

## Wales Audit Office - National Studies Programme

April 2015

### Response to *Managing Early Departures Across Welsh Public Bodies* Report

The Wales Audit Office's *Managing Early Departures Across Welsh Public Bodies* report is welcomed. Flintshire County Council has reviewed the report and compared itself to the recommendations. Our analysis is set out below. We have examples of good practice to share nationally and would welcome comparing practice with other peer public bodies.

Before launching the Voluntary Redundancy Scheme we researched current practice across Wales and with a number of English Councils with greater experience of managing major workforce reform programmes. The revised suite of Council policies was developed following a full and thoughtful review which involved both the Trade Unions and the Cabinet.

The application process for employees was structured to provide a consistent set of data for consideration by the panel. The voluntary redundancy programme has been managed in phases to allow co-ordination of decision-making in tranches. Wherever possible voluntary redundancy opportunities have been prompted by service reviews where change and cost reduction is being sought.

The Council pre-estimates the costs of its annual redundancy figure targets and sets aside annual financial provision to meet those costs so that the efficiency realised by each departure can be immediate from the accounting month of departure..

The local programme has been self-evaluated for local learning and improvement.

Listed below are the seven proposals for improvement of the Wales Audit Office along with our detailed response. Examples of working papers are available on request for good practice sharing.

<b>Recommendations (R1-7)</b>	<b>Response</b>
<b>R1</b> Public bodies should use business cases to support all individual early departures. Business cases should identify the cost and service delivery implications of the individual leaving and take account of relevant wider workforce planning.	The Council has met and exceeded this recommendation.  All applications for Voluntary Redundancy (VR) require a business case with input from both the immediate line manager and the accountable Chief Officer. Both officers are required to first consider whether the post can be deleted with or without the need for service or job redesign. They are also required to comment on the impact of deleting the post on service delivery, team capacity, and skills retention within the service, and any connected impact on other services where there is a co-reliance for service planning and delivery.  This process has been managed consistently and robustly, and is promoted as an example of good organisational practice.

<p><b>R2</b> Working with local government, Welsh Government should seek agreement on some common principles to underpin any early departure arrangements arising from local government mergers.</p>	<p>The Council supports this recommendation provided that individual authorities can apply reasonable and appropriate local discretion.</p> <p>The principles, policy and practice adopted by the Council is promoted as an example of good organisational practice.</p>
<p><b>R3</b> We recommend that public bodies:</p> <ol style="list-style-type: none"> <li>1. Ensure that councillors or board members have the opportunity to examine the value for money of early departure schemes through established/governance arrangements.</li> <li>2. Ensure that councillors and/or board members approve higher value packages, such as those senior management.</li> <li>3. Consider using internal audit to provide overall assurance on overall management of overall departures.</li> </ol>	<p>The Council has met and exceeded this recommendation.</p> <p>Council policy and practice was fully reviewed by Chief Officers, Cabinet members and Trade Unions, and readopted, with reference to comparable sector practice, before the workforce reduction programme was begun.</p> <p>All VR applications are considered by a corporate panel for peer challenge, impact assessment, consistency of judgements, and reporting and accountability. The Panel reserves the right to ask Managers/Chief Officers to attend or provide more information if necessary. If in doubt the Panel will defer a decision on any given applications. The Panel outcomes are circulated to the full Chief Officer Team in tranches for final comment before 'sign off' and before confirmation is given to applicants. (In service areas of political sensitivity the outcomes have also been shared with Cabinet members for observation.) In the case of any significant disagreement or dispute a case is escalated to the respective Chief Officers and the Chief Executive.</p> <p>The Corporate Panel consists of Chief Officers, Human Resources Officers, Trade Union representatives and Finance Officers.</p> <p>The period of payback (break-even) is available for all applications and is duly considered in all cases.</p> <p>Applications are progressed through a workflow system on a bespoke database. This enables Human Resources and Finance to plan and manage employment actions and financial investments (including pension 'strain') and efficiencies. Internal Audit also have access to the database and can undertake 'spot checks' or a full audit as needed. Internal Audit were also involved in the development of the process.</p> <p>Higher level settlements would only be agreed through structural review/changes and require formal</p>

	council agreement.
<p><b>R4</b> Public bodies should ensure where settlement agreements are used, their records clearly identify whether a package includes an enhancement payment and if so, its value and the reason for the enhancement payment.</p>	<p>No enhancements have been applied by the Council. In any case where an enhancement were to be under consideration the case would be escalated and require formal Council agreement.</p>
<p><b>R5</b> Public bodies should give due consideration to the equality impact of all early departure arrangements, in particular where a public body is running a specific scheme covering multiple possible departures</p>	<p>The Council has met this recommendation.</p> <p>The adopted Council policy was subject to an equality impact assessment before it was approved. The Corporate Panel gives due consideration to any equalities impacts and risks in the course of its work. The presence of Trade Union representatives is a constructive and protective influence for ensuring parity of treatment.</p>
<p><b>R6</b> Public bodies should monitor and report as part of their internal governance arrangements on expected and achieved savings as a result of early departures. This will help inform future cost reduction plans.</p>	<p>The Council has met this recommendation.</p> <p>Expected and achieved aggregated departure savings (and costs) are reported on a regular basis both informally (to the Chief Officers Team) and formally (to Cabinet and Overview and Scrutiny in the course of monthly budget monitoring reports).</p>
<p><b>R7</b> Public bodies should review their record keeping for early departure arrangements, so they can more readily identify key information including the number and costs of early departures in a given period, payback period information based on salary and employers' National Insurance and pension costs, and settlement agreements.</p>	<p>The Council has met this recommendation as in R1, R3 and R4 above.</p>