

CENTRAL OFFICE

**Consultation on Administrative Controls Process for Public Sector Exits,
Workforce, Pay & Pensions Team,
HM Treasury,
1 Horse Guards Road,
London SW1A 2HQ
exitpaymentreforms@hmtreasury.gsi.gov.uk**

13 October 2022

Dear Workforce, Pay & Pensions Team,

Re. HM Treasury Consultation on Administrative Controls Process for Public Sector Exits

Unite welcomes the chance to respond to the draft Guidance on Public Sector Exits: Approval of Exits and Special Severance Payments.

This consultation on the new guidance is also welcome, as previous guidance (May 2021) was simply published with no discussion or consultation. That guidance lacked clarity on very basic definitions and procedure which left the policy open to abuse as well as potential legal challenges for discrimination and unfairness.

It should be stressed from the start that Unite is supportive of putting in place monitoring and greater transparency in public spending decisions. Those decisions must be made with full transparency and integrity, embedding equality and fairness throughout.

Unite continues to believe that the Government's focus on exit payments has been unhelpful and unnecessarily restrictive on the flexibility and freedom for public sector employers to manage change, working with relevant trade unions.

Unite remains strongly opposed to the Government's continued focus on the erosion of public sector terms, conditions and pay that this discussion of exit payments falls within. As trade unions have repeatedly highlighted, Government policy initiatives have often involved blunt poorly thought through procedures that have been full of unintended consequences including unfairly targeting public sector employees on low to medium incomes.

To that end, Unite is concerned that while the scope of this guidance is now far narrower, it still could potential include some low paid staff, particularly those working for academy schools or low to medium paid civil servants with long service.

Unite firmly believes that compensation schemes should be agreed through collective bargaining not political interference. While Unite does not support the Government's aim to reduce contractual terms and conditions for public sector employees, Unite does agree with the consultation that departments engaging in workforce negotiations is the appropriate way to implement any change.

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While it is welcome that this latest guidance provides more clarity on the coverage and process for agreeing exit payments, there remains substantial ambiguity about how this policy will be implemented and who is covered.

The implication of Treasury and Secretary of State approval process are that individual departments and public sector employers cannot be trusted to make sound financial decisions. In essence Treasury officials continue to have the power to veto specific exit payments which risks politicising this process unnecessarily.

Unite welcomes the recognition that statutory and contractual payments will be honoured, but there remains ambiguity about what falls into the category of a 'special severance payment'. Unite believes that any ambiguity will leave the policy open to discrimination, improper decision-making and political manipulation. Unite's has highlighted previously the potential for equality discrimination if payments decisions are not clearly and transparently justified.

The consultation asks about whether the £95,000 approval threshold is appropriate. The specific figure appears to be chosen to match election promises made by the Government and Unite is concerned that there appears to be no inflation link to the figure. That means that increasing numbers of people may be covered over time.

Unite welcomes the emphasis on redeployment and investigating alternatives before exit payments are offered, this should be the norm in any such situation. While Unite is not in favour of the repayment policy, the approach presented appears to have the right level of flexibility to allow local negotiations when the exit is being agreed. Unite would caution that in the case of settlement agreements this policy may act as a disincentive to make such an agreement and increase the likelihood of going to tribunal, which may mean that it is in practice rarely applied.

Yours sincerely

A handwritten signature in black ink, appearing to read "DH", written over a light blue horizontal line.

Dominic Hook
Coordinator – Public Services, Energy, Construction, Finance & Legal

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