

## Voluntary Exit Scheme

### Introduction

1. The business case for the creation of Natural Resources Wales recognised the need to change the profile of the workforce and to invest in the front line. The challenging financial environment also creates an impetus to release staff who would like to leave voluntarily. In anticipation of this the Living Wales programme team successfully bid for Invest to Save resources. The Invest to Save bid would allow approximately 100 (FTE) staff to leave NRW.

2. The legacy bodies had specific schemes that are not subject to the TUPE transfer regulations<sup>1</sup> and therefore it is for us to determine the shape and scope of the scheme. We will learn from the experiences of others including the practices used in Welsh Government, as well as the NHS, particularly developing a voluntary exit scheme that is not linked to the pension scheme. Notwithstanding this intention the fact of the two pension schemes within Natural Resources Wales will add a level of complexity and potentially cost. Modelling of these costs has been undertaken and at all stages we will need to determine the clear case for spending public money against the payback period.

### Proposals

3. As a basic, NRW may consider offering terms based on the CSCS Voluntary Exit Scheme, i.e.

- 1 month's pay per year of service;
- Maximum of 21 months pay;
- Employee has option to buy out reduction in their pension (as a result of taking early) by using their compensation payment, or take their pension on actuarially reduced terms.

And additionally offer

- to "top-up" the compensation payment for those over minimum pension age (50 or 55 in the PCSPS) and who wish to use their compensation to buy out the reduction; up to twice the standard tariff (with the maximum capped at 21 months).
4. The Scheme will be available for staff to leave in 2013/14. However, staff may leave at different stages throughout this period. The payment will not be linked to the pension i.e. it will only pay for a compensation –whilst

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<sup>1</sup> To be confirmed through lawyers

slightly different between LGPS and PCSPS the payments are likely to be the similar. It will be open to all staff to apply and workforce data will be used to help score the applications e.g. to understand the role the person is in, the impact of them leaving, whether the work can be redistributed etc

5. Certain teams/functions may be weighted, to enable some differentiation to be made between applicants and personal circumstances can be used as a contributing factor. As people are volunteering to leave if people apply and are successful they will be expected to leave. Who leaves will be for the organisation to determine. Applications will be voluntary but only when a firm offer is made will a staff member leave.

#### Next steps

6. UK Cabinet Office approval is required for the scheme, regardless of whether the terms on offer are standard or above, in accordance with Cabinet Office guidance. Welsh Government would also be required to approve the scheme (we would expect to use the guidance in the WAO standards on providing vfm) and the approach to the determination of applications would be discussed with the TU.

#### Timing

7. We expect to offer a voluntary exit scheme from July that enables staff to leave NRW that take into consideration the potential key principles detailed below.