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Title: 2019 VES – Workforce Review

Purpose

In September 2019 the Finance Committee made the following recommendation: **The Committee recommends that an annual financial report on the long term benefits, including ongoing savings, of the Voluntary Exit Scheme is provided to the Committee identifying how the scheme has met the stated aims, specifically “Delivering long-term savings where possible and/or avoiding additional costs in meeting skill shortages”.**

This paper, produced for Finance Committee, presents the findings of a review as to whether the VES delivered on all its 4 stated aims.

Summary

In January 2018, the Commission agreed the outcomes of a Capacity review. Executive Board similarly agreed a capability review designed to complement its recommendations. The five-year People Strategy arising from the capacity and capability review was agreed in September 2018 and is designed to maximise capability through opportunities for structure review, skills development, and new ways of working. A Commission Voluntary Exit Scheme was launched in December 2018 designed to support this Strategy by delivering the following aims:

- **Allowing the organisation to respond to shifts in our skill requirements.**
- **Improving workforce efficiency.**
- **Facilitating organisational change; and**
- **Delivering long-term savings where possible and/or avoiding additional costs in meeting skill shortages.**

A total of 24 staff left the organisation between May and September 2019. Twelve months on, a review of the benefits arising demonstrates that the has maximised this opportunity corporately.



Background

At their meeting on 5 November 2018, the Assembly Commission agreed that a Voluntary Exit Scheme would be offered to all Assembly Commission staff. The Scheme was run based on an open application process, as was the case for previous schemes in 2010, 2012 and 2015. The Scheme was open to all permanent Commission employees at all grades.

43 applications were received and considered against the criteria designed to maximise the opportunity for efficiency and effectiveness gains. 24 applicants were granted VES on this basis.

An audit of the process was undertaken in September 2019 and concluded that the Scheme had appropriate and proportionate governance arrangements and was managed in a reasonable way. This review supports the audit by reviewing how effectively the VES met its aims.

Corporate Benefits

Financial - Whilst the scheme was not designed as a cost savings exercise, (the relevant aim was to deliver long-term savings where possible and/or avoid additional costs in meeting skill shortages), additional savings have been realised in a number of ways:

- Posts have been released either permanently for repurposing elsewhere in the Commission as corporate needs arise, or temporarily as services have deliberately built in a lag to assess the impact of VES before redesigning roles and structures.
- Where posts have been replaced through a restructure exercise, services have used the opportunity to redesign posts which has in such cases avoided the financial burden of additional new posts, or posts have been regraded to create a more appropriate team structure, with the additional benefit of a financial saving.
- Finally, additional savings have been created by the Commission appointment processes, replacing leavers at the top of their scale, with new starters on one of the first two points of the scale.

			Posts
Posts released			2
Posts replaced at lower grade			5
Opportunity to restructure			7
Replace like for like with new skills			8
on hold			1
Posts replaced at higher grade			1
			24

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- Overall, 24 people left through the programme and 23 have been replaced to date. A saving on a direct comparison has been made of £72,000.

Turnover - The benefits of a VES over and above the usual staff turnover is the ability for greater control and the coordination of numbers for greater impact. However, this inevitably also creates a period of flux and ideally should settle as quickly as possible. Organisationally this has been the case – turnover reached its peak at 15% in November 2019 and is now reduced to 6.5% (September 2020). This provides a healthy turnover which is desirable for new skills and opportunities for further redesign without the risk of instability which can be a feature of higher turnover.

Absence - Given the current circumstances, the impact of the VES on absence is more difficult to assess. Absence has reduced from 2.2% in August 2019 (4.05% annual rolling average) to just 1.1% Aug 2020 (annual rolling average 3.03%). We know that for the most part this drop is in line with other sectors and is as a result of the pandemic; it is the case that a number of leavers under the VES scheme had experienced some substantial periods of absence which required longer-term support. This is no longer necessary.

Inclusion - This year we have seen very positive traction towards our aim of neutralising all pay gaps - across most groups the pay gap has reduced, and no group has seen an increase to the pay gap and the VES scheme has contributed to this through the exit of some longer serving staff members and senior management.

Directorate benefits

Whilst the scheme was designed to bring about corporate-wide benefits, those benefits are evident at the service level in the first instance and are dependent on effective service-level and workforce planning. The review has highlighted that the benefits sought are in evidence across all the services which released staff through the VES scheme – **every** vacancy arising from the scheme has been repurposed, redesigned, or enhanced. Whilst financial savings were not a main driver, the review has identified that the activities across services have delivered savings and avoided additional costs in meeting skill shortages.

Service areas that released a greater number of staff have been able to glean greater benefits through service or team restructures, whilst those with individual posts have realised opportunities to repurpose posts or change skills requirements. Detailed changes by Directorate are set out in Appendix 1.

The VES scheme also resulted in unexpected benefits, such as in the case of a small number of staff who did not meet the VES criteria but nevertheless concluded that retirement was the right course of action personally. This enabled several services to take the opportunity for further restructures and skills alignment.

Whilst we were never able to foresee a global pandemic, longer-term, the new and different skills and structures arising from the VES scheme have supported our ability to respond with greater agility.

Lessons Learned

The VES scheme has delivered on its aims, and its timing has enabled several changes across all services and has supported our continuing commitment to deliver effective services, with agility. This agility has been evidenced in our corporate response to the current pandemic. Culturally this should support further changes as we explore new ways of working and prepare for the Sixth Senedd.

Appendix 1 - Divisional VES changes

Senior Structure

Two Director posts were released through the VES scheme and are reported within the Annual Report and Accounts.

The Director of CAMS was deleted and re-created as the Director of Communications and Engagement. This coincided with a review of our engagement and communication strategies as part of our ongoing process of continuing improvement and provided the opportunity to look again at how we engage with the people of Wales. The creation of the role has redistributed some previous areas of responsibility to other commensurate posts and has enabled a further restructure of the Communications and Public Engagement services which will be finalised in 2020.

The Chief Legal Advisor post is still under review pending the needs of the 6th Senedd. In the meantime, a part-time interim arrangement is in place.

Business Directorate

Committee Services - Releasing three staff under the VES has allowed Committee Services to bring in new Plenary and Committee Clerks with skills and experience more relevant to the changing nature of our work. This is particularly relevant to working in an increasingly digital environment with an understanding of social media becoming an important part of many roles supporting committees. For all roles released, the key tasks were reviewed and adapted the job descriptions adapted to better respond to the changing demands of a committee as well as the central admin support for committees. The VES scheme has also identified team members who planned to retire, and this has enabled the service to plan more widely, redeploy some staff to other services with different needs and enact a succession plan to good effect.

Research Services - The Research Service released one post, and this provided the opportunity to reassess the role, the grade and the skills and subject expertise needed within that Committee-facing Team. This resulted in a restructure of the team and created efficiencies by re-grading the post from SEO to HEO. This has enabled the service to bring in new skills and helped to create a more balanced team with the skills and experience needed to face the challenges of post-Brexit scrutiny arrangements, and to be able to respond to changes in the constitution.

Legal Services - Whilst there were no successful VES applicants within the legal service (other than the Chief Legal Advisor), the scheme did identify personal opportunities for retirement. This has allowed the service to implement their desired structure and provided the planning time needed to redistribute responsibilities and support skills development. This post has not been replaced.

Resources Directorate

Financial Services - The implementation of the new NAV Finance System created efficiencies, by making many tasks automated. These changes, along with changes to the finance structure over time, opened new possibilities. It was identified that the skills mix within finance could be improved and resilience at qualified accountant level was adequate but had come at the expense of development opportunities for less senior staff. There was a jump from TS (AAT students) to qualified SEO level staff, with limited opportunity for development and succession planning or progression within the structure. The new structure following the VES, freed a senior post, which was repurposed to a more junior developmental post with a study support (ACCA). This has better distributed skills and knowledge and has resulted in greater resilience for the service. This was recruited to internally, from within the service area, which created a subsequent vacancy at entry-grade level. This entry-grade post is currently vacant and on-hold. The service is a good example of the numerous benefits achieved through a single planned exit - it has created a structure with development opportunities and made considerable savings (pay back was achieved within a few months) which are on-going within the service area. There will also be on-going savings as the EO post replaces the SEO post in future years, in addition to the existing vacancy at TS. Another outcome, which was also not anticipated was the breakdown of silos within the team.

Human Resources and Inclusion – Three roles were released through VES which enabled a restructure of the entire service. This has enabled one post to be deleted in favour of a new role with different skills sets designed to support future ways of working, and the release of an entry-grade post has been maximised by combining two teams to enable an enhanced service provision, greater consistency and efficiency. A further role was deliberately frozen for 12 months to understand the future needs of the Commission Project and Change Office (PMO). This has resulted in a financial saving. The role has subsequently been redesigned and in line with the Commission priority postings policy has been filled with an existing Commission secondee returning from long-term secondment. This has avoided the risk of an additional financial burden. Several other vacancies which have arisen during the restructure period has enabled the service to recruit different skills which has supported the restructure further.

EFM – one post was released within the service. This was not replaced.

Security Services - Releasing staff under the VES has enabled the service to bring in new people with skills and experience more relevant to the ever-changing nature of our work. Three posts released have reassessed skills requirements to respond to working in an increasingly digital and technical environment, supporting a new and

high-tech CCTV system, and new methods of working introduced to facilitate more efficient working practices including the introduction of body armour.

Governance and Assurance – One role was released in this area and whilst the team is small, this has enabled a restructure of the whole service, meeting all the criteria of the VES scheme as set out.

Communications and Engagement (formerly Commission and Member Support)

Translation and Reporting Services (TRS) - The departure of two TRS staff members has enabled the service to improve workforce efficiency by extending Welsh language skills requirements. This has reduced the Service reliance on adapted arrangements and unsuitable software as demands for Translation Services grows. As a result, the Service has reviewed future needs and recruited skills appropriate for those needs. This has facilitated and improved working practices, and provided much needed resilience. This has also resulted in a short term Financial saving in salary costs.

Commission and Member Support – Two posts were released through VES, and this coincided with a further vacancy. This enabled the service to restructure, combining roles across two teams into one post for greater efficiency and improved service delivery across the Executive Office and Private Office; and to redefine the roles with a more appropriate skill set for what is needed now and in the future. This change has enabled the service to be more responsive to the Llywydd's preferences and business needs, without additional costs/posts to meet skill shortages.

Communication and PAVVS – Three posts have been released in this area. All have been restructured, either to create greater capacity by supporting different ways of working in the North Wales offices or have been reviewed and are included within the pending communications services restructure.

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