prospect
union for professionals

Prospect members in public service

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PUBLICEYE

Where is the evidence for compensation scheme changes?

PROSPECT IS urging all members affected by the government's new proposals on the Civil Service Compensation Scheme to write to their MPs to tell them how the proposed changes will affect them.

It is also pressing the Cabinet Office to extend the consultation period so that meaningful discussions can take place.

The Cabinet Office is considering:

- reducing the tariff for compensation from one month's pay per year of service to three weeks
- reducing the cap on voluntary redundancy from 21 months' pay to 12 months
- restricting the ability to draw unreduced pension on redundancy over minimum pension age
- setting three-month notice periods (currently at least six months in compulsory redundancy situations).

Prospect has told the Cabinet Office that:

- all the proposed arrangements will reduce flexibility – not increase it
- any new voluntary exit, voluntary redundancy and compulsory redundancy changes will require amended protocols and procedures
- re-deployment opportunities may prove a short-term fix given the ongoing cuts to the civil service
- individuals "at risk" must have access to the very best possible terms
- the proposals could have unforeseen consequences, eg a rush to leave on terms before they change again and the potential misuse of the apprentice scheme to replace leavers
- the government has not produced any evidence to justify the proposed changes
- low-paid workers would be most affected and the current proposals are silent on an underpin for them
- the administrative problems at MyCSP must be addressed promptly, as people cannot make informed decisions using inaccurate/incorrect information
- the economy is stronger now than when changes were accepted in 2010, so why does the government need to revisit that agreement?

STEFANO CAGNONI

■ ***Above, 2011 TUC pensions day of action – unions members outside the Victoria and Albert Museum***

Prospect is seeking to engage with "receptive" employers about the consultation and urge them to respond directly. The union's deputy general secretary Garry Graham said: "Prospect is engaging with the Cabinet Office to try to clarify its position and maximise the scope for negotiation. If any agreement is possible, it must be of an enduring nature.

"Members quite rightly are angry that the government has sought so quickly to revisit the terms agreed in 2010. This issue is a priority for Prospect and we are engaging robustly with the Cabinet Office and seeking a meeting with the minister.

"We will be pressing the Cabinet Office to look again at offering access to an unreduced pension or partial buy out."

Graham stressed that members will be balloted on any outcome to the discussions taking place.

STEFANO CAGNONI

"I believe we now have a scheme which is fair, protects those who need the most support, addresses the inequities in the current system and is right for the long term."
Francis Maude, 22 December 2010

Resources

- **Download our guidance and briefing notes from: https://library.prospect.org.uk//download/2016/00950 and https://library.prospect.org.uk//download/2016/00951**

Lobbying your MP

- **http://library.prospect.org.uk/id/2007/January/1/Lobbying-parliament**
- **https://library.prospect.org.uk//download/2007/00624**

The civil service performance management quota system discriminates against minorities, Prospect analysis shows

What our members said

An appalling system where a percentage each year have to be deemed as poor performers irrespective of how they are performing. It is divisive and has all but destroyed team work'

It's a significant waste of time and demoralising. I would like to see it replaced with a better system as I think performance management is a good thing if done properly'

As a specialist member of staff I feel that the reporting process is unfair as it is based on core competencies and does not take into account that I also have functional competencies to fulfil'

We have remote management – the performance appraisal was carried out by email'

The situation was handled badly. The main reason was time pressures not enabling the manager and senior manager to follow the process properly or handle it sensitively, which ironically caused them both much more time in the long run'

It was based on project work, not our core work'

I was not given any clear objectives at the beginning of the year due to having a new line manager and was not provided with any clear direction of what was expected of me'

I was unfairly assessed as "must improve" based on assessment of my behaviours. This was despite good to excellent feedback on my technical performance from 15 independent reviewers'

Objectives were not clear at the start of the year; they were changed and finalised just before appraisal'

I had to appeal the box 2 decision and normalisation process as not being followed, which was duly upheld'

My appraisal by my line manager was "adjusted" by the moderation process and we both felt we were misguided in that we chose not to question or appeal as we were told it would not be linked to financial reward. This later turned out not to be the case'

Moderation took no account of the fact that my achievement of objectives was exceptional due to long-term illness during the year. I raised a grievance, which was upheld'

SWITCH TO DIRECT DEBIT & YOU COULD WIN AN IPAD

IN March Prospect gave away three 32GB Apple iPads to three members who pay their union subscriptions by direct debit. The lucky recipients of our prize draw were John Davis, National Physical Laboratory; Dan McFarlane, Scottish Football Referees; and John Sanderson, Health and Safety Executive.

We will conduct monthly draws until March 2017, and all working and unemployed members who pay by direct debit, including new converters, will be entered. See the terms and conditions at: http://bit.ly/ipaddrawTCs

How to convert from check-off (where the employer deducts your subs at source) to direct debit:

- Switch online: www.prospect.org.uk/dd
- Leaflet – http://bit.ly/switch_dd
- Phone: 01932 577007.

Scrap unfair forced distribution in performance management

DISCRIMINATION AGAINST minorities is continuing under the current flawed appraisal system, Prospect analysis has revealed.

Against the backdrop of damning new evidence that the quota system discriminates against black and minority ethnic, disabled, older and part-time workers, Prospect is calling for forced distribution for civil service performance management to be scrapped.

The union analysed data from 17 organisations that showed:

- women had a higher performance profile than men, with a higher percentage of top performers and a lower percentage in the lowest performance category
- black and minority ethnic staff had a much lower performance profile than white staff, with the percentage marked as exceeding performance being five percentage points lower
- for staff with a declared disability, there was a gap of seven percentage points in the top performance mark and a gap of five percentage points in terms of poor performance.
- staff aged over 50 were less likely, by seven percentage points, to receive a top mark and they were also more likely to be marked as poor performers.

All the evidence points to the fact that if you are older, a part-time worker, disabled or from a BME background, you are more likely to receive a poor performance marking and less likely to be identified as a top performer.

These results are likely to be statistically significant – providing a robust indication of unfair and/or discriminatory treatment.

"The fresh data reinforces what our members have been telling us: that the quota system many departments are forced to use by the Cabinet Office is arbitrary, unfair and results in discrimination," said Prospect deputy general secretary Garry Graham.

Describing the system as "toxic" and undermining morale and team working, he added: "Prospect supports good quality performance management systems. Fundamental to their success, however, is having the confidence of staff and the managers who have to operate them.

"The current system, which has been imported from the US, fails on both counts and is a model that has been abandoned by many private sector organisations.

"These figures highlight a performance management system riddled with inconsistency. Managers feel under pressure to meet quotas rather than having a genuine and open discussion about performance."

He said that forced ranking and distribution brought the whole performance management system into disrepute.

"Managers should be supported when they have to make difficult decisions – what we are seeing, however, is situations where managers feel forced to make decisions which are arbitrary and potentially discriminatory," Graham concluded.

Examples of how the system causes disadvantage to minorities

Age	Disability	Ethnicity	Working pattern
Energy and Climate Change:	**Business Innovation and Skills:**	**Communities and Local Government**	**Child Maintenance Service**
"Must improve" Over 50s: **17%** Under 50s: **6%**	Category 1 marking Non-disabled **26%** Disabled **10%**	"Must improve" marking Black and minority ethnic **16%** White **6%**	Full-time staff who received an "exceeded" marking **24%**
"Exceeded" mark Under 50s: **25%** Over 50s: **13%**	Category 3 marking Disabled **23%** Non-disabled **12%**	"Exceptional" marking White **19%** Black and minority ethnic **12%**	Part-time staff who received an "exceeded" marking **13%**

"The fresh data reinforces what our members have been telling us: that the quota system that the Cabinet Office forces many departments to use is arbitrary, unfair and results in discrimination" Prospect deputy general secretary Garry Graham

Performance management briefing

PROSPECT'S new briefing outlines the findings from the latest available data, provides guidance on how to prepare for the year ahead and explains how Prospect can support you. Download the briefing from http://bit.ly/pm-briefing16 – please email tracy.thornton@prospect.org.uk if you would like printed copies to distribute in your workplace.

CSEP UPDATES GUIDANCE TO DEPARTMENTS

CIVIL Service Employee Policy has clarified its advice to departments on dealing with staff who receive two consecutive Box 3 appraisal markings.

CSEP has not put out direct advice, but has inserted a new sentence into its model performance management procedures.

It says: "If an employee has received a second consecutive final performance rating of 'must improve', the line manager should arrange a case conference with an HR casework advisor and the countersigning manager to review what action has been taken to help the individual improve both their performance and rating, and agree appropriate next steps."

It is up to departments whether they update their procedures accordingly.

Departments can also decide whether it would be more appropriate for an HR business partner (rather than an HR caseworker) and/or an alternative manager to the countersigning manager to attend the meeting.

- Revised guidance on setting SMART objectives now covers the need for at least one meeting to take place between the line manager and the employee when setting objectives.

Prospect has urged local reps to ensure that employers are aware of, and act on, the guidance.

NO MANDATE TO CUT REDUNDANCY COMPENSATION

The government has launched two separate consultations on cuts to redundancy compensation that would significantly reduce payments to Prospect members

THE TREASURY consultation document talks about making exit terms "fairer", "more modern" and "more consistent" across the public sector.

But the proposals being consulted on focus on cuts to the terms that currently apply.

The Cabinet Office consultation explicitly aims to reduce redundancy costs by at least a third.

Another aim is to align reforms with proposals across the wider public sector – but its consultation closes just one day after the Treasury's, meaning that respondents cannot know what the wider proposals are when they are making submissions to the Cabinet Office.

The specific proposals in the Cabinet Office document are set out in the box on page 5.

Garry Graham, Prospect deputy general secretary, said: "Public sector workers are being treated with contempt.

"Two days after an announcement that the Ministry of Defence will reduce the number of civilians it employs by 30% and on the day the OBR estimated 100,000 jobs will go by 2020, the Chancellor announced he wants to attack the compensation they will receive when they go.

"The government has no mandate to make these cuts and it is ripping up the agreement a Conservative minister for the Cabinet Office made just a short time ago. The timing of the separate consultations suggests at least one is not being undertaken in good faith."

The current redundancy compensation terms that apply in the civil service and related areas are the rules of the Civil Service Compensation Scheme as amended in 2010 in an agreement between four civil service trade unions (including Prospect) and the coalition Government.

The then Minister for the Cabinet Office, Francis Maude (now Baron Maude of Horsham), said of that agreement: "'I believe we now have a scheme which is fair, protects those who need the most support, addresses the inequities in the current system and is right for the long term."

A 2012 National Audit Office report that looked at managing early

Ballot alert!

ARE YOUR DETAILS UP TO DATE?

Prospect will ballot members on changes to the redundancy scheme, so it is crucial that we have your correct details. It is quick and easy to check and update your information. You can:

- **phone our membership team on 01932 577007 or**
- **you can make the changes yourself via Prospect's website – log in at www.prospect.org.uk.**

If you haven't logged in before, you will need to register first at www.prospect.org.uk/register You will be prompted to provide your membership number, surname and home postcode. You will also need to create a password.

■ ***If you do not know your membership number, please contact membership@prospect.org.uk***

■ *Prospect members protesting against the first wave of government attacks in 2011*

departures in central government found that the costs of releasing the 17,800 employees who left early under the revised scheme during 2011 were around 45% lower than they would have been under the previous scheme.

"Francis Maude was right about the CSCS terms agreed in 2010 – they were fair to civil servants and achieved significant savings for taxpayers.

"The current consultation is a naked attempt to cut compensation at any cost. The government is heading for industrial strife in yet another part of the public sector if it does not show a willingness to discuss alternatives to simply slashing the terms of the CSCS," added Graham.

Prospect will build on the lobbying and campaigning efforts around the Enterprise bill and the cap on redundancy compensation. This will include:

- responding to both consultations on members' behalf
- producing guidance for members on responding to the consultations individually
- producing guidance for members on raising this issue with their MP
- organising lobbying of MPs at Westminster and in their constituencies.
- co-ordinating civil service and public sector-wide responses with other trade unions.

CABINET OFFICE PROPOSALS INCLUDE:

- reducing the tariff from one months' pay per year of service to three weeks
- capping compensation at 18 months' pay (voluntary exit), 12 months' pay (voluntary redundancy) or 9 months' pay (compulsory redundancy)
- restricting the ability to take unreduced pension on redundancy
- incorporating the cap on redundancy compensation into the CSCS rules
- setting a three-month notice period for all departures.

STEFANO CAGNONI

ENTERPRISE BILL CLEARS PARLIAMENTARY HURDLES

Legislation giving the government statutory power to cap redundancy compensation for public sector workers cleared its last parliamentary hurdle in March and is expected to receive Royal Assent shortly

THE Enterprise Bill 2015-16 contained provision for regulations to cap these payments at a maximum of £95,000. It had its third reading in the House of Commons on 9 March.

During the pre-legislative consultation process and throughout the passage of the bill, Prospect emphasised the unfair impact of the proposal and the fact that it goes well beyond the commitment made in the Conservative party's general election manifesto. Evidence was submitted to the consultation process and to the committee scrutinising the legislation. Prospect also provided written and face-to-face briefings to MPs.

Many Prospect members took action to support the union's arguments that the measure unfairly targeted those made redundant at particular ages and went much further than the manifesto commitment to cap payments to the "best paid".

These efforts resulted in a successful lobby of MPs on the day the Bill was debated at report stage in the House of Commons and were reflected in the statements made by MPs from all parties at various stages of the bill's progress through parliament.

Unfortunately none of the amendments promoted by Prospect and tabled by various opposition parties were accepted as the government used its majority in the Commons to push its proposal through.

■ ***Prospect reps (pictured above) met MPs at a drop in session in parliament in March to air their concerns***

Prospect pensions officer Neil Walsh said: "Our members raised strong and legitimate concerns and these were reflected in the amendments laid by the opposition. Instead of taking these points on board, government ignored them in its efforts to ram the cap through.

"A particular low point was the government voting down an amendment that would simply have implemented the Conservative party's own announcement that people earning under £27,000 pa would be exempt from the cap. The minister said it was 'dishonourable' of the opposition to seek to hold the government to the word of another of its ministers."

> ***"Our members raised strong and legitimate concerns and these were reflected in the amendments laid by the opposition. Instead of taking these points on board, government ignored them in its efforts to ram the cap through"***

Regulations implementing the cap will not take effect before October 2016, but the Minister for the Cabinet Office is already reviewing cases where compensation exceeds £95,000 and is commonly withholding permission for people to depart with this level of compensation.

The Cabinet Office is also consulting on changes to the Civil Service Compensation Scheme that could incorporate the cap in the rules of that scheme from as early as July.

STEFANO CAGNONI

Cuts and pay restraint erode service quality

A survey of Prospect members has revealed the scale of the crisis in the public sector and the devastating impact on individuals

TWO TERMS of government austerity are changing the shape of our public services, a survey of Prospect members has revealed.

In the last parliament the government:

- cut the civil service to its lowest level since the Second World War
- made huge changes to the structure of government and
- reduced real-terms public sector pay levels by up to 20%.

Chancellor George Osborne's latest budget statement confirmed that this trend will continue.

Prospect surveyed members in the sector at the start of the year to find out how these changes are affecting them. More than 3,000 completed the survey, which found that:

- pay restraint and budget cuts are main concerns
- 70% of respondents are dissatisfied with their pay; 77.5% said they are worse off in real terms than five years ago and 68% feel less valued because of pay restraint
- 53% said that skilled jobs are harder to fill because of low pay; 70% are more inclined to look for a job outside the public sector than a year ago
- the cuts announced in the spending review are expected to impact on the delivery of public services and result in a reduction in the quality of work
- only 25% of respondents thought that the government will continue to prioritise spending on the areas that matter most; 87% said there will be a shortage of skilled staff to provide these services.

Geoff Fletcher, chair of Prospect's civil service sector executive, said: "Almost the first thing the Chancellor George Osborne did after the general election was to announce five more years of public sector pay restraint and additional future cuts to departmental budgets.

"This was clearly of major concern to Prospect members in the civil and public services. The sector executive developed the survey to evaluate the strength of feeling among members and the impact government policy is having on their individual and family finances.

"The results shine a light on the negative impacts on members and their families. We will use the evidence to inform future decisions and as a tool to support campaigning and consultation opportunities."

Main workplace issues

Members' two key concerns were the erosion of pay and conditions and the impact of budget cuts.

A significant minority were also concerned about restructuring – either services being closed down or their organisation being outsourced to the private sector.

Fewer than 20% of respondents were satisfied with their pay. The

■ *Left, Met Office members lobby Parliament over their pay system, Feb 2016*

highest satisfaction ratings were in central government departments and Welsh government organisations, but even here, less than a third of respondents were satisfied.

Dissatisfaction with pay is highest in organisations that are part of the Ministry of Defence and the Department for Transport. The clear driver for this level of dissatisfaction is the real-terms cut in pay, which has made nearly 80% of respondents worse off.

Impact of pay restraint

Pay restraint is eroding civil service professionals' aspirations. An overwhelming majority of respondents were concerned that their pay is falling in real terms.

Respondents explained how pay curbs are affecting life decisions such as being able to afford a decent home, planning for a family, funding children through higher education or saving for retirement.

Just 4% said they would cope with further pay cuts, but a worrying number of respondents said that they had reached breaking point – this will be even worse if inflation starts to rise.

Risks and impact on organisational resilience

The government's reshaping of the public sector has had a harmful effect on service delivery and the quality of service. In a number of cases this is because of the use of private sector contractors, often paid at higher rates than civil servants.

A number of respondents highlighted the increased risks caused by reductions in staff numbers – including an impact on organisational resilience in response to emergencies, fewer roadside vehicle inspections and questions about the future viability of organisations because of restructuring or funding cuts.

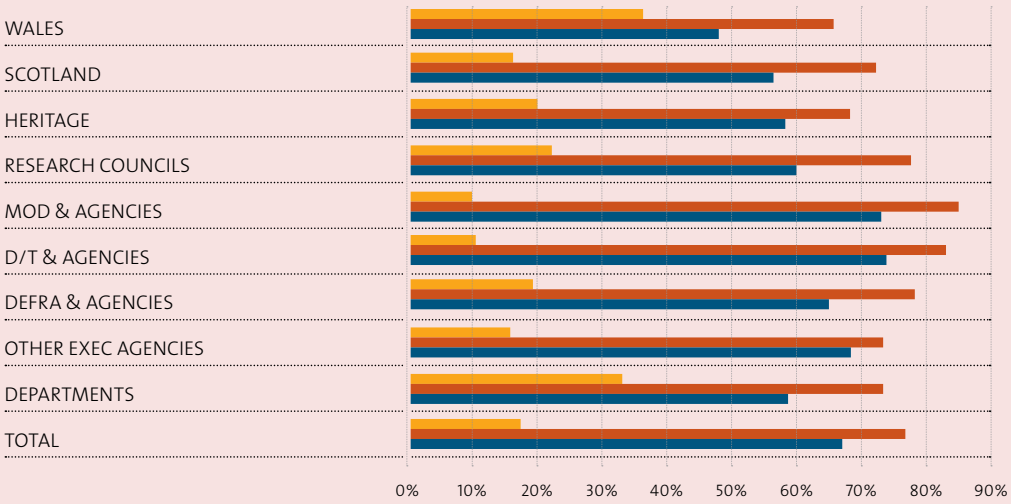
External funding is becoming a key source of income for some arm's-length organisations. Some members were concerned that this can affect the relationship between public servants and the companies they inspect or regulate.

Members were also worried about the knock-on effect of reductions of service contracts between public sector organisations.

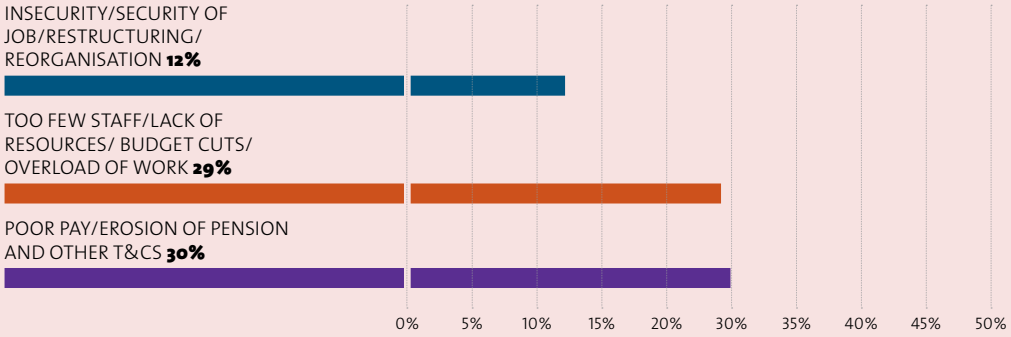
Prospect head of research Jonathan Green said: "The limits of austerity are being reached and the remit of public service is being compromised by the cumulative effect of cuts.

"Our survey findings provide clear evidence that tolerance for a further round of cuts is wearing thin."

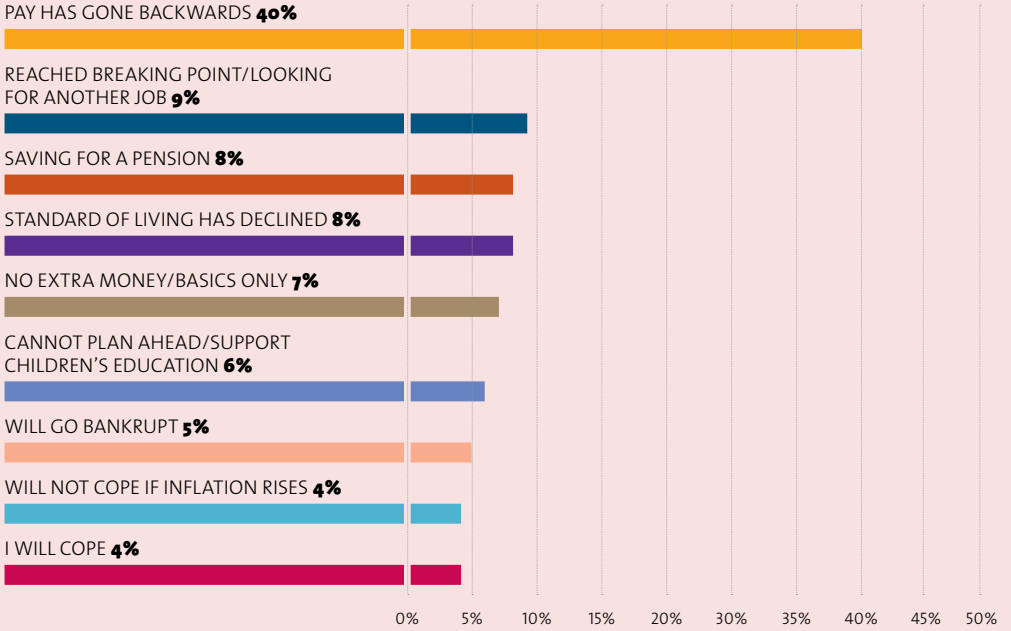
TOTAL BY SECTOR



WHAT ARE YOUR MAIN CONCERNS?



HOW HAS PAY RESTRAINT AFFECTED YOU?



Protest secures interim solution on inflation link

THOUSANDS OF members of public sector pension schemes were boosted by the news that their full pension will be indexed in line with inflation throughout their retirement.

Members of these schemes who reach state pension age from April 2016 to 5 December 2018 will benefit from this Treasury announcement.

A consultation will be held this year on how the issue will be addressed for scheme members reaching state pension age after 5 December 2018.

Under the previous state pension system, which applied to people reaching state pension age before April 2016, a part of the increase to a member's public sector pension was paid by the Department for Work and Pensions.

The state pension reforms effective from April 2016 resulted in the DWP no longer paying these increases for public sector pension scheme members reaching state pension age after that date.

Prospect raised the issue with the pensions minister and others and welcomed the announcement that public sector pension schemes would pay increases in full for people reaching state pension age up to 5 December 2018.

Pensions officer **Neil Walsh** said: "The reforms to state pensions contained many nasty surprises for different groups of members and the decision not to honour the payment of these inflation increases for people qualifying under the new system was one of the worst.

"Prospect complained vociferously about this and pointed out that those reaching state pension age were particularly badly hit.

"We welcome the news that in the short term, this group will receive the full increase they are entitled to. Prospect will urge the government to honour past commitments in its response to the consultation on the longer-term approach."

IN BRIEF

Local heroes – Simon Hester and Martin Roff, Prospect reps at the Health and Safety Executive, received long service awards for their hard work and dedication on behalf of the union. Simon (far right) and Martin received their awards from Prospect general secretary Mike Clancy at the branch's annual general meeting in March.

Budget cranks up pressure on pensions

THE Budget on 16 March did not dramatically change how pension tax relief works, but there was a sting in the tail for the public sector.

The Chancellor announced that, after an interim review, the discount rate used to calculate contribution rates for unfunded public sector pension schemes would be reduced from inflation (as measured by CPI) plus 3% to CPI plus 2.8%.

Small changes to the discount rate can have a significant impact on the estimated cost of pensions.

The Office for Budget Responsibility estimated that this reduction would require contributions to increase by £2bn a year from 2019-20.

The cost-sharing mechanisms agreed when these schemes were reformed require cost changes arising from a lower discount rate to be attributed to employers and not passed on to members.

However, this change could still have consequences for members if the Treasury keeps these extra receipts rather than disbursing them back to public sector employers.

Prospect pensions officer Neil Walsh said: "This will turn out to be a significant stealth cut to public services if organisations have to finance these higher pension contributions from the same budget.

"Members could end up paying the price through further attacks on terms, conditions and jobs."

A further Budget measure, levying employer National Insurance Contributions on redundancy payments in excess of £30,000, is likely to raise millions of pounds at the expense of public sector organisations that are already significantly cutting jobs.

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ε marie.mcgrath@prospect.org.uk
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