

Suzy Davies AM  
Commissioner for Budget and Governance

24 May 2019

Dear Suzy,

### **Voluntary Redundancy Scheme Update and Relaxation of the Establishment Cap**

Thank you for your letter of 3 May 2019, in relation to the Assembly Commission's voluntary redundancy scheme and the relaxation of the establishment cap. Having considered the information in your letter, there are a number of areas that I would be grateful to receive further clarification on.

In November 2018, the Chief Executive of the Assembly wrote to the Finance Committee to notify us that the Assembly Commission had agreed at its meeting on 5 November 2018 to offer a Voluntary Exit Scheme (VES) to all staff. The letter confirmed the scheme would be run in accordance with Cabinet Office rules and a budget of 'up to £800k' had been set.

In your letter of 3 May 2019, you confirmed the budget of £800k had been 'subsequently increased at Executive Board to £950k and then increased further to £1.016m'. It is not clear how the budget increase was approved by the Executive Board and whether this was subsequently considered/approved by the Assembly Commission.

In addition, you clarified that a total of 24 staff would be exiting the Assembly by September 2019 and the final cost of the VES was 'within the Cabinet Office Scheme approved budget of £1.5m'.

In considering this matter, I have noted the Cabinet Office guidance that all 'bulk exit schemes' for 20 employees or more require 'explicit Cabinet Office Ministerial approval'. In addition, any single exits included in the bulk exit scheme that cost £95,000 or more need to be referred back to Cabinet Office for further approval and a further form must be completed for each of these individual high value exits.



The Chief Executive's letter, from November 2018 set out that the VES would 'help to ensure that the Commission can continue to provide the necessary skills, expertise and capacity to support the Assembly through the particular challenges brought by Brexit and Constitutional Change, whilst continuing to work, for as long as possible, within the overall establishment cap of 491 posts'. It said the VES would aim to 'where possible, deliver long-term savings and avoid an establishment increase in meeting resource needs'.

However, in your recent letter you concluded that whilst the VES has been 'successful in meeting its aims', it will not deliver a sufficient number of posts to meet additional demands brought mainly by Brexit and that on 4 March 2019 the Assembly Commission agreed an increase to the establishment cap by six posts from 491 to 497.

The Finance Committee fully recognises the continued financial pressure facing public sector organisations and the need for them to make significant cost savings. A means of achieving this is through a VES, with the expectation of realising longer-term savings. However, we would expect such schemes to provide clear information on the expected savings from the related expenditure and provide an indication of the payback period over which the organisation is expecting to realise these savings.

Therefore, I would be grateful if you could provide the following information:

- further details on the proposal considered by the Executive Board and/or Assembly Commission when reaching its decision to undertake the exit scheme;
- the criteria that was used to select people for exiting the organisation;
- how the VES was informed by the Assembly Commission's capacity review and what consideration was given to workforce planning to ensure that departments were not unduly affected by staff reductions;
- confirmation of the Cabinet Office's approval of the £1.5m budget;
- information on the approval process by the Executive Board to increase the budget from £800k to £950k and subsequently to £1.016m and whether these budget increases were also considered/approved by the Assembly Commission;
- the number of individuals that received or are due to receive payments over £95,000 and the amount/s that were paid or are due to be paid;
- what consideration was given to the value for money, payback period, overall cost, retention of key skills, and the ability or the attempts made to redeploy the individuals that received exit payments of £95,000 or more;
- if any senior managers who accepted VES were involved in designing the scheme and any conflict of interests that may have arisen, including steps to mitigate them;



- based on the increase of the establishment cap of six additional posts, along with 24 people leaving under VES, how many posts you expect to be saved by the VES;
- what measures the Assembly Commission has in place to monitor the level of actual savings delivered by the scheme and when it may be able to provide an update to the Committee.

I look forward to hearing from you in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Llyr', is centered within a light yellow rectangular box.

Llyr Gruffydd AM  
Chair of the Finance Committee

