one statutory week, the prior service is not counted for the purposes of accruing the necessary minimum period of two years continuous service.

Reckonable Service

Once an entitlement to redundancy has been determined, NHS reckonable service will then be used on the basis for determining the eligible service to be used in calculating the amount of contractual redundancy payment. All continuous Lindsey Lodge employment and continuous NHS employment counts as reckonable service for redundancy compensation unless it has been taken into account in a previous redundancy. Providing the individuals has not had a break of service in the NHS of over twelve months

the period of NHS employment prior to any break counts as reckonable service and therefore previous service can be included in calculating redundancy.

The provisions in relation to Early Retirement and Redundancy are set out in paragraphs 16.15 of section 16 of the NHS terms and conditions of service handbook.

In such circumstances when a redundancy is implemented pay provisions and entitlement will be both set out in writing and discussed with the individual concerned, and the workforce manager together with the line manager to ensure there is confirmation and clarity in respect of redundancy pay calculations including continuous and reckonable service.

Notice periods

Employees who are selected for redundancy must be given a notice period before their employment ends;

At least one week's notice if the employee has been employed between one month and 2 years

One week's notice for each year of employment between two years and 12 years

Twelve week's notice for someone who has been employed for 12 years or more

10. Right of Appeal

Decisions in respect of posts to be made compulsorily redundant will be made jointly by the appropriate senior manager and the Chief Executive supported and advised by the HR department. Staff who are selected for redundancy and who are given notice to terminate their employment will have the right of appeal to the Board of Trustees against the termination of their employment. The appeal should be made in writing and addressed to the Chairman within fourteen days of receipt of the employee's written notice of dismissal by reason of redundancy,

Other than decisions in respect of redundancy all other appeals against the application of this policy should be directed in the first instance to the HR department who will ensure matters are progressed in line with the Hospice's grievance process.

Appendix C - Pay Protection Procedure

1. Purpose

This procedure applies in all cases where the pay level of an employee is adversely affected as a result of organisational changes/changes to their role as the result of service needs or an employee changing job as a result of capability issues and reasonable adjustments being applied in accordance with the Equality Act 2010. Such changes could also include a reduction in hours/changes in base.

2. Scope

This procedure applies to all Hospice employees.

3. Roles and Responsibilities:

Line managers will be responsible for the following.

- Line Managers will decide what is deemed to be suitable alternative employment with HR advice.
- Ensure that pay protection is only offered to employees in accordance with this procedure.
- Ensure that HR are notified of any changes to the employee's role that impact upon their entitlement to pay protection.

Human Resources will be responsible for the following:

- Providing Advice to Line managers on the application of this procedure.
- Advising payroll of arrangements in respect of pay protection for individuals affected.

4. Key principals

Pay Protection will apply from the date of commencement of redeployment to an agreed alternative post and will be confirmed in writing to the employee with a confirmed end date of the pay protection.

For those employees that qualify for pay protection, their existing pay level will be protected on a mark time basis. This means that pay will be frozen at the existing level for the duration of the protection. The pay protection will be for period outlined below or until the new level of pay is equal to the protected level whichever is the earlier.

5. Short term protection

Short term protection will apply where an employee is required to move to a new post because of organisational change on the same band and the total earnings in the new post are less (total earnings are calculated based on an average of the previous 3 months from the date of change and includes regular paid supplements). Short term protection is conditional on the employee continuing to undertake as required overtime, unsocial hours up to the level undertaken before the change in terms and conditions.

Short term protection

Reckonable Hospice Service	Pay Protection Period
less than 6 months	no protection
6 - 12 months	2 months
1 - 5 years	6 months
Over 5 years	12 months

6. Long term protection

Long term Protection will apply where an employee is required to move to a new post because of organisational changes that attracts a lower basic annual salary or because of capability issues that result in movement to a role on a lower band. Long term protection will be available for a maximum of 12 months depending upon on length of service.

Reckonable Hospice Service	Pay Protection
less than 1 year	2 months
1 - 5 years	6 months
Over 5 years	12 months

If a backdated pay award affects the pay protection calculation the protected figures will be recalculated accordingly. At the conclusion of the pay protection period the employee will receive the correct pay into which they have been redeployed.

7. Reduction in working hours

If staff are required to reduce their working hours as an alternative to redundancy, there is no automatic entitlement to protection of earnings. A reduction of hours should be considered as part of the overall assessment of the suitability of the alternative post with individual discussion, taking account of the extent of any change upon the individual and their circumstances.

8. Subsequent redeployment

The provision of long term protection is conditional upon the employee agreeing to move to a post at the protected band if available and appropriate during the period of protection. This could include temporary assignments. If a suitable alternative post at the original higher band is offered but declined during this matter will be reviewed by a senior manager and a view taken as to whether the pay protection should be withdrawn.

9. General Arrangements and Conditions of Service

Confirmation of the redeployment and protection arrangements will be given in writing to the employee. Apart from the salary the following terms and conditions will apply:

Notice period: where the new post has a reduced period of notice, the original period of notice will be protected.

10. Pay protection during pregnancy

If following a risk assessment an employee who normally works enhancements is no longer able to continue to work unsocial hours then short term pay protection will apply until the maternity leave starts. The protection of earnings is calculated on the averages earnings of the preceding three months.

11. Continuous professional development

The employee will commit to and their manager will support ongoing development in order that the employee will maximise opportunities for redeployment at their formal substantive band either internal or external to the hospice.

12. Appeals

Appeals arising out of the application of this procedure should be raised in the first instance with the HR department and the Hospice's grievances processes applied.

13. Procedure Review

The processes contained within these documents will be in place for three years following approval.

14. Associated Hospice Documents and References

Agenda for Change NHS Terms and Conditions of Service Handbook

www.nhsemployers.org.uk

Grievance Policy and Procedure

www.gov.uk/redundancy-your-rights

www.acas.org.uk