

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	6 December 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Early Retirement, Voluntary Severance and Switch 2
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise Committee on activity related to early retirements, voluntary severances, re-employment of early retirees and re-deployments during the period 1 April 2023 to 30 September 2023

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the early retirements, voluntary severances, re-employment of early retirees, and redeployment of employees on the Switch 2 register during the period 1 April 2023 to 30 September 2023 be noted.

3. Background

3.1. The Council analyses the number and associated costs of employees being released through early retirement and voluntary severance. This forms part of the ongoing monitoring process derived from the Audit Scotland report "Bye now pay later". This report provides information on the Council's position for the 6 month period 1 April 2023 to 30 September 2023.

4. Current Position

Early Retirements (Efficiency of the Service/Voluntary Redundancy) and Voluntary Severance

- 4.1. During the period, no early retirements on the grounds of efficiency of the service; voluntary redundancy or voluntary severance were granted. This represents no change compared to the previous 6-month period.
- 4.2. During the period, no requests were made to re-employ early retirees who previously received an early exit package, and this represents no change when compared to the previous 6 month period.

5. Early Retirements – Ill Health

5.1. In terms of early retirement on the grounds of ill-health, there are no capitalisation costs to the Council. During the 6-month period, the following ill-health retirements were granted:

Resource	No. of Early Retirements on ill health grounds
Community and Enterprise	12
Education	12
Housing and Technical	4
Social Work	18
Total	46

5.2. The Local Government Pension Scheme (LGPS) regulations allow for 2 tiers of ill health retirement in situations where the member's ill-health or infirmity of mind or body renders them permanently incapable of discharging efficiently the duties of their current employment. Tier 1 relates to members with no reasonable prospect of obtaining gainful employment before their state pension age. Tier 2 relates to members with a reasonable prospect of obtaining gainful employment before their state pension age.

5.3. During the 6 month period, 46 of the 51 ill health retirement requests made, were granted under the provisions of tier 1 and tier 2 of the Local Government and Scottish Teachers' Pension Schemes. 5 applications resulted in no award being granted.

5.4. Annual Trend Analysis

Annual Period	1/4/19- 31/3/20	1/4/20- 31/3/21	1/4/21- 31/3/22	1/4/22- 31/3/23	1/4/2023- 30/9/23
No. of ill-health retirements	37	43	46	69	46*

*denotes 6 month period

5.4.1. Based on the ill health retirements awarded during the 6 month period, it is anticipated that the annual figure for 1 April 2023 to 31 March 2024 is likely to be higher when compared with the previous year.

6. Re-employment of Early Retirees

6.1. The re-employment of those who have been granted early retirement is monitored and approved centrally within Personnel Services. During the 6-month period, no requests for re-employment were made and this represents no change when compared to the previous 6-month period.

7. Switch 2

7.1. Switch 2 is monitored and approved centrally within Personnel Services. During the 6-month period, 17 employees were redeployed to suitable alternative posts within the Council as follows:-

Resource	No. of employees	No. of modern apprentices	Total
Council Wide	3	5	8
Social Work	3	6	9
TOTALS	6	11	17

7.2. This is an increase of 3 in the total compared to the previous 6-month period. The 17 employees were placed into permanent roles.

7.3. Annual Trend Analysis

Annual Period	1/4/19– 31/3/20	1/4/20– 31/03/21	1/4/21– 31/03/22	1/4/22– 31/03/23	1/4/23– 30/9/23
No. of Switch 2 matches	47	43	90	28	17*

*denotes 6 month period

- 7.4. Based on the number of redeployments during the period 1 April 2023 to 30 September 2023, it is anticipated that the annual figure for 1 April 2023 to 31 March 2024 is likely to increase compared to the previous year.

8. Flexible Retirement

- 8.1. The approval of those who have been granted flexible retirement is monitored centrally within Personnel Services. During the 6-month period, 85 requests were approved as detailed below with no cost to the Council.
- 8.2. Included in these figures are phased retirement and winding down applications from teachers. (These options are available to teachers within the SPPA guidelines and are similar to the LGPS flexible retirement scheme.)

Resource	No. of Flexible Retirements	No. of Phased Retirements/ Winding Down
Community and Enterprise	17	
Education	16	14
Finance and Corporate	6	
Housing and Technical	17	
Social Work	15	
Total	85	

- 8.3. During the 6-month period, the average age of employees granted flexible retirement was 60 years, and this is a decrease of 1 year when compared with the previous 6 month period.

- 8.4. Flexible retirement refusals are monitored centrally within Personnel Services, Finance and Corporate Resources and no requests were declined during this period.

8.5. Annual Trend Analysis

Annual Period	1/4/19 - 31/3/20	1/4/20 - 31/3/21	1/4/21- 31/3/22	1/4/22- 31/3/23	1/4/23- 30/9/23
No. of Flexible Retirements	159	125	126	128	85*

*denotes 6 month period

- 8.6 Based on the 85 requests received during the period, it is anticipated that the number of requests received from 1 April 2023 to 31 March 2024 are likely to increase compared to the previous year.

9. Employee Implications

- 9.1. In respect of those employees refused ill-health retirement, incapability dismissals may have been considered.

10. Financial Implications

- 10.1. There were no leavers in the period 1 April 2023 to 30 September 2023 for which early retirement/severance costs were incurred.

11. Climate Change, Sustainability and Environmental Implications

- 11.1 There are no climate change, sustainability or environmental implications.

12. Other Implications

- 12.1. The early release of employees across the Council must be properly managed to minimise the risk of adversely impacting service levels through the loss of vital skills and experience. In accordance with agreed policies, the redeployment of employees through the Switch 2 process continues to be considered as a matter of priority.

13. Equality Impact Assessment and Consultation Arrangements

- 13.1 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 13.2. Any early releases would be in line with agreed policies and procedures therefore no further consultation was required, however there were none during this period.

Paul Manning

Executive Director (Finance and Corporate Resources)

10 November 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Excellent Employer
- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Finance and Corporate Resources Committee 3 May 2023

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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