

Report

11

| | |
|------------------|---|
| Report to: | Corporate Resources Committee |
| Date of Meeting: | 15 December 2004 |
| Report by: | Executive Director (Corporate Resources) Executive Director (Finance & IT) |

| | |
|----------|--|
| Subject: | Early Retirement and Redeployment |
|----------|--|

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 April to 30 September 2004

2 Recommendation(s)

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

- (1) That the early retirements and redeployment of employees during the period 1 April to 30 September 2004 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 has 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 April to 30 September 2004, 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 | 0 | Nil | Nil | Nil |
| Corporate / Enterprise** | 4 | £229,958 | £8,825 | £61,174 |
| Education | 0 | Nil | Nil | Nil |
| Finance & IT | 0 | Nil | Nil | Nil |
| Housing & Tech. | 9 | £279,699 | £19,997 | £263,394 |
| Social Work | 0 | Nil | Nil | Nil |
| TOTALS | 13 | £509,657 | £28,822 | £324,568 |

*** 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.**

- 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 53 which is lower than the Scottish average of 55.

4.2 Trend Analysis

| Annual Period | 1/4/99 – 31/3/00 | 1/4/00 – 31/3/01 | 1/4/01 – 31/3/02 | 1/4/02 – 31/3/03 | 1/4/03 – 31/3/04 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| No. of Early Retirements | 47 | 78 | 45 | 34 | 29 |

- 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 2003 to 31 March 2004 excludes 226 teachers taking early retirement, as a result of the early retirement exercise undertaken within Education Resources in line with the implementation of the McCrone Agreement for teachers.

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 April to 30 September 2004, the following ill-health retirements were approved:

| Resource | Number of Employees |
|---------------------|----------------------------|
| Community | 3 |
| Education | 3 |
| Enterprise | 2 |
| Housing & Technical | 2 |
| Social Work | 3 |
| Total | 13 |

4.3.2 During the six month period, the average retirement age of employees retiring within the Council through ill health retirement is 55 which is equal to the Scottish average of 55.

4.4 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 |
|-------------------------------------|---------------------|---------------------|---------------------|--------------------|
| No. of ill-health retirements | 53 | 56 | 45 | 41 |

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 employees were successfully redeployed to suitable alternative posts within the Council as follows: -

| Resource | Number of Employees |
|---------------------|---------------------|
| Community | 4 |
| Education | 5 |
| Housing & Technical | 2 |
| Social Work | 1 |
| Total | 12 |

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)
10 November 2004

Archie Strang
Executive Director (Finance & IT)
10 November 2004

Link(s) to Council Objectives

- ◆ Modernising Services
- ◆ Resource Management

Previous References

- ◆ 2 June 2004i

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Vicki Aitken, Personnel Officer, Ext: 4803 (Tel: 01698 454803)

E-mail: vicki.aitken@southlanarkshire.gov.uk