



## 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 arrangements<sup>1</sup> Compulsory redundancy has the potential to frustrate the

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<sup>1</sup> Voluntary severance is used as a generic term covering arrangements that enable staff to leave employment voluntarily

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 mechanism<sup>2</sup>, 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 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

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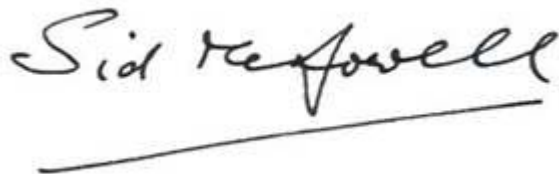
<sup>2</sup> This may be used to enable employers to collaborate in filling posts across the sectors thereby ensuring "at risk" staff have an opportunity to apply for positions/vacancies

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 possible<sup>3</sup>, 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.



**SID McDOWELL**  
**CHAIRMAN**  
**PUBLIC SERVICE COMMISSION**  
**6 MARCH 2009**

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<sup>3</sup> Certain pension schemes and redundancy/compensation regulations must retain parity with scheme amendments in England and Wales