



Forestry Commission

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Civil Service Compensation Scheme

Over recent days many of you will have seen media coverage speculating about changes to the Civil Service Compensation Scheme. This morning the Minister for the Cabinet Office, Francis Maude, made a Statement to the House of Commons setting out the Government's proposals.

I wanted to write to you today to make sure that you all have the facts.

The coalition programme makes clear that the Government wants to bring redundancy payments made to civil servants in line with best practice in the wider public and private sector.

You may be aware that the last government put in place a reformed scheme with the agreement of five out of the six Civil Service unions. The reformed scheme, which was developed and supported by all permanent secretaries, addressed some of the long-standing issues with the existing scheme. The sixth union, PCS, sought judicial review and succeeded in having the scheme declared invalid.

Francis Maude has explained that the new coalition Government wants to proceed by negotiation with the unions. Specifically, it wishes to have a permanent and sustainable new scheme, which is both appropriate to current times and also gives greater protection to less well paid civil servants. The Government has today written to the Council of Civil Service Unions to invite them to discuss this.



In order to secure the savings required in a time of extreme economic pressure and to create the basis for further negotiations in the light of the current deadlock, the Government has reluctantly decided that it has to begin the legislation process.

Legislation would limit the cost of future exit payments under the current (pre-reform) terms by:

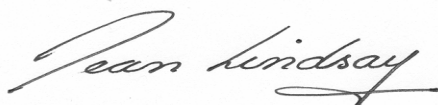
- capping all compulsory redundancy payments at 12 months' pay; and,
- limiting payments for voluntary exits to 15 months' salary

I can confirm that any staff who have received a specific offer setting out their individual terms of exit under the terms of the old scheme can be reassured that the offer will hold good.

In parallel with laying the proposed legislation before the House, the Government has written to the Council of Civil Service Unions, inviting them to begin immediate discussions to negotiate a sustainable and practical long-term successor scheme. This invitation makes clear that the government wishes, with the trade unions, to find and reach a fair and practical settlement.

It is also important to stress that these moves are about limiting severance and early retirement terms. These changes do not affect your accrued pension rights.

You may find the associated Cabinet Office Q&A helpful to answer some of your questions and I will continue to keep you updated.



Jean Lindsay