CIVIL SERVICE COMPENSATION SCHEME REFORM - FAQs

1. Why are you changing the Compensation terms for Civil Servants agreed in 2010?

- The current scheme has been in place for almost six years and is not fully delivering against its aims of increased flexibility and cost-efficiency. The Government feels the time is right to reform and update this scheme which is designed to provide a good level of financial support to exiting staff as they move into new employment or into retirement.

2. How do these new terms compare with other similar schemes?

- The terms of the current offer represent a good deal for civil servants and compare very favourably with exit terms in the wider economy.
- The reforms are in line with the wider compensation scheme reforms across the public sector, though the Government’s offer also reflects constructive discussion with those unions who agreed to participate, resulting in improved terms in certain areas.
- The Government believes its offer strikes the right balance in achieving the savings we require while reflecting the nature of the Civil Service workforce and the benefits of reaching a negotiated settlement.

3. What happens if the offer is not accepted?

- If the Government’s offer is not accepted it will implement an alternative reformed scheme with less favourable terms to the same timescale.

4. What is the difference between the offer and the terms that will be otherwise implemented?

- The Government offer improves on the terms that would otherwise be implemented by:
    - taking greater account of longer service through capping Voluntary Exit and Voluntary Redundancy at 18 months salary, not 15 months;
    - to protect the lower paid, the minimum salary used for calculating exit payments (the ‘lower paid underpin’) to increase to £24,500
    - allowing more flexibility through partial pension buyout options for employees over minimum pension age;
    - aligning inefficiency compensation tariffs with Voluntary Redundancy terms, instead of Compulsory Redundancy terms;
    - simplifying the exit process through an agreed 2016 Protocol for Civil Service Redundancy Practices.

5. What are the terms being proposed across the public sector?

- The Government is setting a broad framework of maximum exit terms across the public sector, with the main terms:
    - the standard tariff to be 3 weeks per year of service;
    - a cap of 15 months on the maximum number of months salary that can be paid;
    - a maximum salary on which exit payments can be based of £80,000
    - a taper on the amount of lump sum compensation an individual is entitled to receive as they get closer to their normal pension age;
    - action to limit or end employer-funded early access to pension.

6. Have you consulted with the trade unions?

- Yes. The Government has consulted with a view to reaching agreement with all Civil Service trade unions and held a series of meetings with the National Trade Union Council (NTUC) during the consultation period.

- We also invited all unions who provided a substantive response to the consultation to take part in a series of further discussions focussed around a basic structure. Of those unions, FDA, Prospect, UNISON, GMB, and the Defence Police Federation agreed, and these constructive discussions shaped the basis of the Government's current offer.

- PCS, Unite and POA did not take part in these further discussions.

7. Will I get a say in whether to accept the offer?

- The Government expects trade unions will want to consult their members on this offer. Employees who are union members can expect to be contacted by their unions shortly.

- The Government has been clear about the terms that will be implemented if agreement cannot be reached with a sufficient number of unions to constitute an agreement.

8. What happens next?

- We expect unions to formally respond to the Government by 31 October.

- If the Government's offer is accepted by a sufficient number of unions an amendment to the CSCS scheme will be laid before Parliament. We expect this to happen in early November and the new scheme to come into effect the following day.

- If the Government's offer is not accepted, an amendment scheme containing the alternative terms will be laid before Parliament and will take effect from the following day.

9. What is inefficiency compensation and what are the changes being proposed?

- The Civil Service retains an ability to compensate staff who are dismissed where this is in the mutual interest of both the employer and the employee. This type of dismissal is currently referred to being on the grounds of "inefficiency".

- The Government has made an offer to revise the inefficiency compensation tariff to align with Voluntary Redundancy terms as part of a package of reforms which limits its use to cases of underlying ill health and includes amending the management code and guidance.

- If agreement cannot be reached, the Government intends to align the inefficiency reform tariff with Compulsory Redundancy terms and to tighten the guidance on its use.

10. What are the changes to the Cabinet Office Protocol and the exit process?

- The Cabinet Office Protocol is a document that sets out the actions that should be followed when civil servants are at risk of redundancy. We have been in detailed and constructive discussions with a selection of trade unions and have made the unions an offer on a revised Protocol. These changes support the Government's overall intention to deliver a more efficient and streamlined exits process.

- If the offer is accepted, we expect departments to implement the revised Protocol within a reasonable time period.

11. Are these reforms about new redundancies?

- No. These reforms change the terms of exits and reflect the priorities set out in the workforce plan, published in July.