Written Evidence submitted by Ofsted

Ofsted Main Estimate 2014-15

What value of exit packages does Ofsted expect to agree in 2014-15?

1. During 2014-15 we anticipate that we will need to process an estimated nine exits at a total value of £410,000. This figure may rise if we delete further posts from our structure and are unable to redeploy the individuals who become displaced as a result. If this happens, additional exit costs will be funded from the savings achieved by deletion of the post.

How does Ofsted assess the value for money of exit packages? What criteria are used to decide whether an individual exit package is agreed?

2. Each application must be endorsed by the relevant line manager who must confirm that exit costs can be funded from the deletion of the post in question. The manager must also provide evidence that the exit represents value for money. As well as confirming savings created by the deletion of the post, line managers consider the value of the individual to the business, including the potential for redeployment, the skills and qualifications and location of the post-holder.

3. Following manager endorsement, a Voluntary Exit Panel meets each month to discuss and give final approval to all Voluntary Exits within Ofsted. The panel is chaired by Ofsted’s Chief Operating Officer and includes another senior manager as well as representatives from HR and Finance.

4. The panel assesses every application in accordance with set criteria. There is no guarantee that all applicants who meet the initial criteria as evaluated by managers will be offered voluntary exit.

5. The panel takes into account the potential cost of the exit, alongside the performance of the individual and their value to the business in terms of skills and capability, location and qualification.

6. The terms of the payments for voluntary exits are directed by the Civil Service Compensation Scheme. The terms of compulsory redundancies are also set by Cabinet Office protocols. Compulsory redundancy is only implemented as a last resort when posts are deleted and all other options for the redeployment of the post holder within Ofsted and the wider civil service have been exhausted.

7. During 2013/14 Ofsted set aside money to specifically cover the costs of anticipated exits and we remained within that budget. Ofsted belongs to civil service wide networks to ensure we maximise our ability to redeploy
individuals across government and take an approach to exit that is consistent with that of colleagues in other departments.

The average cost of an Ofsted exit package rose from £34,871 in 2012-13 to £45,126 in 2013-14. How was this increase justified on value for money grounds?

8. The cost of these exits reflects the salary, seniority, length of service and contractual entitlement of the individuals affected. Following changes to Ofsted’s structure, during 2013/14, we deleted a significant number of senior roles and/or roles where post holders had long service. We were unable to secure reasonable alternative employment for these individuals either within Ofsted or across government. In line with the process and as noted above, these exits were funded by the deletion of the post and will contribute to longer term savings.

What was the value for money justification for the 8 exit packages costing £100,000 - £150,000 each?

9. Each of the eight exit packages above £100,000 relate to roles permanently deleted from Ofsted’s structure as indicated above. The high costs of exit were justified as the deletion of the post will contribute to long term savings. These high earning individuals had specialist skills and were often home based and searches for redeployment into suitable vacancies across government were unsuccessful.

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