

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

3 May 2019

Dear Llyr

Voluntary Redundancy Scheme Update and Relaxation of the Establishment Cap

I am writing to update the Committee on the Commission's Voluntary Exit Scheme (VES) and the cap on its staff establishment.

Voluntary Redundancy Scheme

During our evidence session (Scrutiny of Draft Budget 2019-20) on 3 October 2018, we informed the Committee that the Commission had not yet made a decision to move forward with a VES. We subsequently wrote to you on 20 November 2018 to confirm that at its 5 November meeting, the Commission agreed to offer a Voluntary Exit Scheme to all staff 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.

Unlike many public sector organisations, the Assembly Commission does not regularly offer Voluntary Exit; the last time such a scheme was made available was during 2015/16. The most recent VES scheme was open to applications between December 2018 and January 2019.



The aims of the VES, which were derived directly from the capacity review, were to:

- Allow the organisation to respond to shifts in its skill requirements;
- Improve workforce efficiency;
- Facilitate organisational change; and
- Deliver long-term savings where possible and/or avoid additional costs in meeting skill shortages.

In total, 43 applications were received and these were considered against the scheme criteria, by a Panel which included an Independent Advisor to the Commission and was observed by a member of the Trade Union Side and the Head of Governance and Assurance. The Panel's assessment of every application was based on the information available via the application, supported and scored by the relevant line manager and subject to moderation undertaken by an independent moderating panel. 22 applications were accepted. A further 4 applications were considered on appeal and were approved following the consideration of additional information not provided in the application. Two applicants subsequently rejected the offer of VES and thus a total of 24 staff will exit by September 2019.

The initial budget of £800k was subsequently increased at Executive Board to £950k and then increased further to £1.016m. Following the completion of the appeal process and to address the aims of the scheme, the final cost was within the agreed budget, and was well within the Cabinet Office Scheme approved budget of £1.5m.

We are confident that the process followed best practice and took account of the lessons learned from the previous VES in 2015-16. We ensured that independent and objective assurance was provided for all stages of the Scheme. We consider that the Scheme has been effective and has delivered the aims, as well as providing a significant opportunity to make valuable organisational changes to improve efficiency and effectiveness.



Establishment Cap

In November 2017, we wrote to the Finance Committee and stated:

In the present financial year, the agreed staffing establishment includes 460 filled posts, 27 currently vacant posts and 4 apprentice posts; thus the total number of established posts is 491. Going forward, within this establishment ceiling, the Commission will endeavour to maintain effective levels of service in support of Members and public engagement.

During our evidence session (Scrutiny of Draft Budget 2019-20) on 3 October 2018, we informed the Committee that the Commission was:

at the moment staying within that establishment post count of 491 that we gave you an undertaking last year that we would stay within. And we are managing dynamically to make sure that we can meet the new demands from within that staff cohort.

For the last 15 months, we have been able to meet all of the demands placed upon the Commission's within this establishment limit. We have been able to achieve this by prioritising how we use available resources and through the successful reallocation of 12 existing posts from services across the Commission, to support preparations for Brexit.

However, in our letter of 20 November 2018 to the Finance Committee, we did make it clear that the above approach 'will 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'; in other words, there may come a point in time when a different approach would be needed.

As indicated, in presenting our budget overview at the beginning of this Assembly, it was impossible to forecast the effects of Brexit and constitutional change over the five years or when the impact would be felt. We have reached that point. Our capacity planning exercises in January and February of 2019 identified a significant gap between demand and capacity and also that it was no longer sustainable to continue to reallocate existing posts, without causing a significant impact to service delivery. Subsequently we have concluded that whilst being successful in meeting its aims, the VES will not deliver a sufficient number of immediately vacant posts to meet the additional demands brought about primarily by Brexit.

At its meeting on 4 March 2019 the Commission considered proposals to relax the establishment cap of 491 posts, to provide additional resources, principally to meet the challenges of Brexit. The Commission recognised the pressures and were supportive in



principle, but asked for further detail about the expected number of additional posts and reassurance that they could be managed within the existing budget.

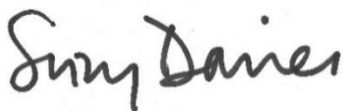
Further information was provided to the Commission at its 1 April meeting. This information is show in Annex 1. Following a discussion, the Commission agreed an increase to the establishment cap of 6 posts, from 491 to 497.

We have committed to keep the Commission informed of the establishment number and any changes, at each Commission meeting and we will continue to look closely at options to re-prioritise internal posts, as they become vacant, in order to minimise the overall change on the establishment.

I would also like to take this opportunity to assure the Committee that we remain as committed as ever to providing assurance through external scrutiny and audit as well as our internal governance framework. This work is vital in underpinning our confidence that we use resources efficiently, economically and effectively in delivering our services to the Assembly.

If you would like any further information on either of these matters, please do not hesitate to let me know.

Yours sincerely



Suzy Davies

cc Assembly Commissioners, Manon Antoniazzi, Nia Morgan



Annex 1

Extract from 1 April 2019 Commission Paper.

There has been a marked increase in the volume and range of Brexit activity since September 2018, with an increase in the volume of legislation (Brexit and non-Brexit) between January and March. For example, more statutory instruments were tabled in January/February 2019 than during the whole of 2018. At its 18 March 2019 meeting, the Constitutional and Legislative Affairs (CLA) Committee considered an unprecedented volume of legislation: a Bill and 40 statutory instruments.

Across the Assembly Business Directorate there is a need to increase flexibility, skills and resilience to respond to the current and future legislative and other challenges. Short-term staffing arrangements have worked well but are no longer sustainable and there is a significant gap between demand and capacity. As was described in the recent paper to Commission, this demand can be addressed if we have some flexibility to vary our establishment around the current cap of 491, whilst remaining within existing financial resources.

The capability to vary the establishment and headcount, alongside our existing processes for reviewing and re-prioritising vacant posts would enable us to minimise the permanent impact on the establishment, whilst allowing us to meet immediate needs. To provide assurance that the changes do not become excessive, we would intend to report establishment numbers and any changes to the Commission at every meeting.

We have carefully considered whether fixed term or temporary appointments would work. However, we cannot readily set defined timescales for the posts we need to appoint, we need to be competitive in the market against other employers offering permanent contracts and finally, given the levels of churn in the organisation we believe we can minimise the overall establishment impact. Thus, permanent appointments will be necessary.

We have an immediate need for 6 additional posts, as follows:

- 2 European/International Affairs Officers, both based in the Research Service, but supporting activities across the Assembly Business Directorate. In the short to medium term, these officers will support Brexit work. In the longer term, these posts enable the Directorate to develop specialism across a range of policy areas,



which will enable effective monitoring of post-Brexit arrangements, such as common frameworks, trade agreements, and intergovernmental agreements.

- 1 deputy clerk for the CLA Committee, to support the increased volume of legislation due to Brexit as well as to provide resilience for this team in the longer term. This would enable succession planning; we have an experienced Clerk and Second Clerk on whom staff are reliant for advice and guidance on legislative scrutiny.
- 1 Clerk / Team Leader for Legislation, based in the Chamber and Committee Service, but working across the Directorate. There are many projects that require a dedicated senior level resource. This will further boost our capacity and capability by having specialism and depth of knowledge across the whole legislative process. We would rotate clerks through this role, increasing skills and resilience across the Directorate. This is a recast version of an established position that has been vacant since the postholder moved to a temporary role. Filling this vacancy on a permanent basis will increase our headcount.
- 1 specialised legal translator + 1 multi-skilled interpreter/editor. As the volume of Assembly business increases, so does demand on translation and reporting. This includes written, reporting and live interpretation. Some demand can be met from outsourcing, but we need specialised resources inhouse, particularly for legislation.

