

Reforms to public sector exit payments

Response of the Association of School and College Leaders

- 1 The Association of School and College Leaders (ASCL) represents more than 18,500 education system leaders, heads, principals, deputies, vice-principals, assistant heads, business managers and other senior staff of state-funded and independent schools and colleges throughout the UK. ASCL members are responsible for the education of more than four million young people in more than 90 per cent of the secondary and tertiary phases, and in an increasing proportion of the primary phase. This places the association in a strong position to consider this issue from the viewpoint of the leaders of schools and colleges of all types.
- 2 ASCL expertise and interest is in the education service, and these remarks refer only to that part of the public service. In that context ASCL has very great concerns about these proposals, which appear to be both mean-spirited and liable to damage the public service.
- 3 While it is reasonable for a government to be concerned to limit any aspect of public expenditure these proposals would remove flexibilities from public sector employers that they sometimes need to manage effectively. It is likely that the absence of such flexibility would ultimately cost the public purse more as poorly performing staff will remain longer in post and in particular that there would be longer periods of lack of leadership as negotiations with senior staff who need to be removed take longer.
- 4 These proposals follow on very soon after changes to public sector exit payment recovery regulations, which were consulted on in the period up to 21 January this year but to the results of which this consultation does not refer.
- 5 Such changes, worsening in this respect the conditions of public sector employees, especially in this case the leaders of public sector organisations, obviously make these posts that much less attractive. This is at a time when there is a crisis in recruitment to teaching in general and to senior posts such as headteachers of secondary schools and academies and principals of colleges in particular. In order to attract suitable candidates to leadership posts it is likely that public sector employers will simply have to raise salaries, ultimately costing the public purse more than current exit payments, that are after all made in only a minority of cases.
- 6 Having said that, leadership posts in schools and colleges are increasingly precarious, with headteachers and principals more frequently dismissed after a bad set of examination results or a poor Ofsted report. It is likely, if exit payments are arbitrarily limited, that school and college employers will need to offer different types of contracts than those currently in use to attract suitable applicants to their most senior posts. Again these are likely to be more expensive than the current situation.
- 7 It should still be possible for there to be top-up payments for pension in cases of voluntary redundancy. Often the person is volunteering to give up their ability to earn more and also increase their pension during their remaining working life; this should be taken into consideration. Limiting or removing such top-ups, or will discourage staff

from taking voluntary redundancy, which is only offered if it is beneficial to the employer.

- 8 Employers should therefore have the flexibility to make top-ups to pension provision. And employees should be able to use their compensation to top-up their own pension, which would have no cost to the public purse, though there would need to be a relaxation of the rules that currently limit an employee to topping up their pension while in employment, as compensation payment is typically made while outside employment.
- 9 The £95,000 cap is set too low (especially when assimilated to pensions) and adversely affects higher earners, the very people who often lead and manage our public services.
- 10 ASCL trusts that this, and other thresholds in the proposals, would increase with inflation, or else limitations would gradually extend to affect an ever-larger proportion of public sector employees.
- 11 It seems entirely unnecessary to introduce a minimum age at which pension top-ups can be accessed, a proposals that has raised concerns about whether there is any intention in the next round of changes to raise early retirement benefits age.
- 12 In summary, these proposals seem unlikely to benefit the public service, or even save public funds. They are also unfairly targeting the conditions of service of some of our longer-serving and more successful public servants. Finally, they are reducing rather than extending the flexibilities available to public sector employers at a time when the government's declared aim is to devolve rather than centralise decision-making. ASCL would therefore urge that these proposals be abandoned, or at least fully reconsidered over a more prolonged period.
- 13 I hope that this is of value to your consultation, ASCL is willing to be further consulted and to assist in any way that it can.

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Association of School and College Leaders
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