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Minister for Education
Department for Education
Rathgael House
Balloo Road
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150828/O'DOWD/CK/EJ

Dear John

Westminster Government proposals for a public sector exit payment cap

As you may be aware, the Westminster Government is currently consulting on a cap on exit payments within the public sector, which would involve new primary legislation.

The Government's proposed policy extends only to bodies where employment and remuneration practices are the responsibility of the UK Government, but the proposals also include the following wording: *Scottish Government, Welsh Government and Northern Ireland Executive to determine if and how they want to take forward similar arrangements in relation to devolved bodies and workforces.*

The proposals are available via the following link:

<https://www.gov.uk/government/consultations/consultation-on-a-public-sector-exit-payment-cap/consultation-on-a-public-sector-exit-payment-cap>.

The NASUWT is very clear that the Westminster Government's proposals represent a further attack on public sector workers, as despite the Westminster Government's public claims to the contrary, it is evident that the proposals have serious implications for public sector workers on moderate incomes.

The claims by the Chief Secretary to the Treasury's that the cap is designed to rein in 'huge taxpayer funded payouts' is highly misleading. These proposals have been presented to the public as a move to rein in 'fat cats' who benefit from large exit packages paid for by taxpayers, but the reality is that the proposals do not address this. In fact, those public financial corporations and subsidiaries which have made unacceptably high exit payments to senior staff and executives are excluded specifically from the scope of the proposals.

The media has presented the Westminster Government's proposal as a redundancy cap. This is in our view inaccurate. The proposals, if adopted, would mean that a series of statutory and contractual entitlements for many public sector workers (such as notice pay and holiday pay), together with early occupational pension release, could be costed and aggregated to form a notional 'exit package' cost, which will be subject to the cap. The Treasury proposal, therefore, amounts to an attack on the terms and conditions of many public sector workers who are moderate earners.

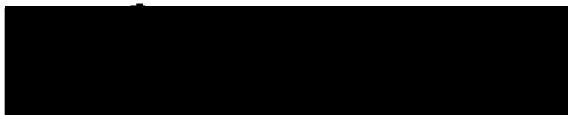
An exit payments cap could affect many public sector workers, including teachers, who receive redundancy payments well below the proposed £95,000 level of the cap, including teachers who receive early release of their pension without actuarial reduction as part of a voluntary redundancy package. I know that you will appreciate that it is frequently the case that the agreed use of voluntary redundancy packages enables employers to manage staffing issues more efficiently and effectively and often reduces the turbulence associated with staffing reductions in schools and local authorities.

The NASUWT has submitted a robust response to the Westminster Government's proposals opposing the provision. I attach a copy of our response for your information.

The NASUWT hopes that the Northern Ireland Executive will not consider introducing parallel provisions in Education and for that matter across other public services. I have copied this correspondence to Arlene Foster MLA, Finance Minister, because these provisions have a much wider application than the Education Service.

If you require any further information on this matter please do not hesitate to contact me.

Best wishes



Chris Keates (Ms)
General Secretary

CC: Arlene Foster MLA, Finance Minister, Stormont Castle, Stormont Estate, Belfast, BT4, 3TT