

# Report

Report to:	<b>Finance and Corporate Resources Committee</b>
Date of Meeting:	<b>2 June 2021</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Early Retirement, Voluntary Severance and Switch 2</b>
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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 October 2020 to 31 March 2021

## 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 October 2020 to 31 March 2021 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 October 2020 to 31 March 2021.

## 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. Annual Trend Analysis

Annual Period	1/4/15-31/3/16	1/4/16-31/3/17	1/4/17-31/3/18	1/4/18-31/3/19	1/4/19-31/3/20	1/4/20-31/3/21
No. of Early Retirements/ Voluntary Severances	9	4	12	0	1	0

4.2.1 The table above shows the annual trend analysis of early exits granted due to efficiency of the service; voluntary redundancy or voluntary severance; and shows a decrease of 1 compared to the previous year.

## 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	6
Education	7
Social Work/Housing and Technical	9
<b>Total</b>	<b>22</b>

- 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, 22 of the 25 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. Three applications 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	1/4/20-31/3/21
No. of ill-health retirements	28	37	46	37	43

- 5.4.1. During the period 1 April 2020 to 31 March 2021, the number of ill health retirements granted increased by 6 compared to the previous year. This increase is due to the number of employees with serious medical conditions who met the criteria for ill health retirement.

## 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, 14 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*	4	2	6
Housing and Technical/Social Work*	6	2	8
<b>TOTALS</b>	<b>10</b>	<b>4</b>	<b>14</b>

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

7.2. This is a decrease of 15 compared to the previous 6-month period. Of the 10 employees and 4 modern apprentices redeployed within the period, 6 were placed into permanent roles and 8 into fixed term roles. In line with the Switch 2 policy, employees placed on a fixed term basis will be matched to permanent posts as they become available.

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	1/4/20-30/09/21
No. of Switch 2 matches	113	102	71	47	43

7.4. During the period 1 April 2020 to 31 March 2021, the number of employees re-deployed decreased by 4 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, 48 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	20	
Education	3	4
Finance and Corporate	3	
Housing and Technical	10	
Social Work	8	
<b>Total</b>		<b>48</b>

8.3. During the 6-month period, the average age of employees granted flexible retirement was 61 years, this is one year younger than the previous 6 month period.

8.4. Flexible retirement refusals are monitored centrally within Personnel Services. During the 6-month period, 1 flexible retirement application was refused.

## 8.5. Annual Trend Analysis

<b>Annual Period</b>	<b>1/4/16-31/3/17</b>	<b>1/4/17-31/3/18</b>	<b>1/4/18 - 31/3/19</b>	<b>1/4/19 - 31/3/20</b>	<b>1/4/20 - 31/3/21</b>
<b>No. of Flexible Retirements</b>	118	159	141	159	125

8.5.1. During the period 1 April 2020 to 31 March 2021, the number of employees granted flexible retirement decreased by 34 compared to the previous year.

8.5.2. Although the number of flexible retirement requests decreased during the period, a comparable increase was seen in the number of employees choosing to fully retire from their employment and access their pension benefits. (290 employees).

## 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 October 2020 to 31 March 2021 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. All releases were in line with agreed policies and procedures therefore no further consultation was required.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

**20 April 2021**

## Link(s) to Council Values/Ambitions/Objectives

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

## Previous References

- ◆ Finance and Corporate Resources Committee, 21 January 2021

## **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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