

Report

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| Report to: | Finance and Corporate Resources Committee |
| Date of Meeting: | 20 January 2021 |
| Report by: | Executive Director (Finance and Corporate Resources) |

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| 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 on early retirements, voluntary severances, re-employment of early retirees and re-deployments during the period 1 April 2020 to 30 September 2020

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 2020 to 30 September 2020 be noted.

3. Background

3.1. The Council analyses the number of employees being released through early retirement and voluntary severance and all of the associated costs. 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 from 1 April 2020 to 30 September 2020.

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 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 approved:-

| Resource | No. of Early Retirements on ill health grounds |
|--------------------------|---|
| Community and Enterprise | 4 |
| Education | 2 |
| Housing and Technical | 3 |
| Social Work | 12 |
| Total | 21 |

- 5.2. The Local Government Pension Scheme 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, 21 ill health retirements were granted under the provisions of the Local Government and Scottish Teachers' Pension Schemes. One application resulted in no award being granted.

5.4. Annual Trend Analysis

| Annual Period | 1/4/16-31/3/17 | 1/4/17 - 31/3/18 | 1/4/18 – 31/3/19 | 1/4/19 – 31/3/20 | 1/4/20 – 30/9/20* |
|--------------------------------------|-----------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| No. of ill-health retirements | 28 | 37 | 46 | 37 | 21 |

*denotes 6 month period

- 5.5. During the period 1 April 2019 to 31 March 2020, the number of ill health retirements granted decreased by 9 compared to the previous year. This decrease was due to a reduction in the number of employees with serious medical conditions who met the criteria for ill health retirement. Based on the 21 ill health awards during the 6 month period, it is anticipated that the annual figure for 1 April 2020 to 31 March 2021 is likely to increase compared to 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 within Personnel Services, Finance and Corporate Resources. During the 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, Finance and Corporate Resources. During the 6 month period, 29 employees and Modern Apprentices were redeployed to suitable alternative posts within the Council as follows:-

| Resource | No. of employees | No. of Modern Apprentices | Total |
|---|-------------------------|----------------------------------|--------------|
| Community and Enterprise /Finance and Corporate /Education* | 20 | 2 | 22 |
| Housing and Technical/Social Work* | 3 | 4 | 7 |
| TOTALS | 23 | 6 | 29 |

* In terms of data protection, Resources with fewer than 2 employees have been merged.

- 7.2. This figure is an increase of 8 compared to the previous 6 month period. Of the 23 employees and 6 Modern Apprentices redeployed within the period all were placed in permanent roles.

7.3. Annual Trend Analysis

| Annual Period | 1/4/16-31/3/17 | 1/04/17-31/03/18 | 1/4/18 – 31/03/19 | 1/4/19-31/3/20 | 1/4/20-30/09/20* |
|--------------------------------|-----------------------|-------------------------|--------------------------|-----------------------|-------------------------|
| No. of Switch 2 matches | 113 | 102 | 71 | 47 | 29 |

*denotes 6 month period

- 7.4. During the period 1 April 2019 to 31 March 2020, the number of employees re-deployed decreased by 24 compared to the previous year. Based on the 29 redeployments during the period, it is anticipated that the annual figure for 1 April 2020 to 31 March 2021 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 within Personnel Services, Finance and Corporate Resources. During the 6 month period, 77 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 Teaching Staff. These options are available to Teachers and are similar to the LGPS flexible retirement provisions.

| Resource | No. of Flexible Retirements | No. of Phased Retirements/ Winding Down |
|--------------------------|------------------------------------|--|
| Community and Enterprise | 15 | |
| Education | 7 | 22 |
| Finance and Corporate | 6 | |
| Housing and Technical | 8 | |
| Social Work | 19 | |
| Total | | 77 |

- 8.3. During the 6 month period, the average age of employees granted flexible retirement was 62 years, and this is the same as the previous 6 month period.

8.4. Annual Trend Analysis

| Annual Period | 1/4/16-31/3/17 | 1/04/17-31/03/18 | 1/4/18 – 31/03/19 | 1/4/19-31/3/20 | 1/4/20-30/09/20* |
|-----------------------------------|-----------------------|-------------------------|--------------------------|-----------------------|-------------------------|
| No. of Flexible Retirement | 118 | 159 | 141 | 159 | 77* |

*denotes 6 month period

- 8.5. During the period 1 April 2019 to 31 March 2020, the number of flexible retirements increased by 18 compared to the previous year. Based on the 77 requests received during the period, it is anticipated that the annual figure for 1 April 2020 to 31 March 2021 is likely to decrease compared to the previous year.
- 8.6. Flexible retirement refusals are monitored within Personnel Services, Finance and Corporate Resources and no requests were declined during this period.

9. Employee Implications

- 9.1. In respect of the employee refused ill-health retirement, an incapability dismissal may have been considered.

10. Financial Implications

- 10.1. No costs were incurred as a result of early retirement or voluntary severance releases during the period.

11. Climate Change, Sustainability and Environmental Implications

- 11.1. There are no implications for climate change, sustainability and 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. All early releases are handled in line with agreed policies and procedures therefore no further consultation is required.

Paul Manning

Executive Director (Finance and Corporate Resources)

19 November 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Excellent employer
- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Finance and Corporate Resources, 8 May 2019

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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