

PUBLIC EYE

REDUNDANCY TERMS

SECTOR EXECUTIVE BACKS A 'YES' VOTE

PROSPECT'S CIVIL service sector executive committee has recommended that members vote to accept proposed changes to their redundancy terms set out in a final offer letter from the Cabinet Office.

This reflects the belief that voting "yes" will result in a better outcome for members than voting "no". The committee assessed that:

- the proposals represent the best outcome achievable by negotiation
- the chances of successfully overturning the government's proposals through industrial or legal action are low.

Here, **Geoff Fletcher**, chair of the sector executive, explains how your elected representatives reached their decision.

“ This body provides democratic oversight of Prospect's activities in the civil service and related areas.

The committee members are public servants in their day jobs, who have been elected by Prospect members in the sector.

They are affected by any changes too. Because they are regularly in touch with other members, they are able to reflect their views when making decisions.

The process that led to the final offer on changes to the Civil Service Compensation Scheme has been our priority. We oversaw Prospect's participation in that process and set objectives and guidelines for the full-time officers negotiating on your behalf.

After this level of involvement we felt it was incumbent on us to tell members who

The executive is dismayed that our 2010 agreement on the CSCS has been ripped up. We think this entire process was unreasonable and unfair. However, the key question is not whether we like the proposals or not, but what ballot result will produce the best outcome for members

elected us our feelings about the offer and, particularly, what action would be likely to result in the best outcome for them.

Shortly after the final offer was made we met to consider whether to put a recommendation to members in the ballot and, if so, what that should be.

The executive is dismayed that our 2010 agreement on the CSCS has been ripped up. We think the government's approach to this entire process was unreasonable and unfair.

The executive was angered by the threat of worse terms being imposed if members rejected the offer. Prospect will raise this formally with the Cabinet Office when we respond after the ballot.

However, the key question is not whether



MARK THOMAS

we like the proposals or not, but what ballot result will produce the best outcome for members.

This *PublicEye* sets out the improvements that were secured during negotiations. These can be locked in by voting to accept the proposals.

The executive also considered our options if we reject the proposals.

Some will suggest that we could oppose these changes legally. However, the legislation only requires the minister to 'consult' on changes to the CSCS rather than reach agreement with members. This is why the legal challenge to the 2010 agreement failed.

The other obvious option would be to take industrial action and this will be on the table if members reject the proposals.

But the executive considers the likelihood of the government responding to industrial action with an improved offer to be low. Indeed, the government has said it will impose worse terms if the final offer is rejected.

For these reasons, the sector executive members able to attend the emergency meeting unanimously agreed to recommend that members vote to accept the final offer.

Ultimately this is your decision and Prospect's response should reflect your views.

Just as important as how members vote is having a large turnout to demonstrate our strength of feeling. I urge all members to have their say by taking part in this ballot.

Why Prospect engaged in negotiations

Trade unions exist to seek the best possible outcome for members. It was engagement by Prospect and other civil service unions that resulted in the 2010 agreement that underpins the current redundancy terms.

If Prospect had rejected the Cabinet Office's approach for further talks in June, it is likely that the minister would have already imposed worse terms. Engaging in this process secured the improvements outline below.

In some cases, those improvements go beyond the Treasury guidelines.

- ➔ ensured that those at risk of redundancy will have access to the best possible terms
- ➔ increased the cap for those at risk of redundancy from 12 to 18 months
- ➔ maintained the current contractual notice period on compulsory redundancy for existing staff (normally six months)
- ➔ maintained existing notice periods for voluntary exits and voluntary redundancy for all staff (normally three months)
- ➔ increased the underpin for lower paid workers from £23,000 to £24,500
- ➔ negotiated flexibilities for individuals aged between 50-55 who are members of the Classic or Premium schemes who wish to top up their pensions
- ➔ negotiated flexibilities for those caught by the £95,000 cap in the Enterprise Act to top up their pensions
- ➔ provided certainty, where none existed, for Alpha and Nuvos scheme members' eligibility for inefficiency terms
- ➔ linked inefficiency terms to the tariff for voluntary redundancy
- ➔ negotiated a revised Protocol which seeks to minimise the need for compulsory redundancies.

What the Cabinet Office offered

The offer set out in the Cabinet Office letter on 26 September is:

- the standard tariff to be three weeks' pay per year of service
- voluntary exit capped at 18 months' salary
- voluntary redundancy capped at 18 months' salary
- compulsory redundancy capped at 9 months' salary
- to maintain flexibility in voluntary exit terms to offer between statutory terms and the standard tariff
- to continue to allow employer funded top up to pension but from age 55 and for this to track 10 years behind state pension age
- to offer a partial buy-out option for employees above minimum pension age where the cash value of the exit payment is insufficient to fully buy out the actuarial reduction or where the full exit payment is otherwise affected by restrictions in legislation (eg the introduction of the £95,000 exit cap)
- maintained compulsory redundancy notice periods for existing members (usually six months) and set at three months' for new starters
- the underpin for the lower paid to increase to £24,500
- the inefficiency compensation tariff to be reformed to align with voluntary redundancy terms (ie a maximum of 18 months' salary) as part of a package of reforms that confirms eligibility for Alpha and Nuvos members
- a revised 2016 Protocol for civil service redundancies minimise the need for compulsory redundancies.



Documents and links

YOU can download all the relevant documents, including the Cabinet Office offer letter, from www.prospect.org.uk/our-industries/public-service/redundancy-compensation/index

COMPULSORY REDUNDANCY

	CURRENT	CONSULTATION	OFFER
Tariff	1 month	3 weeks	3 weeks
Maximum	12 months	9 months	9 months
Top up	No	No	No
Salary underpin	£23,000	Not mentioned	£24,500
Notice	6 months	3 months	6 months (existing); 3 months (new)

Compulsory terms

Currently anyone made compulsorily redundant must first be offered the opportunity to take the better voluntary redundancy terms.

The Cabinet Office consultation introduced the threat that employers could move straight to compulsory redundancy terms. The final offer makes clear that anyone at risk of redundancy will continue to have access to the best possible terms.

VOLUNTARY REDUNDANCY

	CURRENT	CONSULTATION	OFFER
Tariff	1 month	3 weeks	3 weeks
Maximum	21 months	12 months	18 months
Top up	From 50/55	From 55/State Pension Age minus 10 years	From 55/State Pension Age minus 10 years (partial buy-out allowed)
Salary underpin	£23,000	Not mentioned	£24,500
Notice	3 months	3 months	3 months

The consultation document provided for better discretionary terms than would be available to those formally at risk of redundancy. This would have put pressure on members to apply for an exit scheme to secure a higher payment – even if they did not want to leave.

By ensuring that the best terms must be available to those at risk of redundancy, no member will be put in this position.

VOLUNTARY EXIT

	CURRENT	CONSULTATION	OFFER
Tariff	1 month	3 weeks	3 weeks
Maximum	21 months	18 months	18 months
Top up	Optional	Optional	Optional
Salary underpin	Optional	Optional	Optional
Notice	3 months	3 months	3 months

Voluntary exit applies when there is no redundancy situation but an employer would like to achieve a headcount reduction in the organisation or a part of the organisation.

There is a wide degree of flexibility in terms possible: from statutory terms to the standard terms outlined in the table.

These exits are entirely discretionary – there is no obligation to offer or accept the terms.

Improvements to redundancy Protocols

AS PART of the negotiations on the CSCS, the Cabinet Office also sought to vary the Protocol dealing with handling surplus staff situations and how employers declare redundancies. This was agreed with Prospect and other trade unions in 2014.

The Protocol allows both the Cabinet Office and the national trade unions, including Prospect, to be involved and oversee all schemes.

It sets out:

- the timescales which employers must operate within when considering redundancies
- the consultations that must take place with the trade unions and, ultimately, joint meetings between the employer, trade unions and the Cabinet Office to consider whether redundancies are warranted.

The Protocol has been in place, in different guises, since 2008. It has enabled Prospect to be involved at the highest levels of the civil service, to represent the interests of members caught up in potential redundancy situations and ensure that all opportunities to avoid compulsory redundancies are used.

The Cabinet Office's initial proposals included removing this national agreement and replacing it with "guiding principles" for

departments to adopt if they wished.

This would have removed the central and consistent approach to dealing with staff surpluses and the role of both the Cabinet Office and the national trade unions would have disappeared.

This would have meant that the consistent approach in place since 2008 would have been lost.

Prospect negotiator Dave Allen said: "Our objective in the negotiations was to secure the continuation of the central agreement; retain the Cabinet Office and national trade unions' oversight of all potential redundancies and retain the ability to question and challenge any compulsory redundancies."

Allen said the unions had been successful in securing:

- a revised Protocol for all employers
- maintaining the central role for the Cabinet Office and national unions
- renewed commitments to avoid compulsory redundancies
- recognition of the importance of early consultations with trade unions
- enhanced provisions to work with employers on workforce planning and identifying cross-departmental transfer opportunities.

WHAT HAPPENS IF YOU VOTE 'YES' OR 'NO'

THE final offer is conditional on a sufficient number of trade unions accepting it. What constitutes "sufficient" is clearly subjective and ultimately it will be the minister's judgement.

If Prospect members reject the final offer, it is very unlikely there will be an agreement and the minister has indicated that he will move to impose worse terms.

If Prospect members and the other trade unions that engaged in the process vote to accept the terms set out in the final offer letter, it is likely that the minister will consider that there is an agreement and will implement the offer.

Can the changes be challenged legally?

THE relevant legislation only requires the minister to consult on changes to the CSCS rather than seek agreement with those affected.

The consultation process the Cabinet Office has undertaken meets this threshold so legal action is extremely unlikely to be successful. This was why the legal challenge to the 2010 agreement on the CSCS was not successful.

ARE YOUR DETAILS UP TO DATE?

THE ballot will run from 10–31 October. It is crucial that we have up-to-date contact details so that you can have your say.

If you have moved home or changed your email address or other contact details, please email membership@prospect.org.uk.

You can also amend your details via your member welcome page if you have registered on our website.

Not covered by the CSCS?

MANY Prospect members are not covered by the terms of the Civil Service Compensation Scheme and will not be balloted on the final offer for changes to this scheme.

All other public sector schemes are expected to bring forward proposals to reform terms in line with guidelines set out by the Treasury within three months and to implement changes within nine months.

Many of the Treasury guidelines are in line with the proposed changes to the CSCS (eg the three weeks' pay per year of service tariff).

Prospect will monitor developments in these areas and update affected members.



STEFANO CACCONI

