

**POLICY AND RESOURCES SCRUTINY COMMITTEE –
1ST OCTOBER 2013**

SUBJECT: REDEPLOYMENT SCHEME

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To seek recommendations and comments from Policy and Resources Scrutiny Committee on the Council's amended Redeployment Scheme prior to referral to Cabinet for final approval.

2. SUMMARY

- 2.1 In January 2012, Cabinet approved the principles that were to be used to redeploy any employees who became displaced as a result of a restructuring, the end of a fixed term contract or because they can't continue in their post because of a medical condition. These principles have been used ever since to ensure that they were workable and fit for purpose. It is now time to translate these principles into a working Scheme for employees and Managers to follow when faced with a redeployment situation.

3. LINKS TO STRATEGY

- 3.1 The new Scheme links to the People Management Strategy and therefore to all other strategies, including all equality strategies, policies and procedures, that relies on employees to deliver the strategy and service provision.

4. THE REPORT

- 4.1 In January 2012, Cabinet approved the principles that were to be used to redeploy any employees who became displaced as a result of a restructuring, the end of a fixed term contract or because they could not continue in their post because of a medical condition. These principles have been used ever since to ensure that they were workable and fit for purpose. It is now time to translate these principles into a working Scheme for employees and Managers to follow when faced with a redeployment situation. It is the approval of this Scheme that is being sought from Cabinet. A copy of the amended Scheme is attached at Appendix 1.
- 4.2 Redeployment has been seen in the past as a negative thing and there is a perception that there must be some 'reason' why an employee has been displaced. This is obviously not the case and in order to relaunch the Scheme it has been decided to use more positive terminology within the Scheme, to encourage all partners to the process to participate fully in the process. This implies that it is a more positive experience and other measures are being introduced to provide employees who find themselves in this situation with advice and

guidance on completing an employee profile and training on interview skills, etc. This training should assist employees to secure alternative posts as many of them may not have applied for a post or attended an interview for a number of years.

- 4.3 In order to allow employees a reasonable period of time to look for another post Cabinet previously approved the principle that employees would be given a period of 12 weeks notice in the Redeployment Pool plus their contractual notice (Employees are legally entitled to contractual notice when their contracts are terminated). The maximum period of contractual notice an employee is entitled to is 12 weeks so the total amount of time an employee could be in the Redeployment Pool is 24 weeks (12 weeks contractual notice plus 12 weeks that everyone is entitled to) and the lowest period of time is 13 weeks (12 weeks plus 1 weeks contractual notice). In the 12 months since these principles have been in operation, these periods of time have worked very well. Very few employees have been made redundant as they have been redeployed into other posts prior to the end of their notice period. These timescales have now been formalised in the Draft Redeployment Scheme attached at Appendix 1.
- 4.4 Prior to the principles of the Scheme being agreed last year by Cabinet, employees were entitled to protection on their grade for a period of 3 years. The principles agreed by Cabinet reduced this to a period of 18 months as a three year protection period was very often not financially viable as the Service Area's budget could not sustain the payment. This principle approved by Cabinet to reduce protection to a period of 18 months has been incorporated in the in the Draft Scheme.
- 4.5 In addition, previously employees were quite often able to obtain posts of lower grades and the protection was paid for the deficit. Cabinet agreed last year that in the main grade protection would be limited to 2 grades.
- 4.6 Caerphilly County Borough Council has been very successful in redeploying employees, either permanently or in to further fixed term contracts. As a result of this very few employees have been made redundant (7 in 2011/12 and 4 in 2012/13). Historically when an employee is made redundant, the redundancy costs have been borne by the releasing Service Area for the entire length of the employee's continuous service even if the employee has secured a fixed term contract in another Service Area, which has extended their employment. However, as Service Areas are displacing employees, they do not have the funding to continue their employment, so to have to fund redundancy payments at a later date for the whole of the employee's period of continuous service is a further drain on budgets. After discussions with the Head of Corporate Finance the draft scheme contains a new proposal of calculating the redundancy liability, it is proposed that redundancy payments are paid in proportion to the service that the employee has completed in each Service Area from the point at which they are redeployed.
- 4.7 This proposal can be illustrated by the following hypothetical example , an employee has 10 years' service in Human Resources and then applies and successfully obtains a new permanent job in Finance and transfers to that department. After 3 years' in Finance the employee is displaced and transfers into the redeployment pool. They are then redeployed to Housing for 2 years on a fixed term contract and following this to, Communities First for one year prior to being made redundant as there are no further redeployment opportunities. In this example the liability of the redundancy payment is 13 years payable by Finance, 2 further years payable by Housing and 1 year by Communities First. This proposed arrangement will limit the liability of each Service Area to the time that the employee spends within their Service Area rather than any one Service Area picking up the total costs of the redundancy payment.
- 4.8 The Draft Scheme requires and expects employees to co-operate with Managers and Human Resources in seeking redeployment opportunities. When an employee is successful in securing a redeployment opportunity, they undertake a four week trial period where both the employee and the Line Manager assess whether the employee is suitable for the role and whether the employee is happy to undertake the role. Unfortunately trial periods are not always successful, although these cases are in a minority, and employees are allowed up to a

maximum of two trial periods. If both trials are unsuccessful, the employee will remain in the Redeployment Pool for the remainder of their notice period and then terminate, with a redundancy payment if eligible, on the date that they have been given.

- 4.9 If an employee secures a fixed term contract of more than twelve months in duration, they will be transferred out of the Redeployment Pool for the period of the contract. Prior to the end of the trial period the employee will be put back into the Pool for the required number of weeks that they are entitled to. During the period of the fixed term contract, the only opportunities that employees in this situation will be made aware of are permanent opportunities to allow continuity of service for Service Areas.
- 4.10 In terms of trial periods, the process currently states that employees are allowed a trial period of 4 weeks which can be extended if the employee is not quite up to speed with the skills of the post. However, legally, if the employee exceeds the 4-week trial period they could lose their redundancy payment unless a longer trial period is agreed at the start of the period as a result of a need for training to undertake the duties of the post. The Draft Scheme has been drafted to ensure that anyone who may need an extended trial period is given this at the start of their trial period. The reasons for the need for an extended trial period varies and could be related to an employee's individual skills or where an employee is redeployed to a completely new area where a new set of skills is required. In all other cases, the 4-week trial period should be enforced.
- 4.11 When an employee undertakes a trial period, they are transferred out of the Redeployment Pool for the period of the trial. The 'clock will stop' on their time in the Pool and, if the trial period is unsuccessful, restart again for the balance of their notice period. For example if an employee who is entitled to 24 weeks in the Redeployment Pool is in the Pool for 8 weeks prior to securing a trial period, their notice period will stop for the period of the trial period. If the trial period is unsuccessful, they will re-enter the Pool and be entitled to the balance of their notice period, i.e. 16 weeks.
- 4.12 During a trial period an employee should be paid at the rate of their old job. If an employee is offered and turns down a suitable post, a post that is deemed to be suitable to their skills and abilities, they will be deemed to have made themselves redundant and their contract will be terminated and no redundancy payment will be forthcoming.
- 4.13 When an employee is placed in the Redeployment Pool they are required to complete an Employee Profile. This allows employees to highlight to Managers their skills, employment history and any training that they have received and allows Managers to see whether the employee will match the person specification for the post that they wish to fill. It has been suggested in the past that this profile is in need of some changes to make it more user friendly and fit for purpose. The draft Scheme has been drafted to incorporate these proposals..
- 4.14 In order to assist both employees and Managers through the redeployment process Notes of Guidance and a series of Frequently Asked Questions for both parties will be produced.
- 4.15 To date Caerphilly has been very successful in managing its redeployments. The proposed Scheme and the provision of Notes of Guidance will ensure that employees are treated fairly and Managers receive the information and guidance that they need to manage redeployment situations.
- 4.16 The Trade Unions have suggested that consideration be given to include employees with less than two years service under the Redeployment Policy. Currently, employment law states that two years service is needed for an employee to be able to claim unfair dismissal. There is a possibility that the legislation may be revised in the future. Employees on fixed term contracts can access internal vacancies advertised across the Council regardless of their length of service. The proposed Scheme retains the requirement for two years. The Trade Unions were happy that this would be reconsidered should there be legislative change regarding unfair dismissal and lengths of service.

5. EQUALITIES IMPLICATIONS

5.1 The draft Scheme has been equality impact assessed and no issues have been identified.

6. FINANCIAL IMPLICATIONS

6.1 The financial implications of the Scheme will depend on the numbers of employees who need to be redeployed, balanced against the costs of whether these employees were to be made redundant. There will always be some employees who are made redundant but it is expected that these will be kept to a minimum as the Council's track record in this regard has been very successful with only a small number of employees being made redundant.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications of introducing this Scheme. However, if a large number of employees are unfortunate enough to find themselves in the Redeployment Pool, there are implications on the resources within HR managing the redeployments, liaising with Managers and employees to ensure that employees are redeployed as quickly and efficiently as possible.

8. CONSULTATIONS

8.1 The Report reflects the views of the Consultees listed at the end of the Report.

9. RECOMMENDATIONS

9.1 That Scrutiny members consider the contents of the Report and Draft Redeployment Scheme, and make a recommendation to Cabinet for adoption of the Scheme.

10. REASONS FOR THE RECOMMENDATIONS

- It will formalise the current practices being operated and ensure consistency of approach across all Directorates.
- It will ensure that the Council is meeting its legal obligations in relation to the redundancy legislation.
- It will minimise redundancy costs for the Council.
- It will ensure a fairer allocation of redundancy costs for individual Service Areas.
- It will formalise arrangements so that employees and Managers are aware of what is expected of them.

11. STATUTORY POWER

11.1 Local Government Act 1972
Local Government Act 2000
Employment Act 2008

Author: Susan Christopher, Principal HR Officer (Acting)
chriss@caerphilly.gov.uk Extension: 4356

Consultees: Head of Workforce and Organisation Development
HR Service Manager (Strategy and Operations)
HR Service Manager (Customer Services)

HR Managers
Head of Legal and Democratic Services
Council's recognised trade unions
Senior Policy Officer (Equalities and Welsh Language)
Corporate Management Team

Appendices:

Appendix 1 Draft Redeployment Scheme