

Llyr Gruffydd AM
Chair of Finance Committee
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
CF99 1NA

19 June 2019

Dear Llyr

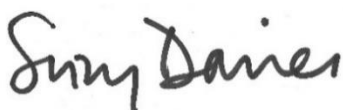
Voluntary Redundancy Scheme

Thank you for your letter of **24 May 2019**, seeking further clarification in relation to the Assembly Commission's voluntary redundancy scheme.

Your letter requests that we provide information on the overall governance and monitoring of the voluntary exit scheme. This information is provided in Annex 1.

If you would like any further information on the voluntary exit scheme, please do not hesitate to let me know.

Yours sincerely



Suzy Davies

cc Assembly Commissioners, Manon Antoniazzi, Nia Morgan



Annex 1

1. Further details on the proposal considered by the Executive Board and/or Assembly Commission when reaching its decision to undertake the exit scheme;

The Commission formally reached its decision to proceed with a VES on 5 November 2018. The Commission had indicated that this was an option being considered in its 2019-20 budget, laid in draft on 30 September.

The Commission agreed with the course of action recommended to it by the Executive Board. The paper presented to the Commission on 5 November noted the following:

Over the last 12 months we have successfully met an increasing demand for resources from within the existing establishment of 491 posts. This has been achieved through absorbing some of the load within existing resources, better prioritisation and by challenging the need to replace vacant posts on a like-for-like basis. As a result, we have been able to reallocate 10 vacancies, arising from natural turn-over, to higher priority roles, primarily arising from Brexit and Constitutional Change. However, this approach alone cannot be relied upon indefinitely and, whilst the establishment cap remains in place the Commission will need additional solutions to meeting new demands for resource and skills.

The aims of the VES were defined as:

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

Commissioners agreed to proceed with a VES and asked the Chief Executive & Clerk and Accounting Officer to write to both PAC and the Finance Committee to inform them of this decision.



2. The criteria that were used to select people for exiting the organisation;

The aims of the VES are listed above. Details of the criteria used for assessing applications can be found in Annex 2. The criteria were included as part of the VES guidance issued to staff and line managers.

3. 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;

The Capacity Review looked in detail at the Commission's existing structure and distribution of resources to identify opportunities for improving the effective use of skills and experience and also where there may be benefits to be gained in realigning elements of the organisation.

For example, the Capacity Review identified a need for a review of communication and engagement activities. One of the conclusions of that review identified the need for new specific skills and experiences in this area and the VES has allowed us to respond to this.

The aims and selection criteria on which the VES was based, clearly reflect these outcomes from the capacity review and the VES has provided an opportunity for the Assembly Commission to begin to address restructuring of services and evaluate the skill sets needed for the future. Workforce Planning was at the forefront of line management considerations, and as part of the criteria line managers were asked:

If the individual leaves, what level of direct or indirect improvement in workforce efficiency could be generated as a result

They were also asked:

Would the individual's departure create a business continuity risk?

Therefore, as well as considering the suitability of particular applicants when assessing applications; consideration was also given to the needs of the organisation and the potential effects of departures on service areas.

After line manager consideration, the forms were approved by the appropriate Director with their comments. The scores were then moderated by the Director of



Finance and Head of ICT. They saw and moderated all applications and were able to calibrate the scoring and ensure that applications were being scored in a consistent manner.

The potential impact of departures and the effect of interdependencies between services was also considered by the VES Panel who were able to make decisions about each application and consider the potential impact on the Assembly Commission. This aspect of the process involved significant discussion and deliberation to ensure that all relevant factors were evaluated.

4. Confirmation of the Cabinet Office's approval of the £1.5m budget;

Decisions to run a Voluntary Exit Scheme are devolved, and therefore a matter for the Assembly Commission. Whilst Cabinet Office approval is not required for the scheme nor the budget, on each occasion that a VES scheme is considered, the Commission notifies the Cabinet Office of its intention as it is their responsibility to ensure the VES is run within the scheme rules and to notify the Civil Service Pension Scheme administrators, MyCSP. The Cabinet Office issued the unique scheme identifier: VENAW7Y to us on 23 August 2018.

5. 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 Commission has delegated responsibility for all resource decisions to the Chief Executive and Clerk, subject to a delegation limit of £5m on individual items. However the Chief Executive and Clerk has included the Commission in the decision making process to proceed with the VES and has kept the Commission updated throughout the process. Increases to the budget were discussed and agreed at Executive Board and communicated to the Commission on 5 November 2018 and 1 April 2019 as the need became apparent.

Information on the VES was included in the 2019-20 laid budget document, which was scrutinised by the Finance Committee and approved by the Assembly. The budget document noted the following:



Extract from 2019-20 laid budget document:

No organisation stands still in terms of its need for specific skills and experience, equally changing Assembly needs mean that the skills of some staff are no longer able to be used to meet new priorities. To help manage this change in resource needs, we have previously offered a Voluntary Exit Scheme (VES) to staff. The benefit of running a VES is that it enables the Commission to utilise the capacity released to deliver the highest priority needs and to adapt the skills mix so that it is aligned to current and identified future challenges. Any VES would be subject to robust criteria for targeting and selection and also to manage costs. Given that we know we will face additional demands for resource to address the legislation arising from Brexit and Assembly Reform, within the establishment cap, we are seriously considering offering a VES in the final quarter of the 2018-19 financial year. The VES could be funded through operational business savings from the 2018-19 and 2019-20 staff budgets.

6. 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;

Two individuals will receive payments over £95,000. Information on these payments will be disclosed in the Assembly Commission's 2018-19 Annual Report and Accounts, to be published in July 2019.

The first payment, to the Chief Legal Adviser, is disclosed as £115k to 120k and will be paid on 28 June 2019 and the second payment, to the Director of Engagement, is disclosed as £125k to 130k, and will be paid on the 30 September 2019.

7. That 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;

Each application was considered, mindful of these factors, by the moderating panel and the assessment panel. Prior to approval, a form was submitted to Cabinet Office, due to the payments being over £95,000. Cabinet Office agreement was



obtained in both cases, based on the detailed information supporting each of these cases, provided in the submitted forms.

Payments over £95,000 require active consideration of opportunities to reduce payments and to demonstrate value for money, including negotiation with individuals. This was undertaken and we achieved a significant reduction compared to the official entitlement.

8. 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;

No members of staff, including senior managers, who applied for VES, were involved at any stage of the VES process, and absented themselves from any formal discussions at relevant decision-taking meetings.

9. 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;

The aims of the VES were primarily to increase efficiency rather than to deliver any savings on posts.

The Commission does not expect that the VES will result in a reduction in the established post count. The Commission believes that the current establishment, along with the additional flexibility provided by the VES, will enable the Commission to achieve its current known aims.

Each vacancy will be evaluated carefully and duties may be split, augmented or the post reallocated to a higher priority. This will be finalised over the summer.

10. What measures the Assembly Commission has in place to monitor the level of actual savings delivered by the scheme

As noted in the response to Q.1, the VES did not primarily set out to achieve savings in posts. It did however set out to deliver long-term savings where possible by avoiding the need to increase further the number of posts within the Commission in



the short-term. Staffing it the largest cost within the Commission's budget and is closely monitored in monetary terms and in terms of post numbers.

The Commission has existing measures in place to ensure that resources are used efficiently and effectively, these include:

- Annual workforce and service planning
- Internal audit reviews of services and functions
- Scrutiny by Audit Committee and Remuneration Engagement and Workforce Committee
- Performance indicators and annual stretch targets
- Annual scrutiny by Finance and Public Accounts Committees.



Annex 2

CRITERIA ON WHICH APPLICATIONS FOR THE VOLUNTARY EXIT SCHEME WILL BE ASSESSED

Decisions on applications for VE will be decided on the basis of the criteria below. Each application will be assessed against the criteria by the relevant Director/Head of Service in full consultation with the relevant line management chain. The scores for each criterion will be added together to reach an overall score and the Director/Head of Service will be responsible for submitting this assessment together with a supporting narrative to an assessment panel.

No member of staff applying for voluntary severance will play any part in the assessment process in order to ensure objectivity and to prevent any perception of a conflict of interest.

In reaching decisions on applications, those with lower scores are less likely to be successful than those with a higher overall score.

STAGE 1: Director/Head of Service Assessment

In reaching a view on scoring of applicants under Stage 1 of the process, line managers will work with the Director/Head of Service.

The criteria are as follows:

1. Do the person's skills and contribution match our needs for the Sixth Assembly/new Parliament?

Not a good match=3

Reasonable match=2

Excellent match=1

Account should be taken of the known and anticipated needs of the Service / Directorate and skills required to support delivery of the Commission's strategic aims.



2. Could the person potentially fill any vacancies that are likely to arise?

No=3

Unlikely but not impossible=2

Yes, high probability=1

Account should be taken of the potential vacancies known and likely to arise and the extent to which these offer a suitable and mutually acceptable alternative role.

3. Has there been a significant recent investment in the applicant's development that would be wasted?

No=3

Moderate investment of time or money=2

Yes, significant investment of benefit to Assembly=1

This area is concerned with the costs that the Commission has incurred in training and developing an individual during the last three years and whether the same investment would have to be made in a replacement. This includes the cost of professional qualifications required to carry out a particular role and general learning and development activities that apply to an individual post.

If the skills continue to be required when an application for early departure is successful, the assessment will need to consider whether the organisation would have to invest the same amount again in training a replacement, or whether a replacement can be identified who would incur no cost. The HR Operations Team would be able to advise on this issue. If a replacement would need to be trained, the cost of training should be reflected in the financial data provided to the Panel.

4. If the individual leaves, what level of direct or indirect improvement in workforce efficiency could be generated as a result?

Significant=3

Moderate=2

Minimal =1



HR Operations/ Finance are available to provide costing information if required. As well as identifiable financial savings, efficiencies may arise from, say, work being redistributed or adjusted within a team.

5. Would the individual's departure create a business continuity risk?

No=3

Yes, but manageable=2

High risk=1

6. Would approving the individual's application create a reputational risk?

No=3

Yes, but manageable=2

High risk=1

7. Would the individual's departure facilitate positive organisational change, directly or indirectly?

Yes, major potential=4

Yes, some potential=3

No=1

An individual leaving may provide an opportunity to reorganise a team or area of work with a positive benefit e.g. shorter reporting lines, facilitating merger of functions to deliver improved service delivery.

Director/Head of Service Recommendations

The Director/Head of Service will be responsible for drawing together the stage one assessments for applications and for providing a recommendation for each application. Recommendations will be provided to the Decision Making Panel.

