

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	16 November 2022
Report by:	Executive Director (Finance and Corporate Resources)

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 2022 to 30 September 2022

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 2022 to 30 September 2022 be noted.

3. Background

3.1. The Council analyses the number of employees being released through early retirement and voluntary severance and all 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 2022 to 30 September 2022.

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.
- 4.2. During the period, no requests were made to re-employ early retirees who previously received an early exit package and 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	8
Education, Finance and Corporate, Housing and Technical*	6
Social Work	14
Total	28

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

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, 28 of the 34 ill health retirements requests made were granted under the provisions of tier 1 and tier 2 of the Local Government and Scottish Teachers' Pension Schemes. 6 applications resulted in no award being granted.

5.4. Annual Trend Analysis

Annual Period	1/4/18 – 31/3/19	1/4/19 – 31/3/20	1/4/20 – 31/3/21	1/4/21 – 31/03/22	1/4/22 – 30/9/22
No. of ill-health retirements	46	37	43	46	*28

*denotes 6 month period

5.5. During the period 1 April 2021 to 31 March 2022, the number of ill health retirements granted increased by 3 compared to the previous year. This increase was due to the number of employees with serious medical conditions who met the criteria for ill health retirement. Based on the ill health retirements awarded during the 6 month period, it is anticipated that the annual figure for 1 April 2022 to 31 March 2023 is likely to be higher than the previous year.

6. Switch 2

6.1. 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, Housing and Technical*	4	0	4
Finance and Corporate	6	4	10
TOTALS	10	4	14

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

6.2. This figure is a decrease of 18 compared to the previous 6 month period. Of the 10 employees and 4 Modern Apprentices redeployed, 9 were placed into permanent roles and 5 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.

6.3. Annual Trend Analysis

Annual Period	1/4/18 – 31/3/19	1/4/19– 31/3/20	1/4/20 – 31/3/21	1/4/21 – 31/3/22	1/4/22 – 30/9/22
No. of Switch 2 matches	71	47	43	90	14*

*denotes 6 month period

6.4. During the period 1 April 2021 to 31 March 2022, the number of employees re-deployed increased by 47 compared to the previous year. Based on the number of redeployments during the period, it is anticipated that the annual figure for 1 April 2022 to 31 March 2023 is likely to decrease significantly compared to the previous year.

7. Flexible Retirement

7.1. The approval of those who have been granted flexible retirement is monitored within Personnel Services, Finance and Corporate Resources. During the 6 month period, 81 requests were approved as detailed below, with no cost to the Council.

7.2. 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	18	
Education	6	19
Finance and Corporate	6	
Housing and Technical	13	
Social Work	19	
Total		81

7.3. During the 6 month period, the average age of employees granted flexible retirement was 62 years, and this is comparable with the previous 6 month period.

7.4. Annual Trend Analysis

Annual Period	1/4/18 – 31/03/19	1/4/19– 31/3/20	1/4/20– 31/03/21	01/04/21 - 31/03/22	01/04/22 – 30/09/22
No. of Flexible Retirement	141	159	125	126	81*

*denotes 6 month period

7.5. During the period 1 April 2021 to 31 March 2022, the number of flexible retirements increased by 1 compared to the previous year. Based on the 81 requests received during the period, it is anticipated that the number of requests received from 1 April 2022 to 31 March 2023 are likely to increase compared to the previous year.

- 7.6. Flexible retirement refusals are monitored within Personnel Services, Finance and Corporate Resources and no requests were declined during this period.
- 8. Employee Implications**
- 8.1. In respect of the 6 employees refused ill-health retirement, capability dismissals may have been considered.
- 9. Financial Implications**
- 9.1. No early retirement or voluntary severance releases took place during the period and therefore no costs were incurred.
- 10. Climate Change, Sustainability and Environmental Implications**
- 10.1. There are no climate change, sustainability, or environmental implications as a result of this report.
- 11. Other Implications**
- 11.1. 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.
- 12. Equality Impact Assessment and Consultation Arrangements**
- 12.1. 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.
- 12.2. 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)

18 October 2022

Link(s) to Council Values/Priorities/Outcomes

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

Previous References

- ◆ Finance and Corporate Resources Committee, 7 September 2022

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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