



Civil Service Commission Consultation: Proposal to establish a Public Services Commission

ISLE OF MAN GOVERNMENT
AN AGENDA FOR
CHANGE

April 2013



**Isle of Man
Government**

Reiltys Ellan Vannin

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**Civil Service Commission Consultation
in respect of a proposal to establish
a Public Services Commission**

Contents

	Page No.
Foreword	4
Consultation	5
How to Respond	5
1. Background	6
2. Benefits of a Public Services Commission (PSC)	9
3. Membership, Functions and Scope	12
4. Joint Negotiating Arrangements	13
5. Terms and Conditions	15
6. What a Public Services Commission Bill might look like	16
7. Conclusion	16
8. Timetable	17
Appendix 1: Response to Consultation Form	18
Appendix 2: List of Direct Consultees	21
Appendix 3: Code of Practice on Consultation	22

Foreword

The creation of a smaller, simpler Government which embraces more efficient ways of working and reduces bureaucracy is an imperative if Government is to achieve its overarching objective of re-balancing the Budget. In this context we must examine all opportunities to improve efficiency and to streamline operations.

In this regard, the Council of Ministers has agreed that a review be undertaken into the benefits which might be realised from the establishment of a Public Services Commission as successor to the Civil Service Commission.

A Public Services Commission would have a broader remit than the Civil Service Commission and would, if established, become the employer not only of civil servants but also other categories of employee including manual and craft workers employed by Departments and Boards, under Whitley Council terms and conditions, and some other employees across central Government; principally those whose terms and conditions are analogous to the Civil Service or the Whitley Council.

Such a step would establish an employment body which would have a mandate to deliver consistent policies, in respect of a workforce of more than 4,000 - representing about 50% of central Government's staff. It would facilitate simplification of employment structures, the harmonisation of terms and conditions and enhance our ability to redeploy staff to relevant Departments, Boards and Offices in support of Government's priorities and changing circumstances.

A Public Services Commission would also provide the opportunity to both streamline and modernise collective bargaining arrangements in respect of its staff and enable arrangements to be put in place that are modern, representative and focussed on agreed outcomes.

A consultation exercise was undertaken in 2011 in relation to the establishment of a more broadly based Public Service Employing Authority. At that time, concerns were expressed about such a body encompassing Government entities with a significant regulatory role and those with staff whose terms and conditions continue to be determined in the United Kingdom. It has therefore been concluded that a more limited approach, by way of a Public Services Commission, should now be progressed.

In October 2012, the Council of Ministers gave the Civil Service Commission a broader remit in respect of Human Resource matters and it is on this basis that we have been asked to take this proposal forward. I very much support this initiative and look forward to receiving the views of all interested parties.

Alfred Cannan MHK
Chairman, Civil Service Commission
April 2013

Consultation

This consultation exercise is designed to invite comments on the proposal to establish a Public Services Commission, as successor to the Civil Service Commission. It is intended that the Public Services Commission would be the employing authority of not only civil servants, but also other categories of employee including manual and craft workers employed by Departments and Boards, under Whitley Council terms and conditions, and some other employees across central Government; principally those whose terms and conditions are analogous to the Civil Service or the Whitley Council.

The Civil Service Commission on behalf of the Council of Ministers welcomes responses from anyone who may have a view on the proposals in this document.

How to Respond

Submissions can be completed online at:

www.surveymonkey.com/s/Public_Services_Commission_Consultation or in writing using the form attached at **Appendix 1**. Written submissions can be sent by post or email, marked 'Public Services Commission', to:

Mrs Amanda Haxby
Office of Human Resources
St Andrew's House
Finch Road
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Tel. (01624) 685272 e-mail: amanda.haxby@gov.im

For additional hard copies of this document please contact the Office of Human Resources by telephoning 01624 685272. An electronic copy of this document is available at www.gov.im/Consultations.gov.

The deadline for both physical and electronic submissions is 5pm on 31 May 2013.

When submitting your views please indicate if you are responding on behalf of an organisation.

A list of consultees can be found at **Appendix 2** of this document. If there is anyone not on the list who you think should be consulted please contact the Officer named above.

To ensure that the process is open and honest and in line with the Government's Code of Practice on Consultation, as attached at **Appendix 3**, responses can only be accepted if you provide your name with your response.

Unless specifically requested otherwise, any responses received may be published either in part or in their entirety. Please mark your response clearly if you wish your response and/or name to be kept confidential. Confidential responses will be included in any statistical summary and numbers of comments received. A summary of the responses received will be published within 3 months of the closing date for this consultation, and will be made available on the Government website, at www.gov.im/Consultations.gov or by contacting the above named Officer.

1. Background

Scope of Government Report 2006

Human resource management within the Isle of Man Government has been the subject of debate for several years. Indeed, the matter was considered in the 2006 Review into the Scope and Structure of Government. At that time the Review Team recommended, amongst many other things, that:

“Government should urgently initiate a root and branch review into the future arrangements for developing and delivering Human Resource policies across the entire public sector, encompassing structural, cultural and process change, with the objective of establishing a more effective, centralised and streamlined approach to:-

- Pay and pensions
- Training and Development
- Deployment
- Conditions of Service
- Recruitment and Retention
- Employee Representation”

Partially in response to this, two pieces of work were undertaken as detailed below.

Independent Review of Whitley Council 2009

The Whitley Council was the subject of an Independent Review in 2009 which concluded, among other things, that:

- the Whitley Council has the potential to erode line management involvement and engagement in the employment relationship;
- there is an over emphasis on policing the rule book at the cost of developing partnership working;
- flexibility in working arrangements is an important consideration in the delivery of services which meets the needs of the public;
- changes are required; and
- there needs to be more representation from employers.

HR Functions Review 2009/10

As part of ongoing efforts to modernise and streamline Government’s HR functions the Council of Ministers established a Sub-Committee under the chairmanship of Hon P A Gawne MHK, which was tasked with reviewing the function and structure of HR management and development across the central government Public Service.

The Sub-Committee, which comprised public and private sector and union representatives, reported to the Council of Ministers towards the end of 2010. A number of recommendations made by the Sub-Committee have been progressed and its principal recommendation – that a single employing body should be established was subject to a public consultation exercise in 2011.

As a result of that consultation, which identified concerns about such a body encompassing Government entities with a significant regulatory role or those whose terms and conditions continue to be largely determined in the UK, it has been decided to take a more limited approach to this matter.

Scope of Government Report 2012

The Review of Scope of Government dated March 2012 also suggested that the development of new, more responsive and flexible employment structures would be helpful and that they would support the Chief Minister's intention to progress culture change within Government. In particular the Review suggested:

"there may be merit in determining a set of new and fair structures and conditions of service which would apply, in the first instance, only to new staff appointed after a certain date. There could then be negotiations with existing employment groups about the potential of moving them into the new arrangements and agreeing concessions that might be necessary for such a transfer. This is indeed a major undertaking and under existing collective bargaining arrangements would still require joint agreement even for new recruits, but we would see this providing significant efficiency benefits in the longer term."

HR Reforms

More broadly Government has progressed or is taking forward, a number of HR related initiatives in pursuit of its objective to create a smaller, simpler Government which embraces more efficient ways of working and reduces bureaucracy (all of which contribute to the imperative to rebalance the Budget), including, for example:

- **Public Sector Pensions** – the introduction of the Government Unified Pension Scheme (GUS) which modernised and makes more sustainable pensions provision for the majority of central Government public servants. Government is also currently in negotiations to revise the compensation scheme applicable to those members of the Public Sector covered by GUS (compulsory retirement, redundancy, personal injury etc);
- **Shared Services** – along with other shared services functions which have been established an HR Shared Services function, in the form of the Office of Human Resources, was established with effect from 1 April 2011;
- **Modernisation of Terms and Conditions of Employment** – terms and conditions continue to be addressed through work being done both centrally and by individual employers to revise and update them and to work to remove those terms which are no longer sustainable.
- **Pay Restraint** – Government continues to pursue pay restraint, which has achieved significant savings in real terms for Government (over £50 million since 2007/08).

Proposal

At present public servants are engaged by a number of employers. Individual Government Departments, Boards and Offices are the employers for certain groups of staff including manual and craft workers and Department specific groups. The Civil Service Commission is, in effect, the employer for all Civil Servants irrespective of the Government organisation within which they work. Public servants are engaged on a variety of terms and conditions of service negotiated by separate bodies for each staff group.

Proposal to establish a Public Services Commission

A decision has therefore been taken to consult on the proposal to establish a single employing authority ('a **Public Services Commission**') solely for civil servants, and manual and craft workers employed by Departments and Boards, under Whitley Council terms and conditions, and some other employees across central Government; principally those whose terms and conditions are analogous to the Civil Service or the Whitley Council.

2. Benefits of a Public Services Commission (PSC)

Provide a clear framework for employment matters and simplify employment structures

The Sub-Committee of the Council of Ministers which reported on HR functions across the central government Public Service in 2010 concluded that the diverse range of employment structures reduces Government's ability to deliver consistency of approach to the management of people.

A Public Services Commission would enhance the perception of Isle of Man Government as a more unified, yet admittedly diverse, organisation and contribute towards the breaking down of the silo mentality where all too often members of staff see their loyalty purely in the context of their individual employer rather than Government as a whole. This shift in perception can only be positive as it would encourage and support a more corporate and cooperative approach to issues as they arise.

A Public Services Commission would create a key 'employer' voice underpinned by a strength and consistency of view across a significant part of the central government Public Service (subject to oversight by the Council of Ministers) which would be reflected in all negotiations with relevant trade unions and staff associations. There is no doubt that the current structure which comprises more than 15 separate employing authorities does little to enhance the perception of Isle of Man Government as a unified albeit diverse organisation.

Enhance and simplify the linkage between the Council of Ministers and central government employers

As with civil servants (but unlike most other employment groups), manual and craft workers are engaged within multiple Departments, Boards and Offices and have their terms and conditions determined centrally. Unlike the Civil Service however, manual workers are employees of individual Departments, Boards and Offices and not a central employer. As manual workers are already spread across Government and as their terms and conditions are determined by a central body it is arguably a logical step to give manual workers similar status as civil servants.

A linkage between the Chief Minister and the Council of Ministers, on the one hand, and a Public Services Commission, on the other, would be closer and more pro-actively managed and through this linkage stronger political direction could be given and accountability achieved. Such a linkage would be easier to manage than any linkage between Council and a range of separate employing bodies.

Encourage a more pro-active approach to people management issues

It is envisaged that via appropriate delegations of functions from a Public Services Commission to Departments, Boards and Offices, authority would be given to enable them to manage their staff directly, with local arrangements being put in place to meet operational needs.

This will mean greater authority being given to Departments, Boards and Offices in respect of the management of staff within the Civil Service (eg establishment changes, grading, discipline etc) and staff employed under Whitley Council terms and conditions (eg local agreements, grading etc).

There will also be greater flexibility provided to enable the development of terms and conditions arrangements specifically suited to meet the needs of certain distinct operational units (eg Prison, Airport, Social Care) whilst at the same time providing harmonised core terms and conditions applicable to all employees (eg Discipline, Grievance, Capability, Sick Pay Schemes, Occupational Health etc).

Provide an opportunity to streamline and modernise key elements of collective bargaining

A Public Services Commission would also provide the opportunity to streamline and modernise collective bargaining arrangements in respect of its staff and enable arrangements to be put in place that are modern, representative and focussed on agreed outcomes.

This would affect existing arrangements in respect of both the Civil Service and manual and craft workers currently engaged under Whitley Council determined terms and conditions, working for Departments and Boards. Any changes implemented would impact on the current Civil Service collective bargaining arrangements which have been in place since 1991 and the long established arrangements for the Whitley Council for the Isle of Man Public Service (Manual Workers). Both sets of arrangements require review and modernisation, taking into account good practice and current circumstances.

The establishment of a Public Services Commission would go a significant way towards bringing together the negotiation of pay, terms and conditions etc for a significant element of the central government Public Service thereby facilitating strong leadership and a vision for the future.

Facilitate the establishment of a greater commonality in terms and conditions of employment/service

Greater commonality in terms and conditions would provide further clarity for managers, amongst others, who would with greater knowledge and experience based on a common approach, have confidence and be more pro-active in addressing issues such as underperformance. Areas where the pursuit of commonality in terms and conditions is already being considered is in relation to disciplinary, grievance and capability procedures.

Reinforce the importance of effective performance management

With a Public Services Commission as a key employer in the central government Public Service considerable focus could be given to the introduction of more effective individual performance management tools. Also, given the number of managers across the central government Public Service who would be employees of a Public Services Commission, greater impetus could be given to the pro-active management of underperformance with managers themselves being held to account for the effective delivery of services and the effective management of staff.

Establish a consistent approach to succession management across a key element of the central government Public Service

Currently the Civil Service Commission's approach to succession management is achieving some success but its remit is restricted to the Civil Service alone. While other individual employers may also be addressing issues in relation to succession management in isolation what is required is an integrated approach encompassing significant numbers of public servants. This could be established and driven forward more easily and underpinned by a broader Public Service wide view, under the aegis of a Public Services Commission.

Facilitate the deployment and re-deployment of staff on a broader basis

With a Public Services Commission the deployment and re-deployment of staff across a significant element of the central government Public Service, in response to changing priorities and circumstances, would be more easily achieved. Such deployment and re-deployment would be further facilitated where there was greater commonality in applicable terms and conditions.

This is undoubtedly one area where a Public Services Commission would have positive benefits. At present civil servants, who comprise approximately one quarter of the whole of the central government Public Service can be redeployed by the Civil Service Commission to meet service needs and priorities. Non Civil Service staff are less easily redeployed. The establishment of a Public Services Commission would present a real opportunity to redeploy individuals across a greater proportion of the central government Public Service in the event of staff surplus thereby protecting individuals from redundancy.

Improve the application of corporate people strategy and corporate employment policies

There is already an established corporate people strategy and a comprehensive framework of corporate employment policies, endorsed by the Council of Ministers. However, it is in effect a matter for each individual employer across the central government Public Service to determine the extent to which they abide by and give effect to these policies. With a Public Services Commission being integral to the process of developing strategy and corporate employment policies, subject to Council of Ministers endorsement, consistent implementation across a key element of the workforce would be more straightforward to achieve as would the holding to account of managers who failed to abide by the requirements.

3. Membership, Functions and Scope

Membership

The membership of a Public Services Commission would be governed by the Public Services Commission Bill, once enacted. It is envisaged that appointments to the Public Services Commission will be made by the Chief Minister, as is the case currently in respect of the Civil Service Commission, and the business of the Commission would be governed by the Statutory Boards Act 1987.

Functions

The Public Services Commission Bill will determine the functions of the Public Services Commission together with appropriate delegations of such functions and authority. It is envisaged that its functions will be based broadly on the existing functions of the Civil Service Commission, but providing for greater autonomy and accountability to be given to Departments, Boards and Offices.

Scope

As indicated in the Scope of Government reports, the position with many professional staff is that Government has to secure staff in a competitive external market where the terms and conditions of employment are largely beyond its control. It is important in these cases that the linkages to UK arrangements are maintained. For that reason, it is not intended to include many employment groups (such as Health Professionals, Teachers, Fire and the Constabulary) within the scope of a Public Services Commission. Similarly other employment groups whose terms and conditions of service are not linked to the Civil Service or Whitley Council, (such as Independent Regulatory Bodies and certain Statutory Boards) will also be excluded from the scope of a Public Services Commission.

What will be different as a result?

Staff currently appointed by the Civil Service Commission and those employed by Departments and Boards under Whitley Council terms and conditions of service would become employees of a Public Services Commission. Management authority for staff would, however, continue to be exercised by those Departments and Boards.

Over time there would be the facility to simplify employment structures, move towards greater harmonisation of terms and conditions of employment, and where required greater flexibility to redeploy staff to, and between relevant Departments, Boards and Offices in support of Government's priorities and changing circumstances - as staff would be employees of a single entity, a Public Services Commission, and not employees of a number of separate and distinct employing authorities. As employer, a Public Services Commission would negotiate terms and conditions of service for those groups of staff within its remit.

Question 1:

Having regard to the intended scope of employment groups to be included, which employment groups do you think should be included within, or excluded from, the remit of a Public Services Commission and if so, why?

4. Joint Negotiating Arrangements

Current Arrangements

Currently terms and conditions relating to civil servants are determined by the Civil Service Joint Negotiating Committee (JNC), in line with the provisions of the Civil Service Joint Negotiating Committee Constitution 1991. Those for manual and craft workers employed by Departments or Boards (and by Local Authorities) are determined by the Whitley Council in line with the provisions of the Whitley Council for the Isle of Man Public Service (Manual Workers) Constitution 1989. A review of both sets of current arrangements will be undertaken to ensure that collective bargaining mechanisms are modern, representative and focussed on agreed outcomes.

Future Arrangements

The Whitley Council in its current form would cease to operate but there would still be a centralised negotiating body in which the relevant unions would have full participation. Having regard to modern developments in collective bargaining arrangements, it is no longer sustainable to maintain the Whitley Council in its present form, whereby its Employees' Side serves as a second representative of the same staff already represented by the Trade Union of which those staff are Members.

In all other areas of the Isle of Man Public Service negotiations are conducted only between employers and union/staff association representatives. The results of collective bargaining apply equally to non union members as they do to union members, and therefore a separate body in addition to the unions is overly bureaucratic in the current climate.

In this context, it is anticipated that in due course, there would be a single negotiating committee under the umbrella of a Public Services Commission, which would ensure a consistency of approach to annual pay negotiations and help to achieve, over time, harmonisation of terms and conditions of service.

In the short term, it may be necessary to retain separate sub-committees for the negotiation of terms and conditions for civil servants (and associated analogous groups) and manual and craft workers (and associated analogous groups) and any other employment groups which may be included. However, it would be the intention to operate a single Joint Negotiating Committee for Pay Negotiations at the earliest opportunity.

Revocation of current constitutional arrangements for these groups of staff would therefore be required and new arrangements implemented to ensure consistency across all of those employed by a Public Services Commission, which would be undertaken in conjunction with the respective staff associations/trade unions.

Question 2:

Do you support the development of a single Joint Negotiating Committee for employees of a Public Service Commission? If not, please indicate possible alternative arrangements.

Local Authority Employees

As local authority workers would not become employees of a Public Services Commission there is a question over what mechanism would be appropriate in the future to determine local authority manual and craft worker terms and conditions of employment.

Determination of terms and conditions of employment for local authority manual and craft workers could be by negotiation between the local authorities individually or collectively and with employee representatives. Alternatively, terms and conditions for central government manual and craft workers, determined by a Public Services Commission, could be adopted for local authority workers on a 'by analogy' basis.

Question 3:

Please indicate your preferred arrangements for determining the terms and conditions of service for manual and craft workers employed by Local Authorities who would not become employees of a Public Services Commission?

5. Terms and Conditions

The Review of the Scope of Government recommended consideration be given to determining a set of new and fair structures and conditions of service. It is therefore suggested that the new set of grading structures, pay and reward arrangements and other terms and conditions of service should be developed and determined by a Public Services Commission, in negotiation with the respective staff associations / trade unions and that all new appointments to the groups mentioned in this proposal, after an agreed date, would be made in accordance with these new arrangements.

The terms and conditions for existing staff within the scope of a Public Services Commission would be changed only through negotiation with existing staff and their representatives, through any new JNC structures and in compliance with employment law.

Question 4:

Which particular terms and conditions do you believe should be changed for new starters?

6. What a Public Services Commission Bill might look like

The feedback from this public consultation process is expected to influence the specific content of a Public Services Commission Bill, however, it is envisaged that such a Bill would be likely to include the following generic sections:

- i. The Public Services Commission (PSC)
- ii. Membership of the PSC
- iii. Functions of the PSC
- iv. Powers of the PSC
- v. Delegations
- vi. Meetings of the PSC
- vii. Administration
- viii. Annual Report

The status of the employer for civil servants and manual and craft workers employed by Departments and Boards, under Whitley Council terms and conditions, and other employees across central Government whose terms and conditions are analogous to the Civil Service or the Whitley Council will be established in law. This legal standing will provide clarity and promote a consistent approach to employee and industrial relations.

7. Conclusion

There are clear benefits to be gained from the establishment of a Public Services Commission as the employer not only of civil servants, but also other categories of employee including manual and craft workers employed by Departments and Boards, under Whitley Council terms and conditions, and some other employees across central Government, principally those whose terms and conditions are analogous to the Civil Service or the Whitley Council.

In summary these benefits include:

- the simplification of employment structures;
- the harmonisation of terms and conditions; and
- the ability to redeploy staff to relevant Departments, Boards and Offices in support of Government's priorities and changing circumstances.

The Civil Service Commission believes that this proposal whilst far reaching, is essential to changing the structure and culture within the central government Public Service in line with statements made by the Chief Minister. By seeking the views of interested parties, the Civil Service Commission expects to be better informed and therefore, more able to shape the proposed legislation which would underpin the establishment of a Public Services Commission.

To this end consultees are asked to consider the questions at **Appendix 1** and provide as full a response as possible.

8. Timetable

Activity:	Timeframe:
Publish a document for public consultation (including government employees and trade unions) in relation to proposals for the establishment of a Public Services Commission	22 April 2013
Close of public consultation	31 May 2013
Publication of public consultation responses	Within 3 months of close of consultation (end of August/early September 2013)
Drafting instructions being ready for consideration by the Council of Ministers	End of July 2013

Appendix 1: Response to Consultation Form

Submissions can be completed online at:
www.surveymonkey.com/s/Public_Services_Commission_Consultation or in writing using this form. Written submissions can be sent by post or email, marked 'Public Services Commission', to:

Mrs Amanda Haxby
Office of Human Resources
St Andrew's House
Finch Road
Douglas
Isle of Man
IM1 2PX
Tel. (01624) 685272 e-mail: amanda.haxby@gov.im

The deadline for both physical and electronic submissions is 5pm on 31 May 2013.

Your details:

Name: _____

Address: _____

Email: _____ Phone no: _____

Representing Self Representing Organisation

Name of organisation: _____

Do you want us to keep any of your submission confidential: Yes / No

If yes, please detail the elements you wish to be kept confidential: _____

Confidential Responses Only: If you want part of your response, your name or your organisation to be confidential, can we publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)? Yes / No

Declaration: I confirm that the correspondence supplied with this cover sheet is a formal consultation response. It can be published in full unless otherwise specified on this cover sheet, and I authorise the Civil Service Commission to make use of the information in this response.

I confirm that I have read the declaration.

Response to Consultation Questions

If you require additional space for your comments, please continue on a separate sheet.

Question 1: Having regard to the intended scope of employment groups to be included, which employment groups do you think should be included within, or excluded from, the remit of a Public Services Commission and if so, why?

Question 2: Do you support the development of a single Joint Negotiating Committee for employees of a Public Service Commission? If not, please indicate possible alternative arrangements.

Question 3: Please indicate your preferred arrangements for determining the terms and conditions of service for manual and craft workers employed by Local Authorities who would not become employees of a Public Services Commission?

Question 4: Which particular terms and conditions do you believe should be changed for new starters?

Please provide any other comments or observations you may have regarding this proposal to establish a Public Services Commission:

Thank you for taking the time to complete the consultation.

Appendix 2: List of Direct Consultees

- Members of Tynwald
- Chief Officers of Government Departments, Boards and Offices
- Local Authorities
- Municipal Association
- President, IOM Trades Union Council
- Regional Industrial Officer, Unite the Union
- Chair and Secretary Employers' Side, Whitley Council
- Chair and Secretary Employees' Side, Whitley Council
- Chair, Government Officers' Association
- Secretary, Government Officers' Association
- Secretary, UNISON Isle of Man National Branch

Appendix 3: Code of Practice on Consultation

Consultation Code of Practice

This consultation follows the Code of Practice on Consultation the criteria for which are set below.

The Six Consultation Criteria

1. Consult widely throughout the process, allowing a minimum of 6 weeks for a minimum of one written consultation at least once during the development of the legislation or policy.
2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
3. Ensure your consultation is clear, concise and widely accessible.
4. Give feedback regarding the responses received and how the consultation process influenced the policy.
5. Monitor your Department's effectiveness at consultation.
6. Ensure your consultation follows best practice, including carrying out an Impact Assessment if appropriate.

The full Code of Practice is available at www.gov.im/consultations.gov