

# Report

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Report to:	<b>Corporate Resources Committee</b>
Date of Meeting:	<b>16 November 2005</b>
Report by:	<b>Executive Director (Corporate Resources) Executive Director (Finance and Information Technology Resources)</b>

Subject:	<b>Early Retirement and Redeployment</b>
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## **1 Purpose of Report**

1.1 The purpose of the report is to:-

- ◆ advise on early retirements; re-employment of early retirees and redeployments during the period 1 April to 30 September 2005

## **2 Recommendation(s)**

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

- (1) that the early retirements; re-employment of early retirees and redeployment of employees during the period 1 April to 30 September 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 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 and re-employment of early retirees, 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 was 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 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*
Corporate/ Finance & IT**	5	£289,634	£13,718	£90,094
Education	10	£233,381	£36,317	£371,260
Housing & Technical	10	£660,418	£21,367	£140,698
<b>TOTALS</b>	25	£1,183,433	£71,402	£602,052

**\* 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 55 which is equal to 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 and 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 April to 30 September 2005, the following ill-health retirements were approved:

Resource	Number of Employees
Community	14
Education	7
Housing and Technical	5
Social Work	5
<b>Total</b>	<b>31</b>

- 4.3.2 During the six month period, the average retirement age of employees retiring through ill health retirement is 54 which is lower 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	1/4/04 – 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 Re-employment of Early Retirees**

- 4.5.1 The re-employment of those who have been granted early retirement is monitored centrally within Corporate Personnel Services. During the six-month period from 1 April to 30 September 2005, the following re-employments were approved:

<b>Resource</b>	<b>Number of Employees</b>
Education	2
<b>Total</b>	<b>2</b>

#### **4.6 Redeployment**

- 4.6.1 Redeployment is monitored centrally within Corporate Personnel Services. Within the six-month period a total of 5 employees were successfully redeployed to suitable alternative posts within the Council as follows: -

<b>Resource</b>	<b>Number of Employees</b>
Housing and Technical	3
Social Work	2
<b>Total</b>	<b>5</b>

#### **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.

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**Executive Director (Corporate Resources)**

**Archie Strang**  
**Executive Director (Finance and Information Technology Resources)**

21 October 2005

#### **Link(s) to Council Objectives**

- ◆ Modernising Services
- ◆ Resource Management

**Previous References**

- ◆ 4 May 2005

**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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