

RPA GUIDANCE NOTE: VOLUNTARY SEVERANCE ARRANGEMENTS

Introduction

1. This Guidance Note confirms that the Executive has accepted the Public Service Commission's 5th Guiding Principle, Voluntary Severance Arrangements (copy attached at Annex A) and is issued to assist and provide clarification to Departments and public service Employers in the RPA Affected Group (see RPA Circular 01/2009) in the practical implementation of the Guiding Principle.

The Principles

2. When the Review of Public Administration is fully implemented there is expected to be an overall requirement for fewer staff than are currently employed in the RPA Affected Group. Voluntary severance arrangements should be a core aspect of what is to be used to manage a reduction in staff numbers.
3. Paragraph 4 of the PSC Guiding Principle states that the avoidance of compulsory redundancy is a necessary requirement to ensure the smooth transfer of staff to new organisations. Therefore when dealing with a staff surplus situation the individual Employer must make every possible effort to avoid redundancies. Employers must use every reasonable opportunity to manage a surplus position either on an organisational/Employer basis and where necessary on a collaborative basis with other organisations/Employers (including cross sector) in order to find staff suitable alternative employment. The operation of the above mechanisms will be kept under review and be subject to further consultations with Trade Unions. This arrangement will be kept under review. Employers should ensure that where appropriate staff has access to re-skilling/re-training programmes.
4. Employers should note that compulsory redundancy must only be considered when all other practical options have been exhausted and only after full

consultation with the relevant trade unions and specific legal advice has been obtained.

5. Employers are required to identify those staff at a clearly identified risk of compulsory redundancy (“at risk” staff) through consultation with Trade Unions and other staff representatives and advise staff whether they are, or are not, in the “at risk” group. There may be an exceptional circumstance whereby, after identifying those “at risk”, a member of staff considers themselves to be “at risk”. It is important that Employers¹ take steps to clarify this for the individual concerned and ensure that arrangements in place for identifying “at risk” staff are robust and timely to allow for the “at risk” group to be updated as necessary. Employers are reminded that staff can use the internal grievance process should they have a complaint in this regard.
6. It is important that existing Employers engage with trade union representatives and the new Employer at the earliest possible date with a view to considering the staffing requirements and structures of the new organisations, but normally within a timeframe within which meaningful dialogue can result.
7. Voluntary severance arrangements, where justified, will depend on the circumstances facing Employers proposing to initiate such arrangements; taking into account the need to make every possible effort to avoid redundancies, while at the same time ensuring business continuity over the transitional period and having regard to skills retention and value for money considerations. In order to deal with surplus staff, individual Employers must consult their recognised trade unions when determining the most appropriate timing for severance arrangements as well when deciding the unit of redundancy. In addition, Employers must take into account existing contractual provisions and collective agreements in respect of the setting of the precise terms of any severance scheme.

¹ For guidance in relation to targeting “at risk” employees across all sectors in the RPA affected group please see Guiding Principles 2 and 4 as well as the associated Guidance Notes. Open communication and collaboration across sectors and Employers will be necessary.

8. It is essential that draft voluntary severance arrangements developed by Employers are equality screened in order to assess any requirement for a full equality impact assessment (EQIA). Employers are reminded that in applying voluntary severance arrangements they must take into account their statutory obligations including those arising from Section 75 of the Northern Ireland Act 1998.
9. Employers should provide staff with information on a personal basis to help them plan for the future and be advised as soon as possible if they have been approved for a voluntary severance package. In addition Employers, either at an Employer, sector or a more general level, should provide high quality support on a variety of issues to those staff affected by the application of severance schemes.
10. It is recognised that a small number of staff have no occupational severance scheme or have one which is severely limited. While it is a matter for the Employer/sector involved to consider any proposal to enhance the terms of a scheme to ensure consistency of treatment Employers are encouraged to consider such proposals.
11. In line with current arrangements Employers are reminded that, in consultation with sponsoring departments where appropriate, they should seek to ensure that appropriate funding is available to facilitate any severance arrangements.
12. All NI Departments and public bodies within the RPA Affected Group will be expected to co-operate with the Public Service Commission in the provision of information and in the implementation of its advice and recommendations as approved by the Executive.
13. Employers should have regard for the impact on affected staff within the sector of changes to pension schemes and to redundancy/compensation regulations. However there are limits in this regard given that certain pension schemes and redundancy /compensation regulations must retain parity with scheme amendments in England and Wales.

Action Required

14. All Employers are required to implement the principles outlined in paragraphs 2 – 13 above at the appropriate point in implementation plans and consult and negotiate with Trade Unions and other representatives of staff on the arrangements for implementing this Guiding Principle and Associated Recommendations.

RPA CENTRAL UNIT

December 2009



FIFTH GUIDING PRINCIPLE AND ASSOCIATED RECOMMENDATIONS

VOLUNTARY SEVERANCE ARRANGEMENTS

Introduction

1. The Commission's role is to safeguard the interests of staff and to ensure their smooth transfer to new organisations established as a consequence of Executive decisions on the Review of Public Administration, taking into account statutory obligations, including those arising from Section 75 of the Northern Ireland Act 1998.
2. In pursuance of that role, a core aspect of the Commission's approach to making preparations for the staffing structures required in new organisations is represented in the Guiding Principle and Associated Recommendations described below. In formulating the Guiding Principle and Associated Recommendations, the Commission has also had due regard to the previous administration's commitment, as set out in the statement of 22 November 2005, that "Every possible effort will be made to avoid redundancies." The Commission welcomes the Executive's commitment to this underpinning objective.
3. The Public Service Commission has consulted the Executive, the sectoral Staff Commissions and representatives of NIC/ICTU about the most appropriate way to make preparations for the staffing structure required in new organisations. This is part of a wider set of arrangements which will be required to achieve the Executive's commitment to make every possible effort to avoid redundancies in bodies affected by RPA and to safeguard the interests of staff and ensure their smooth transfer into new organisations.

Guiding Principle

4. While noting the Executive's commitment to make every possible effort to avoid redundancies, the Commission recognises that when the Review of Public Administration is fully implemented, there is expected to be an overall requirement for fewer staff than are currently employed in the organisations affected by RPA decisions. Where there is a justifiable need to reduce staff numbers and a willingness amongst staff to participate in such schemes, the Commission **recommends** that a core aspect of managing this position should be by the application of voluntary severance

arrangements² Compulsory redundancy has the potential to frustrate the objective of securing maximum good will and co-operation from staff during any major change process. The Commission therefore considers that the avoidance of compulsory redundancy is a necessary requirement to ensure the smooth transfer of staff to new organisations. The Commission **recommends** that employers in the RPA Affected Group should identify staff who are at a clearly identified risk of compulsory redundancy. This will enable the Executive, employers and Trade Unions to focus their efforts on those staff who are "at risk" and to define the arrangements, such as a clearing house mechanism³, to be implemented as a means of avoiding compulsory redundancies.

5. The Commission also **recommends** that the arrangements for implementing this Guiding Principle and Associated Recommendations be the subject of consultation and negotiation with Trade Unions and other representatives of staff.

Associated Recommendations

6. The Commission **recommends** that:
 - Consideration be given to organisational structure and staffing requirements well in advance of the creation of the new organisations.
 - Where justified, voluntary severance arrangements should be applied by employers both before and after the appointed date of the transfer in order to deal with surplus staff.
 - In compliance with various contractual obligations voluntary severance arrangements should not necessarily be restricted to the RPA Affected Group when considering the unit of redundancy.
 - Staff should be provided with information on a personal basis to help them plan for the future and be advised as soon as possible if they have been approved for a voluntary severance package. Employers should also ensure that staff affected by the application of voluntary severance arrangements are provided with high quality support on matters such as careers advice, skills analysis, training for new careers and financial planning.
 - In applying Voluntary Severance Schemes, the Commission recommends that the Executive and employers should confirm their commitment to apply Public Service Commission recommendations consistently across all sectors. If, on a case by case basis, it is found

² Voluntary severance is used as a generic term covering arrangements that enable staff to leave employment voluntarily

³ This may be used to enable employers to collaborate in filling posts across the sectors thereby ensuring "at risk" staff have an opportunity to apply for positions/vacancies

that there is no occupational scheme available to staff or where such a scheme is significantly limited when compared with the mainstream occupational schemes available to other staff in their organisation or in the organisation to which they will be transferred as a result of RPA, the Commission recommends that the Executive should encourage employers, as part of the normal industrial relations process, to consider any proposals to enhance these to the extent that this would be necessary to ensure consistency of treatment.

- In consultation with sponsoring departments, where applicable, employers should seek to ensure that appropriate funding is available to facilitate voluntary severance arrangements.

Commentary

7. The Commission recognises that the issue of aligning existing staff posts and numbers with those required in the new organisations could be highly complex. The Commission is aware, however, that staff have concerns about their future employment position. The application of this Guiding Principle and the Associated Recommendations will go some considerable way towards clarifying the position for staff and re-assuring them that every possible effort will be made to safeguard their interests.
8. The Commission also recognises that the introduction of voluntary severance arrangements is only one of a number of Human Resource mechanisms which will help employers in their efforts to avoid compulsory redundancies.
9. The Commission notes that in respect of some of the sectors, a number of changes have already been made to pension schemes and redundancy / compensation regulations and that changes in other sectors are planned. The Commission recommends that in respect of any future amendments, where possible⁴, employers should have regard for the impact, in consistency terms, to affected staff within their sector throughout the implementation of RPA.
10. Continuous effective communications with all staff, especially those at a clearly identified risk of compulsory redundancy will be essential.

A handwritten signature in black ink that reads "Sid McDowell". The signature is written in a cursive style and is positioned above a solid horizontal line.

SID McDOWELL

⁴ Certain pension schemes and redundancy/compensation regulations must retain parity with scheme amendments in England and Wales

**CHAIRMAN
PUBLIC SERVICE COMMISSION
6 MARCH 2009**