



Ben Priestly, National Officer, UNISON
Ian Lawrence, General Secretary, NAPO
David Walton, National Secretary, GMB/SCOOP

22 April 2015

Dear Ben, Ian, David

PROPOSALS FOR STAFF REDUNDANCIES IN SODEXO OWNED CRCS

Thank you for your letter dated 2nd April 2015. I apologise for the delay in responding to you, but I'm conscious that you have discussed with Colin Allars at the National Negotiating Council and that you have had positive engagement with Sodexo during this period. I am also aware that you wrote to Ursula Brennan on 17th April in relation to these matters and this reply addresses the concerns you raise on behalf of the Ministry of Justice. In relation to the specific points you raise in your letter, I am able to respond as follows:-

- 1) *Confirmation as to whether the Sodexo staffing profiles outlined within your letter have been agreed by the Secretary of State for Justice.***

All proposals were scrutinised during the commercial process prior to any official announcements or contracts being awarded. A thorough evaluation process was undertaken to assess the operational viability of the bids in the wider context of public protection and reducing re-offending and plans to realise efficiencies across the business. The Secretary of State was not personally involved in the operational evaluation, but satisfied himself that the process was undertaken thoroughly and was robust. Following the evaluation, contracts were awarded on the basis of the bids submitted and as with all commercial contracts, there is a robust contract management process in place to monitor compliance with contractual obligations. There is no legal requirement for Sodexo to seek the Secretary of State's approval to move forward with implementing their bid proposals to deliver their contractual requirements.

- 2) *Trades Unions request to halt Sodexo's plans to make staffing cuts until the matter raised in point one of this letter is resolved.***

We are in dialogue with Sodexo regarding their plans for the business to ensure they remain compliant with their contractual obligations. This includes specifically, but not wholly, compliance with the relevant terms within both the National Agreement for Staff Transfer and Protections ("The National Agreement") and the Commercial

Contracts that relate to Enhanced Voluntary Redundancy and Compulsory Redundancy. We are due to have further conversations with Sodexo on this matter in the coming weeks. I am also aware that you continue to engage with Sodexo regarding their proposals, and I understand that they have currently put proposals on hold pending the outcome of current dialogue.

As a shareholder in the CRCs, the Secretary of State for Justice is aware of the restrictions placed on providers to oblige with certain terms. If any proposed course of action (which would require shareholder consent) was to be proposed by any CRC, the Secretary of State for Justice would exercise his rights in accordance with applicable general law.

3) Confirmation of Unison's understanding of the entitlement of Unison members to the National Negotiating Council (NNC) Enhanced Voluntary Redundancy (EVR) Scheme.

As confirmed by representatives of the Rehabilitation Programme to you and Neil Richardson, as representatives of UNISON, at the Transforming Rehabilitation Consultative Forum on 22 January 2015, the enhanced voluntary redundancy terms set out in the National Agreement remain unchanged and are duly repeated in the Amended and Restated Services Agreement (ARSA); specifically referred to at clause 30.3(e) which you have noted within your letter and a copy of the National Agreement is repeated in Part 2 of Schedule 25.

Paragraph 11 of the National Agreement sets out the Enhanced Voluntary Redundancy Scheme to apply to voluntary redundancies arising as a direct consequence of the Rehabilitation Programme, during the period up to and including 31 March 2016, with decisions including agreement on applications to have been made and agreed by 31 March 2015.

Paragraph 16 of the National Agreement then goes on to state that, in addition, the Enhanced Voluntary Redundancy Terms as applicable through the scheme outlined in Para 11, should apply to any member of staff in a CRC who was employed by a Probation Trust on 31st May 2014. This is an indefinite obligation (subject to the right to amend the Enhanced Voluntary Redundancy terms in accordance with applicable employment law). As such, clause 30.3(e) of the ARSA provides that the contractor (i.e. Sodexo) will give effect to these Enhanced Voluntary Redundancy Terms on the same basis.

We therefore confirm that your understanding (that the EVR Terms set out in the National Agreement should apply to any voluntary redundancies offered by Sodexo CRCs to employees employed by a Probation Trust as at 31 May 2014 for the lifetime of the Sodexo contracts) accords with the MoJ's intention and understanding of the relevant terms of the National Agreement and the ARSA, subject to any amendments to such terms being negotiated with the relevant employee representatives and in accordance with applicable employment law.

I hope you find this information helpful, I remain committed to working with Trade Unions to embed these reforms.

Yours sincerely,

Michael Spurr

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