

MOD VOLUNTARY EARLY RELEASE SCHEMES 2011 AND 2012-2014 EQUALITY IMPACT ASSESSMENT

Introduction

1. The Ministry of Defence has carried out an Equality Impact Assessment of the Voluntary Early Release Schemes (VERS) 2011 and 2012-2014.
2. The assessment is in two parts:
 - Part 1 to provide assurance that due regard has been given to equality and that there are no substantive discrimination issues associated with the application and selection processes for the scheme; and
 - Part 2 to give a strategic overview of the potential impact on equality and diversity of the civilian manpower reductions flowing from the 2010 Strategic Defence and Security Review (SDSR) and further work that may be required.

Background

3. The SDSR required the MOD to make financial savings equivalent to the reduction of around 25,000 civilian staff by 31 March 2015.
4. In order to begin making savings at the earliest possible date, a VERS was launched in February 2011. 14,000 applications were received and some 7800 offers of early release are being made. It is anticipated that around 5,500 staff will accept. In light of this response and emerging information about the future size and structure of the MOD through the Defence Reform programme, it was decided to run a further department-wide VERS covering the two year period from 1 April 2012 to 31 March 2014. The aim will be to achieve some 10,000 early releases over the period of the scheme.

Part 1 – VERS process

Consultation and engagement

5. The stakeholders below have been consulted on the detail of the scheme:
 - HR Business Partners in each of the Top Level Budget (TLB) areas
 - The Industrial and Non-Industrial Trades Unions

Views have also been obtained from the protected characteristics groups (Disability Steering Committee, MOD Women's Networks, LGBT).

6. Dialogue with the stakeholders will continue during the decision-making process following the scheme closure date and until all exits take place.

Details of the VERS

7. As with the VERS 2011, the processes underpinning the VERS 2012-2014 provide a simple mechanism for enabling the MOD to achieve a significant proportion of the required manpower savings without recourse to compulsory redundancy.

8. The scheme will, with a limited number of exceptions, be open to all MOD civilian staff regardless of age, disability, gender, gender reassignment, race, religion or belief, sexual orientation, or pregnancy and maternity. It is planned to launch the scheme on 7 November and the deadline for applications will be 2 December. A comprehensive communications programme (DIN/DIB, Frequently Asked Questions, and Defence People special edition) will support the launch. All information posted on the Defence Intranet will be available for line managers to send to any staff not in the office (e.g. those on secondment or loan, sickness absence, maternity, paternity, adoption or parental leave etc) or who do not have access to the Defence Intranet.

Consideration of the equality impacts of the VERS application and selection processes

9. In considering whether staff in the protected characteristics groups could in any way be disadvantaged by the VERS application and selection processes, a key factor is that the scheme is voluntary. No-one can be forced either to apply for early release or to accept any offer made by the Department.

10. **Estimates and Applications** - All staff who are eligible to apply for the VERS have the same opportunity to access and use the scheme. Staff can obtain estimates of their compensation payment and/or pension entitlement through online calculators available on the Civil Service Pensions website, and will apply for early release using an electronic application form. Any staff who cannot access the calculators and application form will be able to contact DBS Civilian HR PSC for assistance. There is therefore no aspect of the estimates and application process that could disadvantage anyone in the protected characteristics groups.

11. **Selection** - Each TLB will convene a Selection Panel(s) to consider applications from its staff. Panels must be chaired by a senior manager¹ who will be responsible for identifying other panel members who must include at least one member who is not within the line management chain to act as the independent. All members of the Selection Panel must be up-to-date with mandatory E&D training.

12. Selection decisions will be based on the requirements of the business (TLB) in which the applicant works, informed by an objective assessment of applications against the following 5 criteria:

- Skills value to the business (TLB)
- Preferred date of release
- Location
- Performance
- Cost

13. Other factors such as an individual's age, gender and sickness absence record do not form part of the selection criteria.

14. The assessment of each application will produce a score which will allow TLB Selection Panels to compile a provisional ranking of individuals in order of early release (i.e. generally, the higher the score, the more likely that the application will be approved). Panels will be empowered to amend scores however if there are clear business reasons

¹ Although there will be no prescription, the level of chair should be such that it will give authority and confidence in the process. Accordingly, it is suggested that the chair should be no lower than Band B.

for doing so - for example, in order to maintain essential outputs in areas where a number of applicants have the same score.

15. There are two areas – performance and cost – which could, potentially, disproportionately affect decisions on early release e.g. low cost affecting lower grades, those with short service, females and staff who have had breaks in service or high cost affecting those with long service and over the minimum retirement age.

16. With regard to performance, the Selection Panels will be provided with only factual information about the applicant’s last 3 years performance awards. The use of performance awards is recognised as something of a blunt tool but it does provide an indication of the top performers among the workforce who the department would wish to keep and the process is moderated by award panels independent from the line management chain.

17. Cost will only be calculated in terms of the savings yield i.e. the length of time it would take for the MOD to recoup the cost of the release and will be used as a discriminator between individuals with the same score.

18. Accordingly, performance and cost - either together or alone - would not be the determining factor in the decision on whether or not an individual could be released.

Conclusion

19. In light of the above, we do not consider that any member of staff could be disadvantaged on grounds of age, disability, gender or ethnic origin. Moreover, any applicant who might fall into one of the protected characteristic groups - who has voluntarily applied to go – could turn down an offer of early release with no detriment to their position should they subsequently become at risk of redundancy. No one will be made compulsorily redundant without first being offered voluntary redundancy terms.

Part 2 – Wider issues

Potential equality impacts of the reduction in the civilian workforce through the VERS

20. It is inevitable that a reduction of about a third of the 1 April 2010 civilian workforce by 31 March 2015 will have an impact on representation of all protected characteristics groups within the future civilian workforce. The impact is likely to be particular visible in changes to the age profile, gender mix and proportion of disabled staff. The mix of full- and part-time staff will also change. At the present time, it is impossible to say precisely how great the impact will be and what implications there may be for equality issues. An examination of the data on the outflow of staff under VERS1 does, however, suggest some of the potential impacts which are included in the narrative with the tables below:

Age equality

21. The age profile of the Department prior to the launch of the new VERS was:

Table 1: Staff in post by age (31 July 2011)

Age	Total	%	VERS 1 applications	VERS 1	%	VERS 1 acceptances	

				offers			
16-19	105	0.2		0	0.0		
20-24	1,421	2.3		55	0.7		
25-29	3,520	5.7		199	2.6		
30-34	4,148	6.8		293	3.8		
35-39	5,097	8.3		413	5.4		
40-44	8,399	13.7		684	8.9		
45-49	11,045	18.0		834	10.8		
50-54	11,161	18.2		1,369	17.7		
55-59	9,205	15.0		1,842	23.9		
60-65	6,054	9.9		1,579	20.5		
65+	1,252	2.0		450	5.8		
Total	61,407	100		7,718	100		

22. The profile is likely to change significantly as a result of the VERS. Indications from VERS1 are that over 66% of offers of early release have been made to staff over age 50, who currently make up 45% of the workforce.

Gender Equality

23. The MOD's civilian workforce is currently comprised of:

Table 2: MOD civilian staff by gender (1 July 2011)

Gender	Total	%	VERS 1 applications	VERS 1 offers	%	VERS 1 acceptances	%
Female	23,530	38.3		3,641	47.2	1,840	44.3
Male	37,980	61.7		4,077	52.8	1,947	55.7
Total	61,510	100			100		

24. The scale of the planned staff reductions is likely to have an impact on the gender mix of the future civilian workforce. For example, the majority of staff at Band E1 level are women and indications from VERS 1 are that a disproportionately high number of offers of early release have been made to staff in that grade (and therefore to women). The degree to which this trend will be repeated under the new VERS scheme cannot be determined. Regular monitoring of the changing position will highlight whether this will become an issue requiring remedial action.

Disability equality

25. The number of staff who have declared a disability is currently:

Table 3: MOD civilian staff by disability (1 April 2011)

Disability	Total	%	VERS 1 applications	VERS 1 offers	%	VERS 1 acceptances	%
Disabled	4,130	6.5 (7.7)		742	9.6		
Not disabled	49,180	78.2		5,356	69.4		
Chose not	4,180	6.6		544	7.0		

to declare	5,320	8.5		1,076	13.9		
No response							
Total	62,810	100					

26. Indications from the current VERS are that disproportionately higher number of disabled staff have been offered early release than the percentage employed in the MOD

Other areas

27. **Race** - The current ethnic mix of the civilian workforce is:

Table 4: MOD civilian staff by ethnicity (1 July 2011)

Ethnicity	Total	%
Black & Minority Ethnic	1,920	3.5
White	52,760	
Chose not to declare	1,390	
No response	5,440	
Total	61,510	

28. It is too early to say what impact the reductions will have on the ethnic mix of the future civilian workforce.

29. Sexual Orientation – current statistics are:

Table 5: Staff in post by sexual orientation (1 July 2011)

Sexual Orientation	Total	%
Lesbian, Gay, Bisexual	610	1.5
Heterosexual	39,170	
Chose not to declare	11,690	
No response	10,040	
Total	61,510	100

30. We would not anticipate any disproportionate impact on this group.

31. **Part-time working** – The current statistics are:

Table 6: Staff in post by work pattern (1 July 2011)

Work pattern	Total	%
Part-time	6,470	10.7
Full-time	55,040	89.3
Total	61,510	100

Monitoring and evaluation

32. It is likely that as a result of early releases and limited redundancies up to 31 March 2014 there will be an impact on all of the protected characteristic groups. It is, however, too early to assess the scale of the impact and the extent to which it may be detrimental. In light of this, arrangements have been put in place to monitor and regularly review the position. DASA has been commissioned to develop a civilian workforce model which, amongst other things, will provide visibility of the impact of the workforce reductions on equality issues. Eligible staff who apply, are selected and ultimately leave the Department under the VERS will be monitored against the diversity groups. This information will be shared with the TLBs, TUs and protected characteristics groups and evaluated.