

Report

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Report to:	Corporate Resources Committee
Date of Meeting:	4 May 2005
Report by:	Executive Director (Corporate Resources) Executive Director (Finance & IT)

Subject:	Early Retirement and Redeployment
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1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ Advise on the early retirements and the redeployment exercise during the period 1 October 2004 – 31 March 2005.

2 Recommendation(s)

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

- (1) That the early retirements and redeployment of employees during the period 1 October 2004 – 31 March 2005 be noted.

3 Background

- 3.1 The Personnel Services Committee at its meeting on 14 April 1998 agreed the revised policy for early retirements and confirmed that authority had been delegated to the Executive Director (Corporate Resources) in conjunction with the Executive Director (Finance and Information Technology Resources), to approve all applications for early retirements, on the basis that a report detailing the corresponding costs and savings is submitted to Committee at six monthly intervals.
- 3.2 As a result of the Accounts Commission Value for Money Audit, further information with effect from 1 April 1999 is included in the six monthly reports to Committee.
- 3.3 In addition, as recommended in the Accounts Commission "Follow Up Report," May 2003, the Council will analyse the trends in terms of numbers and costs of early retirements as part of the ongoing monitoring process.

4 Current Position

4.1 Early Retirements - Efficiency of the Service/Voluntary Redundancy

During the six month period from 1 October to 31 March 2005, the following early retirements, on grounds of efficiency of the service or voluntary redundancy, have been approved:-

Resource	No of employees	One- off costs	Annual Costs	Net Annual Savings*
Community	6	£408,939	£14,934	£193,876
Corporate	7	£278,804	£12,241	£110,651
Education/ Finance & IT**	3	£178,210	£10,847	£6,500
Enterprise	3	£139,805	£6,997	£17,612***
Housing & Technical	10	£658,076	£33,590	£316,880
TOTALS	29	£1,663,834	£78,609	£645,519

*** Net annual savings taking account of annual costs. Costs detailed include capitalisation costs.**

****In terms of data protection, Resources with less than 2 employees retiring will be grouped together.**

*****Early Retirements were part of a wider management restructuring exercise across a number of Services and total savings outlined reflect this.**

- 4.1.2 During the six month period, the average retirement age of employees retiring within the Council through efficiency of the service/voluntary redundancy was 57 which is higher than the Scottish average of 55.

4.2 Trend Analysis

Annual Period	1/4/00 – 31/3/01	1/4/01 – 31/3/02	1/4/02 – 31/3/03	1/4/03 – 31/3/04	1/4/04 – 31/3/05
No. of Early Retirements	78	45	34	29	43

- 4.2.1 Since the initial report in 1998 detailing early retirements within the Council, there has been a steady decline in the overall number of employees retiring early as a result of efficiency or voluntary redundancy. The figure for 1 April 2004 to 31 March 2005 has increased however this includes 20 employees who retired early as a result of a structure review within Housing & Technical Resources.

4.3 Early Retirements - Ill Health

- 4.3.1 In terms of early retirement on the grounds of ill-health there are no capitalisation costs to the Council. During the six-month period from 1 October to 31 March 2005, the following ill-health retirements were approved:

Resource	Number of Employees
Community	5
Education	6
Enterprise	2
Housing & Technical	1
Social Work	3
Total	17

- 4.3.2 During the six month period, the average retirement age of employees retiring through ill health retirement is 57 which is higher than the Scottish average of 55.

4.4 Trend Analysis

Annual Period	1/4/01 – 31/3/02	1/4/02 – 31/3/03	1/4/03- 31/3/04	1/4/03 – 31/3/05
No. of ill-health retirements	56	45	41	30

- 4.4.1 Since implementing the monitoring and reporting procedure for ill health retirements, as recommended by the Accounts Commission in 1999, the overall trend is a decrease in the number of employees retiring on grounds of ill health.

4.5 Redeployment

- 4.5.1 Redeployment is monitored centrally within Corporate Personnel Services. Within the six-month period a total of 29 employees were successfully redeployed to suitable alternative posts within the Council as follows: -

Resource	Number of Employees
Community	1
Education	26
Housing & Technical	1
Social Work	1
Total	29

5 Employee Implications

- 5.1 None.

6 Financial Implications

- 6.1 Costs and savings as detailed in the report.

7 Other Implications

- 7.1 None.

8 Consultation

- 8.1 Not applicable.

Alan Cuthbertson
Executive Director (Corporate Resources)

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Executive Director (Finance & IT Resources)

11 April 2005

Link(s) to Council Objectives

- ♦ Modernising Services
- ♦ Resource Management

Previous References

- ◆ 2 June 2004

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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