



HOUSE OF COMMONS

LONDON SW1A 0AA

8th January 2021

Dear Confront,

RE: PUBLIC SECTOR EXIT PAYMENTS

Thank you for your recent correspondence in respect of public sector exit payments; your comments upon which I have read with great interest.

I understand your concerns regarding exit payments in the public sector and I know the Government has been working to ensure these payments are fair to employees, while providing taxpayers with value for money.

Following a thorough consultation on implementing changes to exit payments, I welcome that the *Restriction of Public Sector Exit Payments Regulations* will now carry out the legal duty set out in the *Small Business Enterprise & Employment Act 2015* to cap exit payments at £95,000 across public sector organisations.

The point has been made that exit payments can often be important to an employee's ability to adapt to new circumstances and provide vital financial support to individuals as they search for a new job. Public servants should be given financial security, but this should only be in a manner that is fair and justifiable. It is also important to note that, where necessary, these regulations can be relaxed to address specific circumstances.

That said, six-figure exit payments are far in excess of those available to most workers in the public sector or wider economy, and I do not believe such payments are proportionate or fair to taxpayers who pay £0.2 billion per year for exit payments exceeding £100,000. That is why I welcome the capping of exit payments in the public sector at £95,000. Even then, I do not expect payments at this level to be the norm.

I have also been concerned with reports that public sector employees are receiving exit payments simply for moving between jobs. I hope it therefore comes as a reassurance that within the manifesto on which I was proud to stand, it was stated that redundancy payments would be clawed back when highly paid public servants move between jobs. This will ensure that public sector workers are not paid simply for changing jobs, while still in the employment of the state.

I am informed that exit payments beneath the £95,000 cap will continue to be available, so that public sector employees can support their families and find new employment. I understand that this policy has been carefully designed to protect long-serving, lower-earning staff.

Once again, thank you for having taken the time to contact me and if I can ever be of any further assistance to you, then please do not hesitate to contact me again.

With best wishes,
Tom

TOM PURSGLOVE MP
MEMBER OF PARLIAMENT
CORBY & EAST NORTHAMPTONSHIRE