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Dear HR Director

28 September 2012

Departmental Review of Terms and Conditions

Issue: Civil Service Reform

Action: To review your departmental terms and conditions.

Timing: **Phase 1 – Departments have until 19 October to produce their initial assessment of their terms and conditions, detail terms and conditions that they propose to change, and how they intend to change them;**

Phase 2 – Departments have until 16 November 2012 to produce a draft Implementation strategy and plan with key dates;

Phase 3 - Departments have until 31 December 2012 to complete their review and finalise an Implementation strategy and plan with key dates.

Departments will then be asked to submit monthly updates to the Cabinet Office on implementation progress from January 2013.

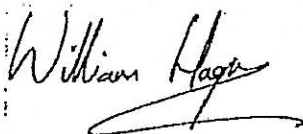
1. The success of the Civil Service depends on its staff. The Civil Service as a whole employs some of the best and brightest talent in the country, who are hard-working and dedicated to public service. But the environment we are all working in is changing with an increased expectation from the public, our customers, which mean we need to look again at the way we work to ensure that we respond effectively.
2. The Civil Service Reform plan states that each Department will undertake a review of their terms and conditions. Your review should ensure that your Department, and collectively the Civil Service, continues to be a good employer, offering terms and conditions comparable with, but not beyond, what a good, modern employer would provide.
3. I am writing to explain how we are co-ordinating the review process for Departments and provide you with the benchmarking material you may wish to reference in your departmental reviews.
4. Attached to this letter are three documents to support you:
 - a. Guidance for Departments – setting out the scope, timing and process for the reviews;
 - b. Review summary template – for Departments to complete as part of their reviews;

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- c. Research and benchmarking paper – provides detailed research into current practices on a range of terms and conditions, and includes potential options for change. Departments may wish to use this information as part of their reviews.
5. This is our opportunity to tackle those terms and conditions where we have been less responsive in the past as well as those that have left the Civil Service open to caricature.
6. As you know the Civil Service employs a diverse range of staff in a wide variety of roles. It remains a great place to work with flexibility offered to our employees and opportunities provided to develop and build talent. We will continue to support a high quality Civil Service with good terms and conditions.
7. We value our employees' contribution and commitment in delivering vital services, and we need to ensure that we demonstrate this clearly. As a result it is of crucial importance that employees across the Civil Service are able to earn and build entitlements, where appropriate, with length of service.
8. It is vital that we should be able to work more collaboratively across the Civil Service. One feature of your review of terms and conditions should be to promote greater mobility. This will open up opportunities for employees to develop and build expertise, whilst sharing a wider variety of interesting, challenging and high quality work.
9. This is an opportunity for all employers to communicate the positive message that the Civil Service remains an 'employer of choice' with a range of terms and conditions comparable to other good, modern employers. We wish to offer terms that reflect best practice in the private sector rather than the average.
10. If you have any queries about the process then please contact Julia MacMillan email: julia.macmillan@cabinet-office.gsi.gov.uk. Any enquiries about the benchmarking material should be directed to CS Employee Policy (Ceri Smith, ceri.smith1@csemployeepolicy.gsi.gov.uk).
11. I am copying this document to HRD (Main) and HRD (Small). I would appreciate it if you would forward this letter on to your Agency Chief Executives.

Kind regards,



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Civil Service Reform Plan - Terms and Conditions Review

Guidance to Departments

1. The purpose of this document is to provide Departments with guidance that will assist them in the review process.
2. The review process has been broken down into three phases leading to all reviews being completed by 31 December 2012. Departments may adapt and add to the review as appropriate to reflect their own circumstances and/or business needs but we would ask that you keep to the planned timetable. The phases are:

Phase 1 – Departments have until 19 October to produce their initial assessment of their terms and conditions, detail terms and conditions that they propose to change, and how they intend to change them;

Phase 2 – Departments have until 16 November 2012 to produce a draft implementation strategy and plan with key dates;

Phase 3 - Departments have until 31 December 2012 to complete their review and finalise an implementation strategy and plan with key dates.

Departments will then be asked to submit monthly updates to the Cabinet Office on implementation progress from January 2013.

3. After each phase the Cabinet Office, working with the Unified Civil Service group and the Minister for the Cabinet Office, will consider departmental reviews and provide feedback.
4. Investigation by the Cabinet Office and the supporting benchmarking research by CS Employee Policy have suggested an initial list of terms and conditions appropriate for Departmental review. These are set out in the attached Summary Report on Current Practices on Terms and Conditions. This paper includes benchmark data and clear proposals which you will wish to consider as part of your review. The proposals are in line with the benchmark of good, modern practice in the wider public and private sector and in their development CS Employee Policy have had regard to equality issues.

Scope

5. Departments will review all terms and conditions and identify those it is considered desirable to change. In scope of this review are any staff terms or conditions that the Department has delegated responsibility to manage.
6. Departments should consider as out of scope any terms over which they do not have delegated authority including Civil Service pensions, terms granted under the Civil Service Compensation Scheme, notice periods for voluntary and compulsory redundancy and additional paternity leave.
7. Parent departments will be expected to provide either an integrated review, including their agencies or, if appropriate, separate reviews. Please be clear about which organisations are included in your review and which organisations will be submitting separate reviews. Departments will wish to examine the terms of all bodies which employ civil servants and are subject to the Civil Service Management Code.
8. An initial list of terms and conditions appropriate for departmental review can be found in Annex A, however, Departments are free to add to and extend their review to include other areas where appropriate. Annex B provides a list of other terms and conditions, policies and practices, and pay related terms that could be considered. This list is not definitive, and is only indicative of other areas that might be included in your review.
9. It is expected that Departments will be thorough in their review of their terms and conditions. In particular Departments should report back on any terms and conditions, and people practices that are outliers compared with good, modern employers.
10. Departmental reviews should cover those terms and conditions that apply to delegated grades (i.e. all grades below SCS). A separate piece of work is being conducted to review SCS terms and conditions, which are set centrally. This is being managed separately to take into account the required Senior Salaries Review Board protocol.
11. Departments should be mindful, however, that the SCS are subject to departmental policies and process for many non-pay related terms. Where this is the case, any changes would also apply to SCS in that Department. For example, any changes to sick pay entitlements would impact the SCS as well as delegated grades.

The review process in more detail

Phase 1 – assessment and review - by 19 October 2012.

12. The initial review should:

- assess what terms and conditions the Department has in place;
- produce details of any terms and conditions which the department considers need to change
- propose how the Department intends to change those terms;
- Departments should use the attached Review Summary Template to summarise their conclusions alongside their review document. This will enable the Cabinet Office to collect information consistently from Departments.

13. By comparing their current terms with the benchmark data we expect Departments to clearly and quickly identify any areas where they are out of line with the benchmark of good, modern practice.

14. Reviews should also:

- identify any departmental terms that have been problematic in the past;
- investigate the central terms in any employment contracts used by the department - recognising that departments may have multiple contracts in use;
- identify other sources of employment terms and provisions such as collective agreements and departmental policies and practices where allowances or rights are given to employees;
- clarify historical terms and conditions which may apply to employees either as a result of Machinery of Government moves or other COSOP or TUPE situations.

15. Departmental review documents and completed Review Summary templates should be returned to the Cabinet Office at CSRPTermsReview@Cabinet-Office.gsi.gov.uk by 19 October 2012.

Phase 2 – draft implementation strategy and planning – by 16 November 2012

16. Departments will then produce a draft implementation strategy and plan for their proposed changes including key dates.
17. Details of who the changes are to be applied to should be included in this document along with key dates, savings/costs the department has identified and the evidence it has relied on in reaching its conclusions and any further supporting evidence a department may wish to include.
18. We anticipate a staged delivery with reforms implemented from April 2013 to April 2015 for those requiring an ICT lead time for delivery, with all new recruits starting on the basis of any new terms arising from the review by 1 August 2015 at the latest.
19. When considering the implementation of any change to terms and conditions departments will wish to consider the implications of changes for:
 - all staff
 - new staff
 - voluntary transfers
 - promotions
 - Fixed term appointments applying for an advertised vacancy
 - Fixed term appointments converted to permanence
 - Lateral or managed moves
20. In completing Phase 2 departments will also need to consider:
 - Stakeholder management
 - Employee engagement
 - Employee Relations
 - Other business pressures/priorities
 - Planned recruitment
 - IT lead times
 - Cost implications – changes will need to be funded by departments
 - Any harmonisation work already underway within departments
 - A departmental equality impact of any proposed changes
21. The Implementation Strategy and Plan with the Review Summary template should be returned to the Cabinet Office at CSRPTermsReview@Cabinet-Office.gsi.gov.uk by 16 November 2012.

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Phase 3

22. Departments will have until 31 December 2012 to complete their review and finalise an implementation strategy and plan with key dates.

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Primary Areas for Review

The following provides a list of initial terms and conditions, policies, and practices that departments should consider as part of their review. As highlighted in the Review Summary Template, all departments will be required to report on these areas.

Terms and Conditions

Detailed research and benchmarking on these terms is provided in the Terms and Conditions Research Summary Report

Annual leave
Privilege leave
Occupational sick pay
Hours of work
Mobility
Probation

Policies and Practices

Flexitime
Travel and expenses
Conduct and discipline
Grievance and dispute
Performance management
Managing poor performance

CS Employee Policy has developed best practice policies, procedures, and/or guidance in these policy areas. Departments should compare against these policy products and consider implementation as part of their departmental reviews.

Other Areas for Consideration

The following provides an indication of some further areas departments may want to consider when conducting their departmental reviews. These lists are not definitive, and departments should include any terms and conditions, policies and practices or pay-related terms deemed relevant.

1. Terms, Policies and Practices

The extent to which these reflect contractual terms will vary between departments and may depend on individual contractual arrangements.

Adult further education
Childcare
Compressed hours working
Homeworking
Parental leave
Part-time working and job sharing
Term-time working
Volunteering

2. Policies with Best Practice Guidance

You may have recently reviewed the policy areas listed below and incorporated the best practice guidance/ policies produced by CS Employee Policy. If not and following your review you wish to implement any of these please contact CS Employee Policy for support.

Attendance Management (due Autumn 2012)
Apprenticeships
Gifts and Hospitality
Major Disruption to Travel
Redeployment (due Autumn 2012)
Special Leave
Vacancy Filling (due Autumn 2012)
Whistleblowing
Work Experience

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3. Pay-Related Terms / Policies and Practices

Advances of pay
Allowances
Excess hours, weekends and travelling time
Eye Tests
Legal representation at public expense
Relocation
Reward Vouchers
Season ticket advance
Subsistence

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