

**Corporate HR**

Equality Impact Assessment  
Smarter Government Senior Civil Service  
Streamlining Process  
May 2010

# Equality impact assessment for the Smarter Government Senior Civil Service streamlining process

## Introduction

The Department for Work and Pensions has carried out an equality impact assessment on the Senior Civil Service streamlining process to meet the requirements of the:

- Race Equality Duty
- Disability Equality Duty
- Gender Equality Duty

This process will help to make sure that:

- the Department's strategies, policies and services are free from discrimination
- due regard is given to equality in decision making and subsequent processes
- opportunities for promoting equality are identified.

## Background

On 7 December 2009, the Government outlined plans for improving frontline services, increasing Government efficiency, and using technology to help hospitals, schools and police forces get better value for money.

The aims of these plans were to strengthen the role of citizens and civic society; to recast the relationship between the centre and the frontline and to streamline central government for sharper delivery.

One of the proposals announced for streamlining central government was to **cut the senior civil service pay bill by up to 20 per cent over three years to release savings of £100 million a year**. Departments were asked to develop their own plans for achieving these paybill reductions by 2013.

## Purpose and aims of the process

The Smarter Government Senior Civil Service streamlining process is being implemented in response to the Government's White Paper, 'Putting the Frontline First: Smarter Government' published on 7 December 2009.

In line with this paper, the Department seeks to reduce the cost of the total Senior Civil Service under its control or sponsorship by at least 20 per cent by 2013/14 in order to increase efficiency within the Department.

## Our Aim

Our aim is to achieve this reduction within two years, in order to give certainty and enable Senior Civil Servants to focus on leading the Department through what is bound to be significant change. The Department for Work and Pensions plans to reduce the Senior Civil Service numbers by 10% by the end of 2010, a reduction of circa 32, and 10% by end of 2011, a reduction of circa 31.

## Our Approach

In order to manage this reduction, the Department will take a more stringent approach to recruitment and to posts covered on temporary duties. Our plans include a two phase approach.

The first phase of reductions will be achieved through central control on recruitment, voluntary exits, terminating temporary appointments as appropriate and removing both project and permanent roles, where they are not critical to business performance.

Phase two will result from implementation of the systemic organisational changes from the Organisation Design Review. We expect to be able to make further reductions on a voluntary basis. The organisation design work, currently underway, will help the assessment of which roles and capabilities are needed in the future, and this will inform the Senior Civil Service streamlining work.

## Process

The process will involve offering Early Retirement and Voluntary Exits to our Senior Civil Service community only. Early Retirement and Voluntary Exits are both components of the Civil Service Compensation Scheme, available to Departments to help manage downsizing situations. Early Retirement is only available to people aged between 55 and Pension Age, normally 60. Voluntary Exits will be available to all staff under the age of 55, and staff over Pension Age. Any exit terms will be dependent on Departmental approval.

## Consultation and involvement

The principles of the approach we are taking have been agreed with the Cabinet Office and Permanent Secretaries, in line with other Departments.

From the planning stage, we have engaged with the Association of First Division Civil Servants (FDA) and Prospect Trade Unions, who have acted as representatives for their diverse membership. We have addressed queries raised by them.

The Permanent Secretary and the Department for Work and Pensions' Executive Team have been involved in the design of the Senior Civil Service streamlining process, in consultation with HR colleagues. The Executive Team have asked for data and information which looks at the impacts of our process on the diversity of our Senior Civil Service.

## Equality impact of the Smarter Government Senior Civil Service streamlining process

Our plans were announced to the Department for Work and Pensions' Senior Civil Service members at their conference held on 19 March 2010.

## **Terms offered**

The following terms have been offered to our Senior Civil Service members:

- Non-actuarially reduced Early Retirement for Senior Civil Service members aged over 55 and under Pension Age;
- Voluntary Exits, based on a standard tariff of one month's pay per year of service, capped at two years' pay, for Senior Civil Service members aged under 55; and

- Voluntary Exits, based on a standard tariff of one month's pay per year of service, capped at six months' pay for Senior Civil Service members over the age of 60.

All members have been invited to consider these proposals and all have the option to have discussions with their line manager and/or their HR Director.

Whilst any Senior Civil Service member can apply for an exit, each application will be considered on its own merits and discussed with the individual's line manager and respective HR Director. Release is not guaranteed until the case has been considered and approved.

Final decision making for each release will involve the Director General, the Head of Profession (where different) and the HR Director General, with the addition of the Permanent Secretary for Senior Civil Service members who are Pay Band 2.

Decision makers will use selection criteria based on existing workforce management guidance, but modified to reflect the nature and accountabilities of senior roles. The selection criteria are summarised below.

No formal scoring system will be used in the decision making process, but line managers will be required to provide a written record of the factors involved with the individual release. This will help provide assurance and consistency.

It is not anticipated that there will be a high volume of take-up and we will be able to manage the numbers that apply effectively through this process.

### **Selection criteria**

The following factors will be taken into consideration when approving exit requests:

- **Performance Management** – the last three years' performance data and an assessment of the most recent year's performance.
- **Professional skills** – should consider the extent to which the individual has the necessary qualifications and skills required to perform roles within the profession in the future
- **Competencies** – against the Professional Skills for Government key competence areas; people management, project management, financial management, communications and marketing, analysis and use of information, strategic thinking. This ensures we look at breadth of experience.

In addition, decision makers will take into account whether an exit would support the streamlining of the Senior Civil Service by removing a post, either directly or by enabling movement that results in a reduction elsewhere.

### **Disability**

Disabled Senior Civil Service members will have the same access and rights to the options offered above. The process does not impact on the reasonable adjustments that are already in place for our disabled Senior Civil Service members.

If information about this exercise is requested in a particular format to facilitate access, we will make the necessary arrangements to meet that request.

## **Gender**

Regardless of gender, Senior Civil Service members will have the same access and rights to the options offered above.

## **Working Patterns**

There will not be any difference in the treatment of full and part-time members of staff.

## Race

Regardless of race Senior Civil Service members will have the same access and rights to the options offered above. There will not be any difference in the treatment of Senior Civil Service members from different races.

To encapsulate, there is no reason to believe that different group(s) of people will be negatively or unduly affected by our approach to the streamlining of the Department's Senior Civil Service.

## **Age**

Eligibility for Early Retirement is dependent on a candidate being aged 55 or older. This criterion therefore only applies to those aged below 55 and could be viewed as encouraging more applications from this group. However, this age requirement is prescribed by the rules of the Civil Service Compensation Scheme.

Whilst the Department's offer of voluntary exits to those under 55 goes some way to mitigate this discrimination, it is anticipated that the majority of applicants for early exit will be aged 55 and over due to the current uncertainty in the job market. All communication however will stress the two exit options and there will be no specific targeting of those over 55 as part of exit plans.

## **Monitoring and evaluation**

We have been gathering data on potential leavers and posts covered on temporary duties and analysing the impact on our diversity targets and equality groups.

Our initial analysis has provided us with the following data:

<b>Diversity data based on the Pay Analysis Report dated 31 December 2009</b>				
<b>Total Senior Civil Service</b>	<b>Female</b>	<b>Male</b>	<b>Black, Minority &amp; Ethnic</b>	<b>Disabled</b>
322	40%	60%	4%	4%
<b>Indicative diversity data less known leavers and cessation of posts covered on temporary duties as at 14 April 2010</b>				
<b>Total Senior Civil Service</b>	<b>Female</b>	<b>Male</b>	<b>Black, Minority &amp; Ethnic</b>	<b>Disabled</b>
286	39%	61%	3%	3%

Initial analysis therefore indicates a slight negative effect on gender, black, minority & ethnic (BME) and disabled equality groups. This is largely due to the removal of posts covered on temporary promotion. It is hoped that those returning to their substantive grades will be in a good position to apply for promotion when the Department returns to normal recruitment following this streamlining exercise and so over time diversity will improve.

We will continue to monitor the impact and if we identify any trends that may indicate a diversity bias in the take-up we will consider the reasons and their effect if any arise.

We will produce a report in September 2010 and a further report in December 2010 once we have completed phase 1 of our approach. Our findings will be presented to the Permanent Secretary and other key stakeholders.

#### Next steps

Line manager and individual discussions have commenced with exits taking place from July 2010 onwards. We do not propose to close the offer of voluntary exits until at least December 2010.

The Department's Executive Team will collectively view plans for the first 10% reduction before we move forward on exits. Any issues, including those arising from our ongoing tracking of progress, will be escalated to the Executive Team when needed.

This equality impact assessment will be reviewed and the review will be published in **January 2011** once the first phase of our approach has been completed.

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