



Voluntary Redundancy

Meeting date: 26 March 2024	Written date: 22 March 2024
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What you're updating Te Pūrengi on Following the March 19 Te Pūrengi meeting, further commissioning was requested to provide selection guidance for Voluntary Redundancy & and next steps and associated timeframes which this paper provides.	
Why Te Pūrengi should consider this Te Pūrengi are required to consider decisions regarding selection guidance & timeframes to enable this mahi to be delivered as part of the broader Transformation & Change work.	
Recommendations or Actions sought I recommend Te Pūrengi: <ul style="list-style-type: none">• approve guidance for voluntary redundancy decision making• agree to the timeline, including specific dates for initial VR EOI• agree that Te Pūrengi, or a delegated sub-group, will make the final decisions based on recommendations• agree that any expressions of interest post closing date are not accepted• provide feedback or direction on a proactive media release on the day of the VR EOI announcement.	



Ministry for the
Environment
Manatū Mō Te Taiao

Voluntary Redundancy

26 March Te Pūrengi paper

Context

In the months ahead the Ministry will undertake the biggest change in its history. A large reduction in the size of the Ministry, and the need to change *how* we work, makes this a genuine transformation.

Our objective is to become a more integrated and aligned (strategy-led), agile and sustainable organisation as we downsize, and ensure a mana enhancing experience for our kaimahi through this process. In practice, this means giving effect to our strategy and operating model and managing change well.

Several pieces of work are underway to inform and support the transformation:

1. **Operating model implementation** – identifying any functional refinements or adjustments we can implement through the change process, and advancing initiatives in five priority areas agreed by Te Pūrengi
2. **Work programme planning** – defining the work the new organisation will need to deliver, based on our new strategy
3. **Workforce design and change** – defining the capabilities and organisational structure required to give effect to our work programme and operating model, and the associated transition process – including Voluntary Redundancy

This paper provides an update on items (3). Items (1) and (2) are covered in a separate accompanying paper.

Summary of Prior Decisions

5 March

- VR would be offered:
 - o Prior to detailed design with the option of a second offer during the detailed workforce design and change

19 March

- VR is to be offered to all kaimahi across all tiers
- Agreed VR principles
- Noted the considerations across kaimahi groups

Decisions sought today

Guidance

- Te Pūrengi acceptance of guidance for acceptance

Timeline

- Agree to timeline
 - Including specific dates for initial VR EOI taking into account PSA engagement

Process

- Agree to timeline – including specific dates for initial VR EOI
 - GMs will help inform recommendations to Te Pūrengi
 - Te Pūrengi, or a delegated sub-group, will make the final decisions based on recommendations
 - Any expressions of interest submitted post closing date are not accepted & if the employee no longer wishes to work with the Ministry, is considered as a resignation (to be clearly signalled in communications).

Collateral

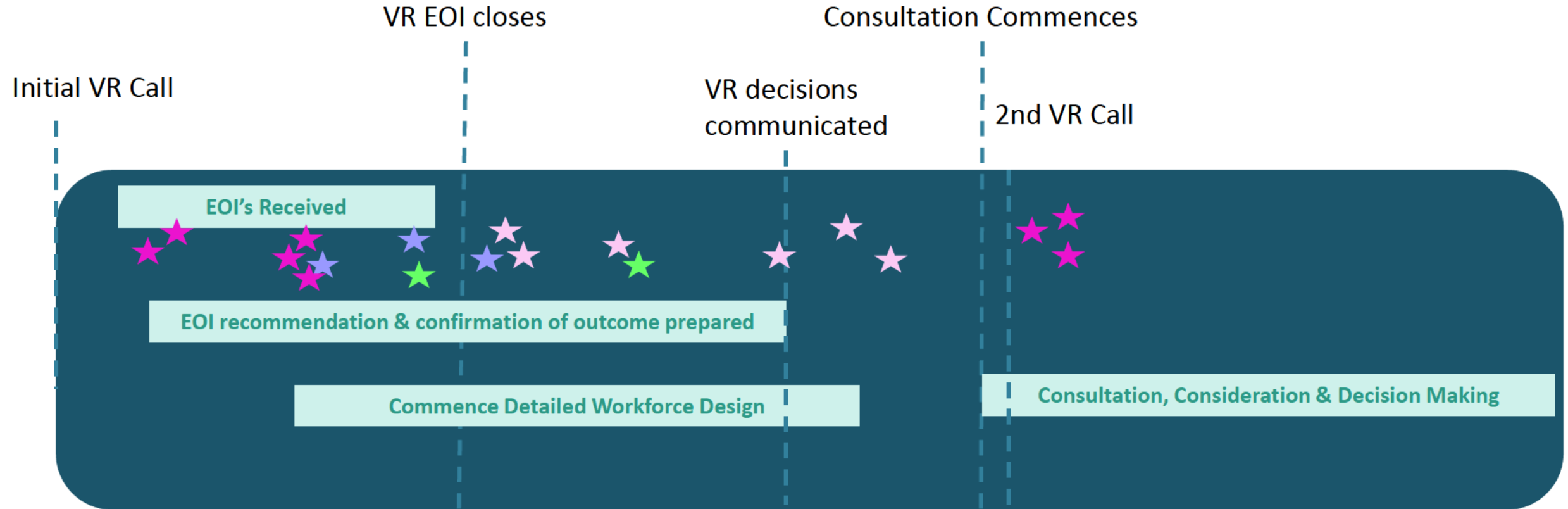
- Note that P&C and Communications & Engagement will provide:
 - Key messages, talking points – for all tiers, information packs and training sessions
- Consider proactive media release – released on day of announcement

Guidance for selection

s 9(2)(ba)(ii)

	Guidance	Notice Periods	Risks
s 9(2)(ba)(ii)			

High level scenarios



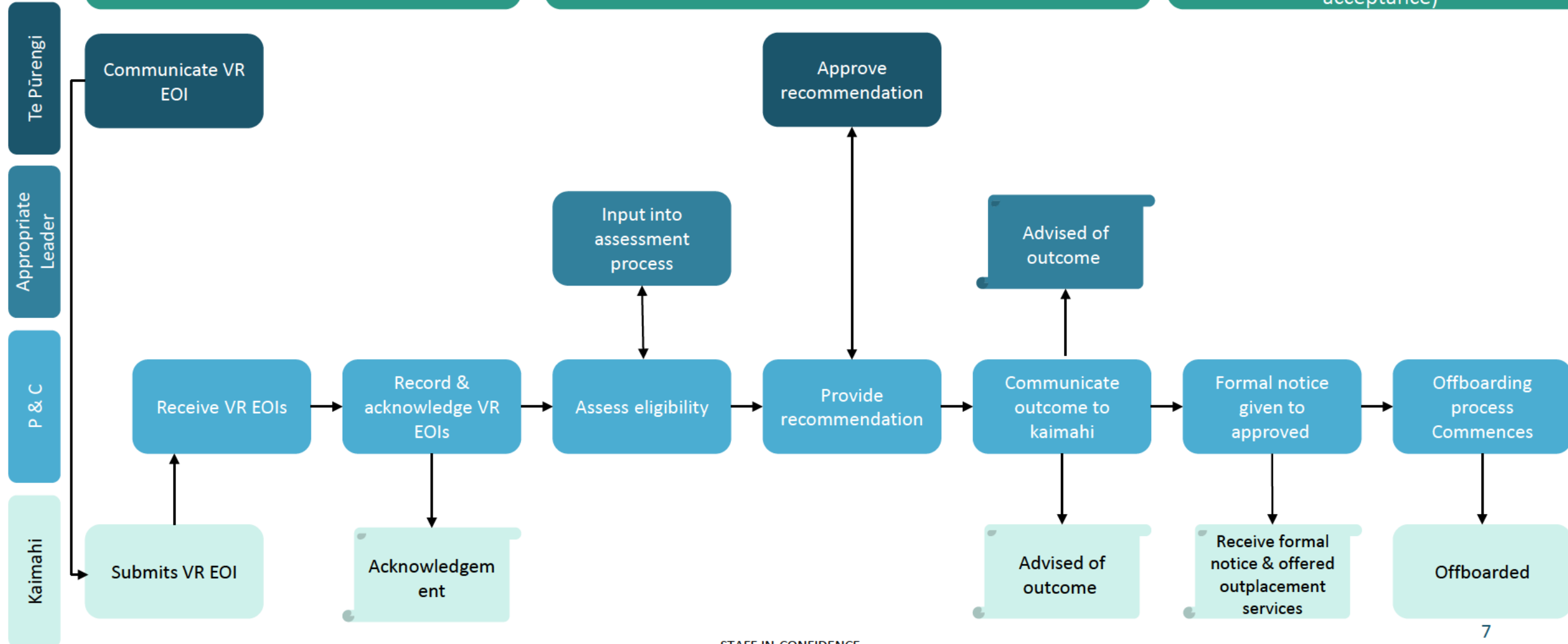
- ★ VR received, assessed and decision made to approve
- ★ VR received, assessed and decision made to approve with longer notice – (choice to resign with no redundancy)
- ★ VR received, assessed and decision made to decline – (choice to resign with no redundancy)
- ★ VR received, assessed and decision made to hold until after consultation is announced – (choice to resign with no redundancy)

Voluntary Redundancy – High Level Process

5 Working Days

10 Working Days (Dependent on volume of EOIs)

4 weeks (normal notice period)
Individualised notice (Conditional acceptance)



PSA Engagement

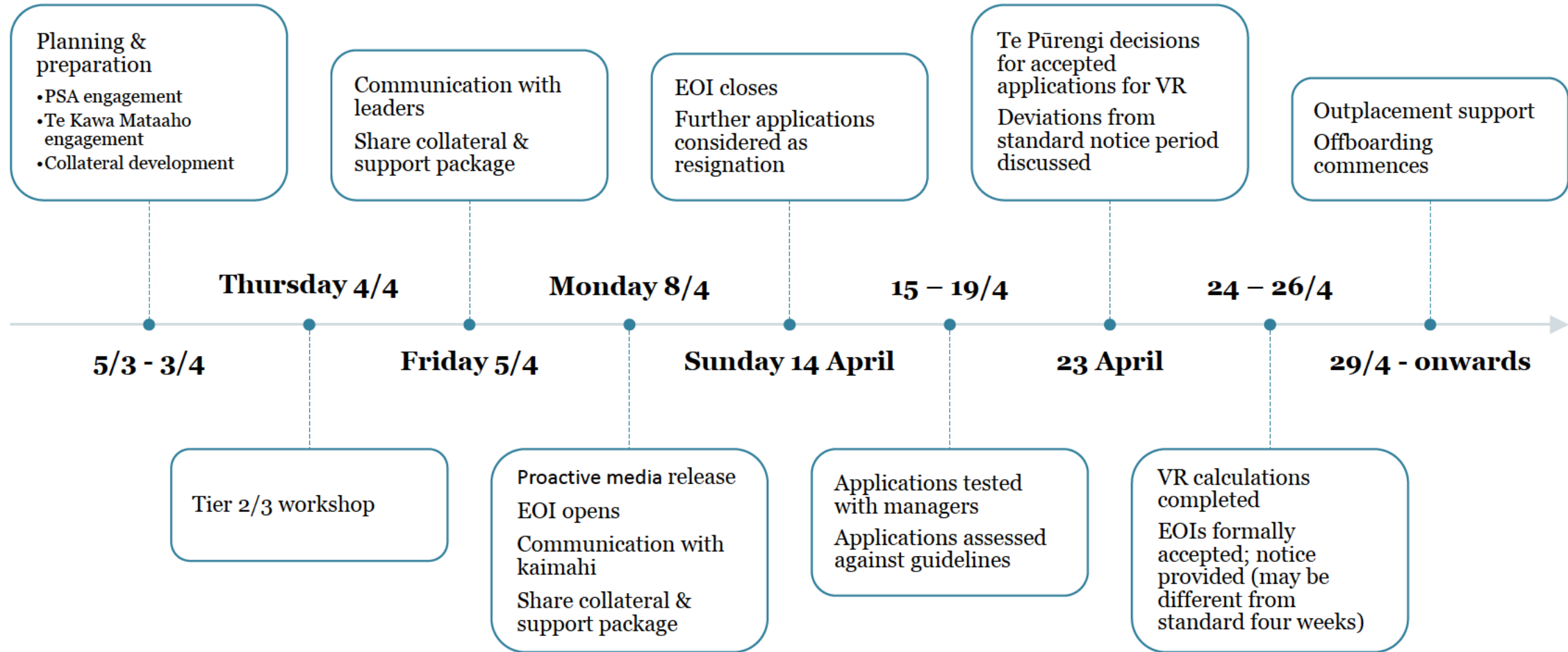
Positive and collaborative

- A recent stakeholder hui with the PSA provided good information regarding alignment between our approach & what the PSA are seeking.

PSA Member Survey Themes

- Transparency, good faith communications & engagement, alongside choice (specifically asked for us to share options and models being considered or used to inform detailed workforce design)
- Voluntary Redundancy
 - All kaimahi to be offered VR
 - VR offered before detailed workforce design and change
 - 56% of members (circa 107 kaimahi) surveyed indicated they would consider expressing an interest in VR, with a high proportion of members currently either actively or passively seeking alternative employment
- Support
 - For all through the process, whether kaimahi are leaving, staying
 - Professional development if redeployed into roles where there may be a stretch of capability or new function
 - Managers provided specific support – conscious of the additional ask of managers (T4) during this time
- Timeframes
 - Strike a balance between quick decision making & turn around with ability to consider proposals and what it means for them
 - A strong desire to understand the timeframes so kaimahi can make decisions now that they have been delaying

Proposed approach & timeline





Pātai | Questions?



Appendix: previous slides

- Introduction and Recap
- Principles
- Considerations
- Options
- Recommended Option Detail
- High-level process
- Eligibility criteria
- Recommendation Summary

Potential Approach to Voluntary Redundancy



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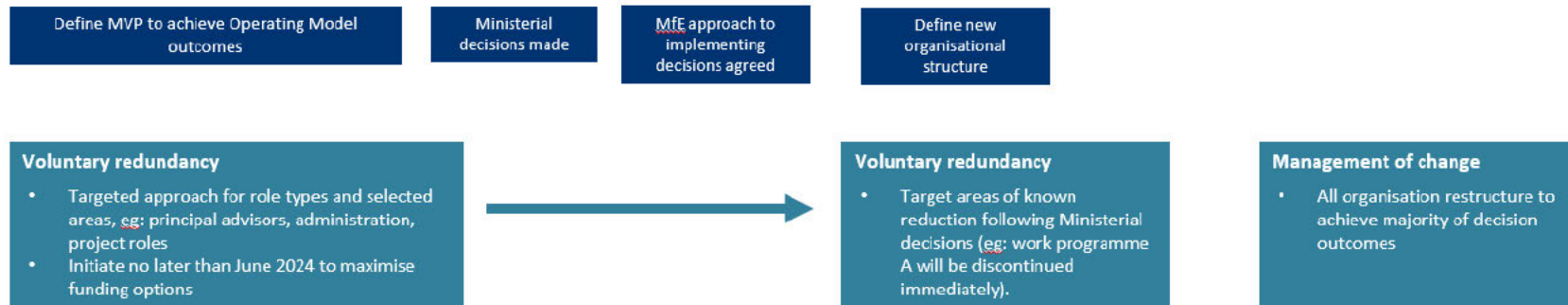


Voluntary Redundancy – Introduction & Recap

Introduction

Following Te Pūrengi decision, on 5 March, to offer Voluntary Redundancy (VR), further commissioning was sought to provide clarity on how VR should be offered to MfE kaimahi in line with the Blended Approach Option that was outlined below.

Option 3: Blended approach



This option enables us to address known areas of over-resourcing, while waiting for final Ministerial decisions.

Once the Ministry has agreed how it will implement final Ministerial decisions, we can initiate voluntary redundancy for areas we know we no longer have funding for, while simultaneously design the new structure to achieve Ministerial decisions and deliver Operating Model Review & transformation outcomes.

Once Ministerial decisions have been made, we can identify how quickly, and what a management of change process could look like. For example, if a work programme is to continue until Jun 2025 and then stop, we need to retain that resourcing beyond the management of change activity in the above flow chart.

Benefits:

- Enables quicker initial reduction in FTE in priority areas.
- Enables Ministry to fund part of the redundancy process from savings generated in FY23/24.
- Can control the number accepted.
- Gives an element of control to staff.

Risks:

- Success is dependent on taking an all-organisational view when determining which candidates to accept.
- A staff member may have a voluntary redundancy request turned down, only to be made redundant in the next round.

Voluntary Redundancy – Principles

VR Principles

When undertaking the VR process the principles, and resulting outcomes, the Ministry should seek to achieve, and which each decision is assessed against, are:

- Kaimahi feel that they;
 - Have been handled with compassion, clarity, and fairness,
 - Are able to leave gracefully, without resentment,
 - Have been recognised and appreciated for their contribution to the Ministry, and
 - Can access outplacement services
- The Ministry;
 - Continues to be a prudent manager of public funds,
 - Communicates clearly, transparently and in a manner that is accessible to all kaimahi,
 - Will only offer or consider VR where genuine redundancy reasons exists, and
 - Ensure proper process, taking into account employment agreements and employment law, is followed

Voluntary Redundancy - Considerations

Not a way to manage performance or misconduct

- If there are kaimahi who have a performance or other 'issue', this is not the process to deal with it. Performance issues should be managed through performance management (not be paying redundancy (voluntary or not). There is no need to stop (or not start) managing a performance issue or misconduct just because a change process is underway.
- Kaimahi who's performance is being managed should not be precluded from expressing an interest in VR

Voluntary redundancy coverage

- **Managers**
 - Although the Managers Individual Employment Agreements (IEA) do not contain clauses which allows them to express their interest in or be eligible for VR this does not preclude MfE from extending VR as an option to Managers given that all other roles in the Ministry, through their IEAs or the Collective Agreement, provide VR options.
- **Permanent kaimahi**
 - Permanent kaimahi in their substantive role are included as affected kaimahi in a workplace change.
 - Permanent kaimahi in a secondment role - inside or external to MfE, are included as affected kaimahi. They may be affected in both their permanent-substantive role and their seconded role. Each case will need to be assessed carefully, this work will be undertaken by People & Capability (P&C)
- **Fixed-term kaimahi**
 - Fixed-term kaimahi are not included as affected kaimahi in a workplace change. However, if the change will mean that their contract is ended before the agreed fixed term, then they are entitled to the notice stated in their fixed-term contract. This may be either paid or worked, as determined with their fixed term agreement.
- **Casual kaimahi**
 - Casual kaimahi are not included as affected kaimahi in a workplace change and are not entitled to redundancy. However, as casual kaimahi may evolve to permanent over time, P&C will check all casual kaimahi to make sure that they are true casuals. If they have become permanent, then they will be included as affected kaimahi.
- **Contractors**
 - Contractors are not included as affected people in a workplace change. If the change means that their contract will end before the contract termination date, then any decision on termination must be in agreement with their contract.

Voluntary Redundancy - Options

There are many ways to run a VR process whichever option is approved a valid reason for redundancy must exist.

VR Options

1. Expression of Interest – Prior to final detailed organisation design
 - a. Offered to all kaimahi
 - b. Offered to cohorts of kaimahi (effectively this is a phased and the recommended option)
2. Expression of Interest – Post detailed organisation design,
 - a. Offered to kaimahi where non voluntary redundancy may be offered through selection processes
 - This option can be offered in addition to the recommended option, 1.b, should uptake of VR be less than the number of roles that are proposed and subsequently confirmed to be disestablished

3. VR Discussion

Should VR be offered to all Tiers in the Ministry?

- Recommendation is that it is but only offered in line with the VR Option decided on and assessed against eligibility criteria

Voluntary Redundancy – Recommended Option 1b



1.b Expression of Interest – Prior to final detailed organisation design – offered to cohorts of kaimahi

As mentioned on the previous slide this option essentially allows us to phase the VR process.

Benefits

- Allows us to maintain capability in functions and teams that are essential to providing support during the change and transition periods
- Allows us to commence change process even with some ambiguity of funding exists
- Process for support teams, P&C, IT, Transformation, is less intensive

Risks

- Kaimahi not included in initial cohorts may become disengaged and may feel they have cause to raise a personal grievance for disadvantage

Cohort examples (note this is not an exhaustive list and input and discussion is encouraged)

- Policy and support teams not impacted by the current budget bid
 - EAs/PAs, Programme Managers, Programme CoOrdinators, Project Managers, Project CoOrdinators, Administration Teams, Spatial Planning, Comms & Engagement, Procurement, Engagement including Kaiwhakatere roles, All Principal role, Non-Resource Management roles

Voluntary Redundancy – Eligibility Criteria Considerations

When deciding on a framework to identify who would be suitable for voluntary redundancy any selection criteria should include factors like:

- How will it impact MfE as a whole if they leave?
- Will MfE have enough kaimahi remaining, with the skill and capability, in the team or in the department to achieve required programme of work, in the short, medium and long term and other cyclical work programmes if VR is accepted?
 - Consider the retention of key public service skills & capabilities as a priority. These should be explicitly communicated when calls for EOI are communicated
- What are the impacts of declining the kaimahi's desire for VR now that we know they are willing to exit MfE via this process?
- Kaimahi undergoing performance management are eligible – P&C to undertake additional steps to ensure no undue pressure has been put onto kaimahi to opt into the VR process
- The Ministry retains the final discretion in deciding whether an expression of interest for voluntary redundancy is accepted. There will be no opportunity for kaimahi to request a review process.
- All expressions of interest for voluntary redundancy will be assessed in their entirety before any decisions are made. This will allow the Ministry to assess whether decisions would meet all the agreed principles

Voluntary redundancy – Recommendation Summary



We recommend that you approve:

1. VR Principles
2. VR Option 1.b - Expression of Interest – Prior to detailed organisation design
 - Offered to cohorts of kaimahi Not approved. Preferred option is 1.
3. That VR is offered to all tiers of the organisation
4. Eligibility criteria
5. That where VR is approved, General Managers have the delegation to assess, approve or decline requests to not work out or shorten individual notice periods – provided any waiver or reduction in the notice period is not paid.

We ask that you note:

1. The high-level process to be followed for the approved VR option – timings to be confirmed
2. VR Considerations