

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **EXECUTIVE**

DATE: **27 MARCH 2012**

REPORT BY: **HEAD OF HUMAN RESOURCES &
ORGANISATIONAL DEVELOPMENT AND
HEAD OF FINANCE**

SUBJECT: **EARLY RETIREMENT SUMMARY**

1.00 **PURPOSE OF REPORT**

1.01 To provide members with a summary of Early Retirements approved and implemented for the period 1 October 2011 to 31 December 2011, including details of associated costs to the Council.

2.00 **BACKGROUND**

2.01 The Council's Early Retirement Policy gives the commitment for Human Resources and Finance to report on all Early Retirements (but not including Schools or those agreed on the grounds of Ill Health), to the Executive and to provide details of the full costs of these early retirements on a quarterly basis. By 'full costs' we mean any Pension Strain costs that have resulted from an employee being released early but receiving their full pension benefits. Pension strain costs are payable into the Clwyd Pension Fund to recognise the cost of early retirement and are a requirement under the Local Government Pension Scheme.

3.00 **CONSIDERATIONS**

3.01 Appendix 1 provides a breakdown of numbers and types of Early Retirements in the following categories:

- On grounds of redundancy (both Compulsory and Voluntary)
- On grounds of Interests of the Efficient Exercise of the Authority's function
- On grounds of Employer's Consent

3.02 As the Council works through its programme of Service Reviews to re-shape and modernise the organisation and meet the challenge of reduced financial resources, the number of posts within the organisation is reducing, leading to some redundancies. Where possible, the approach is to seek other options to reduce staff numbers in order to release the savings to the Council's base budget.

- 3.03 With reference to Early Retirements on the grounds of Redundancy, it is important to note that employees who are in the Pension Scheme and are aged 55 or over, will automatically receive their pension benefits with their redundancy payment. The Council does not have a choice as to whether it wishes to approve the release of the pension benefits in these circumstances.
- 3.04 For the three categories of Early Retirement identified in 3.01, a Business Case to support the approval of the Early Retirement and the associated costs for releasing the employee will be provided as part of the Early Retirement application and fully scrutinised by the Head of Service and Director (if applicable) and the Head of Finance and Head of HR and OD.
- 3.05 The Business Case provided must fully support the release of the employee and demonstrate that the criteria within the Council's Early Retirement Policy has been met. Costs associated with each Early Retirement must (as a minimum) be funded within a three year period.
- 3.06 To support the decision making and subsequent approval processes, Human Resources provide Finance with all Business Cases. The options outlined in each Business Case, such as total non-recurring employer costs and total recurring net efficiencies are fully costed by Finance and attached to the Business Case to demonstrate when any efficiencies will be realised and to fully inform the decision making process.
- 3.07 The table on Appendix 1 provides a summary of Early Retirements and the costs to the Council for the period 1 October 2011 to 31 December 2011. The total number of Early Retirements for that period was 8 with a total cost of £152,074.

4.00 RECOMMENDATIONS

- 4.01 That Members receive this report and note the data relating to Early Retirements and the associated costs.

5.00 FINANCIAL IMPLICATIONS

- 5.01 All of these costs have been met from within the Council's budget. Specific provision in the budget has been made for "Exit Costs" to enable the full cost of service efficiencies to be achieved based on the business case of each.

6.00 ANTI POVERTY IMPACT

- 6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 The Council does monitor the equalities impact of Early Retirement applications and of those that are approved.

9.00 PERSONNEL IMPLICATIONS

9.01 Service Heads and Directors will carefully assess the impact of approving Early Retirements as part of their workforce planning considerations.

10.00 CONSULTATION REQUIRED

10.01 None directly from this report but consultation will take place on an individual basis for those who have applied for Early Retirement, or who are at risk of redundancy as part of the Council's normal HR procedures.

11.00 CONSULTATION UNDERTAKEN

11.01 Not applicable.

12.00 APPENDICES

12.01 Appendix 1 attached - Details of Early Retirements for 1 October 2011 to 31 December 2011.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

None

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