

## **NOTICE OF MEETING**

### **Employment Committee**

**Wednesday 20 June 2012, 7.30 pm**

**Council Chamber, Fourth Floor, Easthampstead House, Bracknell**

### **To: Employment Committee**

Councillor McLean (Chairman), Councillor Mrs Birch (Vice-Chairman), Councillors Allen, Angell, Davison, Leake, Mrs Temperton and Worrall

### **Non-Voting:**

Councillor Ward

### **cc: Substitute Members of the Committee**

Councillors Mrs Angell, Blatchford, Brunel-Walker, Ms Brown and Dudley

ALISON SANDERS  
Director of Corporate Services

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**Employment Committee**  
**Wednesday 20 June 2012, 7.30 pm**  
**Council Chamber, Fourth Floor, Easthampstead House,**  
**Bracknell**

**AGENDA**

Page No

1. **Apologies**

To receive apologies for absence and to note the attendance of any substitute members.

2. **Declarations of Interest**

Members are asked to declare any personal or prejudicial interest, and the nature of that interest, in respect of any matter to be considered at this meeting.

3. **Minutes from previous meeting**

To approve as a correct record the minutes of the meeting of the Committee held on 1 May and 16 May.

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4. **Urgent Items of Business**

Any other items which, pursuant to Section 100B(4)(b) of the Local Government Act 1972, the Chairman decides are urgent.

5. **Minutes of Sub Groups**

The Committee is asked to note the minutes of the Local Joint Committee of 1 May 2012.

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6. **Environment, Culture & Communities - Reorganisation in Landscape Services**

This report seeks the Committee's authorisation for the redundancy of the Team Leader (Nursery) which arises from a minor restructure.

9 - 12

7. **South Hill Park- Project Manager Post**

This report seeks approval to the redundancy of a Project Manager in the Leisure & Culture division of the Environment Culture and Communities directorate.

13 - 16

8. **Annual Performance Report on Early Retirements and Redundancies**

The Council produces an annual report to outline its current policy on severance issues, show the capital costs and savings on early retirements/redundancies and report on ill health retirements. The Council has been doing this since 1999 so, in line with established practice, this report summarises the Council's performance during the

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last financial year i.e. 1/4/11 to 31/3/12.

9. **Exclusion of Public and Press (S100A)**

To consider the following motion:

That pursuant to section 100A of the Local Government Act 1972, as amended, and having regard to the public interest, members of the public and press be excluded from the meeting for consideration of the following items which involve the likely disclosure of exempt information under the following category of Schedule 12A of that Act:

- (1) Information relating to any individual (Item 10 & 11)

**Reports Containing Exempt Information**

- |   |         |
|---|---------|
| 10. <b>Exempt Appendix: Environment, Culture &amp; Communities - Reorganisation in Landscape Services</b> | 23 - 24 |
| 11. <b>Exempt Appendix: South Hill Park - Project Manager Post</b>  | 25 - 26 |
| 12. <b>Date of Next Meeting</b><br>10 October 2012  |         |

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**EMPLOYMENT COMMITTEE**  
**1 MAY 2012**  
**7.30 - 8.50 PM**

**Present:**

Councillors McLean (Chairman), Allen, Angell, Davison, Mrs Temperton and Worrall

**Non-Voting Member:**

Councillor Ward

**Apologies for Absence were received from:**

Councillors Mrs Birch and Brunel-Walker

**In Attendance:**

Tony Madden, Chief Officer: Human Resources

Vincent Palicska, Director of Environment, Culture & Communities

David Watkins, Chief Officer: Strategy, Resources & Early Intervention

**39. Declarations of Interest**

There were no declarations of interest.

**40. Minutes from previous meeting**

**RESOLVED** that the minutes of the meeting held on 13 February 2012 be approved as a correct record and signed by the Chairman.

**41. Equalisation of Working Hours in the Environment, Culture & Communities Directorate**

The Chief Officer: Human Resources reported that for some years the Council had been working toward a harmonised set of contract terms and conditions for all its staff. In March 2011, as part of an overall approach to job evaluation and equal pay, Corporate Management Team considered a detailed report on the equalisation of the working week and decided to recommend that all staff should be employed on 37 hours but to defer that until the implementation of the revised pay and grading structure, then expected in April 2012.

In June 2011 the Executive, agreed that officers needed to continue the ongoing dialogue with the unions on the implementation of a new pay structure and also accepted that the Council would need to separately consider the equalisation of working hours because it would not be possible to have a new pay structure agreed for a 1 April 2012 implementation.

The Chief Officer: Human Resources reported that the Council needed to regularise hours to ensure equity among employees and to reduce the Council's vulnerability to an equal pay claim.

In response to members' queries the Director of Environment, Culture & Communities clarified that the Council had always been the legal employer of Leisure and

Landscaping staff and they had not been employed under separate arrangements. He stated that if harmonised hours were implemented temporary seasonal staff would be employed in the Landscaping Section during peak periods. In addition, he reported that staff had not yet been informed about the harmonised hours but would be if the Employment Committee approved the report.

The Chief Officer: Human Resources reported that even if hours were harmonised; in the event of any successful equal pay claim, the Council would always be liable for back pay for a period of six years.

Councillor Worrall PROPOSED an AMENDMENT to the recommendation in the agenda papers as follows:

‘That the Employment Committee approve the equalisation of the working week in Leisure and Landscape to 37 hours, the funding for which was approved by Council on 29 February 2012, to be implemented from 1 October 2012’.

The AMENDMENT was SECONDED by Councillor Leake and upon being put to the vote the amendment was CARRIED.

It was **RESOLVED** that the Employment Committee approved the equalisation of the working week in Leisure and Landscape to 37 hours, the funding for which was approved by Council on 29 February 2012, to be implemented from 1 October 2012.

#### 42. **Balancing the Budget Final Staffing Implications**

The Chief Officer: Human Resources reported that at the Special Employment Committee meeting on 13 February 2012, 66 redundancies were approved to take effect on 31 March 2012, with 44 of the total confirmed after final decisions were made at Executive on the closure of Ladybank and the Home Care Team. The Committee had been informed that redeployment efforts were continuing and that a further report would be made to indicate how many of the 66 had been successfully redeployed into other posts with the Council.

The Chief Officer: Human Resources reported that around a third of the staff faced with redundancy had been redeployed. This in turn had significantly reduced the costs of redundancy, the decision to reduce the redundancy pay multiplier had further reduced costs and a total of £1.3 million had been saved on the Devolved Staffing Budget.

Members noted the report and agreed that this was a reasonable outcome from a difficult situation.

#### 43. **Minutes of Sub Groups**

The Chairman of the Local Joint Committee (LJC) reported that LJC had met earlier in the day and the unions had not raised any concerns around the reports to be considered by the Employment Committee.

#### 44. **Pay Policy Statement**

The Chief Officer: Human Resources reported that the Localism Act 2011 required the Council to create and publish a Pay Policy Statement, with particular emphasis on senior pay. He stated that most of the content included in the Pay Policy Statement was specifically required by the Localism Act whilst other aspects were derived from

suggestions in the Joint National Council for Chief Executives of Local Authorities' guidance on pay policies in order to give a fuller picture of the work of officers of the Council.

The Committee noted the Information item.

#### 45. **Youth Service Budget Savings**

The Chief Officer: Strategy, Resources and Early Intervention reported that the purpose of the report was to consider the staffing implications following consultation on the future of the Youth Service. This followed the requirement to achieve a £250,000 reduction in the Youth Service budget.

It was reported that as the Executive had approved the overall budget, the Employment Committee was now being asked to consider the deletion of the posts identified in Exempt Appendix A.

The Chief Officer: Strategy, Resources and Early Intervention reported that extensive consultation had taken place around the reduction in services and facilities. There had been a public meeting as well as considerable engagement with staff affected. Currently, four redeployment opportunities had been identified and were being followed up.

Councillor McLean PROPOSED an AMENDMENT to recommendation 2.1 in the agenda papers as follows:

'That approval be given to the deletion of the posts identified in Exempt Appendix A by 1 July 2012.'

The AMENDMENT was SECONDED by Councillor Ward and upon being put to the vote the amendment was CARRIED.

It was **RESOLVED** that;

- i) approval be given to the deletion of the posts identified in Exempt Appendix A by 1 July 2012.
- ii) Subject to any redeployment opportunities offered to those affected, that the post holders be declared redundant in accordance with the terms set out in Exempt Appendix A with the costs being met from the Structural Changes Fund.

#### 46. **Exclusion of Public and Press (S100A)**

**RESOLVED** that pursuant to section 100A of the Local Government Act 1972, as amended, members of the public and press be excluded from the meeting for consideration of item 10 of the agenda which involved the likely disclosure of exempt information under category 1 of Schedule 12A of that Act:

- (1) Information relating to any individual

#### 47. **Youth Service Budget Savings - Exempt Appendix A**

The information in the Exempt Appendix was noted.

48. **Date of Next Meeting**

20 June 2012

**CHAIRMAN**



**EMPLOYMENT COMMITTEE  
16 MAY 2012  
8.48 - 8.49 PM**



**Present:**

Councillors McLean (Chairman), Mrs Birch (Vice-Chairman), Allen, Angell, Davison, Leake and Mrs Temperton

**Apologies for Absence were received from:**

Councillors Worrall

**1. Election of Chairman**

**RESOLVED** that Councillor McLean be appointed Chairman of the Employment Committee for the Municipal Year 2012/13.

**COUNCILLOR McLEAN IN THE CHAIR**

**2. Appointment of Vice-Chairman**

**RESOLVED** that Councillor Mrs Birch be appointed Vice-Chairman of the Employment Committee for the Municipal Year 2012/13.

**3. Appointment of Sub-Committees and Advisory Groups**

**RESOLVED** that the following be appointed:

**Education Employment Sub Committee of Employment Committee**

**Conservative**

Allen (Chairman elect)  
Mrs Birch  
Davison  
Leake  
Ward (Non voting)

**Labour**

Mrs Temperton

**Substitute Members**

**Conservative**

Angell  
Blatchford  
Dudley  
Worrall

**Labour**

Ms Brown

**Personnel Appeals Panel**

Any four of the Employment Committee who are available on the day.

**Local Joint Committee Consultative Committee of Employment Committee**

**Conservative**

Mrs Angell  
Angell (Chairman elect)  
Blatchford  
Leake

**Reserve Members**

**Conservative**

Brunel-Walker  
McLean

**CHAIRMAN**



**LOCAL JOINT COMMITTEE  
1 MAY 2012  
4.00 - 4.30 PM**

**Present:**

Councillors Angell (Chairman), Leake and Sargeant  
David Allais, UNISON  
Lorna Cameron, UNISON  
Fred Jones, UNISON  
Caroline Moore, UNISON  
Keith Roberts, GMB

**In Attendance:**

Tony Madden, Chief Officer: Human Resources

**Apologies for Absence were received from:**

Councillor Brunel-Walker

**17. Declarations of Interests**

Fred Jones, UNISON declared a personal interest in Agenda Item 5. 1) Equalisation of Working Hours in Environment, Culture and Communities Directorate, as an employee of the Landscaping Section.

**18. Minutes from Previous Meeting**

The minutes of the meeting held on 13 February 2012 were agreed as a correct record.

**19. Employment Committee: Agenda and Related Matters**

*1) Equalisation of Working Hours in Environment, Culture and Communities Directorate*

The Chief Officer: Human Resources reported that for some years the Council had been working toward a harmonised set of contract terms and conditions for all its staff. In March 2011, as part of an overall approach to job evaluation and equal pay, Corporate Management Team considered a detailed report on the equalisation of the working week and decided to recommend that all staff should be employed on 37 hours but to defer that until the implementation of the revised pay and grading structure, then expected in April 2012.

In June 2011 the Executive, agreed that officers needed to continue the ongoing dialogue with the unions on the implementation of a new pay structure and also accepted that the Council would need to separately consider the equalisation of working hours because it would not be possible to have a new pay structure agreed for a 1 April 2012 implementation.

The Chief Officer: Human Resources reported that the Council's vulnerability to an equal pay claim would be reduced by equalising hours.

UNISON representatives stated that if staff raised any concerns, UNISON would support staff.

The Chairman stated that £100k had already been agreed by Council on 29 February and that it was considered as a priority for the Council.

*2) Youth Services Budget Savings*

The Chief Officer: Human Resources reported that the proposals contained in the report had been the subject of public consultation which commenced in December 2011 through to March 2012.

The Chief Officer: Human Resources agreed to provide union representatives with an Impact Assessment on Staff. He stated that he was reasonably confident that the majority of staff affected could be offered redeployment opportunities.

It was noted that the responses to the consultation had been included in the papers of the Executive and Council, should union representatives wish to see them.

*3) Pay Policy Statement*

The Chief Officer: Human Resources reported that there was a statutory requirement to produce a Pay Policy Statement and part of the drive to make the Council's processes more transparent.

Union representatives commented that the Policy was very comprehensive and interesting.

The Chairman stated that the Policy would be reviewed annually and if members wished to add their comments there would be an opportunity to do so, annually in the autumn.

*4) Balancing the Budget Final Staffing Implications*

The Chief Officer: Human Resources reported that following the 66 redundancies as detailed in the Special Employment Committee Report, the majority of affected staff had been redeployed successfully. For the most part, those that wanted to continue to working, were able to do so.

It was noted that the situation would become more difficult as the Council moved forward into the next financial year, however a reasonable outcome had been achieved from a difficult situation.

**20. Matters to be Raised by Trade Unions**

There were no matters raised by trade unions.

**21. Date of Next Meeting**

29 May 2012

**CHAIRMAN**

**TO: EMPLOYMENT COMMITTEE  
20 JUNE 2012**

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**ENVIRONMENT, CULTURE AND COMMUNITIES - REORGANISATION IN  
LANDSCAPE SERVICES  
[Director of Environment, Culture and Communities]**

**1 PURPOSE OF DECISION**

- 1.1 This report seeks the Committee's authorisation for the redundancy of the Team Leader (Nursery) which arises from a minor restructure.

**2 RECOMMENDATION**

- 2.1 **That the Employment Committee approves the deletion of the post identified in exempt Annex A with effect from 31 July 2012 and declares the post-holder redundant in accordance with the terms set out in Exempt Appendix A with the costs being met from the Structural Changes Reserve.**

**3 REASONS FOR RECOMMENDATION**

- 3.1 The reason for this change is to address the staffing issues arising out of the decision of the Executive to close the Binfield nursery site.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None. Without a nursery these posts can not be justified.

**5 SUPPORTING INFORMATION**

- 5.1 In its meeting on 10 January 2012 the Executive determined that the landscape nursery in Binfield is surplus to operational need. More cost effective alternative arrangements are being made to buy in plants rather than grow them on at the Council's own site.
- 5.2 The staffing needs have been reviewed and the changes mean that there is no longer a need for either the Team Leader (Nursery) and the Assistant Nurseryman posts. There is however a need for an additional Operative position within the landscape team.
- 5.3 Following the Council's agreed Organisational Change Protocol, the Team Leader (Nursery) and the Assistant Nurseryman were both placed 'at risk' and the opportunity offered to them to volunteer for redundancy.

The Team Leader (Nursery) post-holder opted for redundancy and, after a careful appraisal of that offer, it was accepted. The other employee, the Assistant Nurseryman has been redeployed in to the vacant Landscape Operative post.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 6.1 The Borough Solicitor has no further comments to add to this report.

### Borough Treasurer

- 6.2 The saving from this post is identified in the Exempt Appendix and will be reported through budget monitoring along with the costing of the revised operation at the Council's Commercial Centre of buying in plants following the closure of the Nursery.

### Impact Assessment

- 6.3 This change has no impact on public facing services and therefore does not need an initial assessment.

### Chief Officer: Human Resources

- 6.5 The payback period to recover the cost of the redundancy payment is just over 6 months.

## **7 CONSULTATION**

### Principal Groups Consulted

- 7.1 The Chief Officer: Environment & Public Protection has consulted with all members of the Landscape team and the trades unions on the proposed restructure of the Landscape Service following the decision to close the landscape nursery site and buy in plants.

### Method of Consultation

- 7.2 In accordance with the Council's Organisational Change Protocol.

### Representations Received

- 7.3 None.

### Contact for further information

Steve Loudoun  
Chief Officer: Environment & Public Protection  
01344 352501  
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### Doc. Ref

CO:E&PP/Cttees&Gps/EmploymentCommittee/2012/EC&CReorganisationinLandscape Services20-06-12 (a)

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**TO: EMPLOYMENT COMMITTEE  
20 JUNE 2012**

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**SOUTH HILL PARK – PROJECT MANAGER POST  
(Director of Environment Culture and Communities)**

**1 PURPOSE OF REPORT**

- 1.1** This report seeks approval to the redundancy of a Project Manager in the Leisure & Culture division of the Environment Culture and Communities directorate.

**2 RECOMMENDATION**

- 2.1** That the Employment Committee approve the deletion of the post identified in Exempt Appendix A with effect from 31 July 2012 and authorises the payment for the redundancy from the Capital Programme; the pension costs will be met from the Structural Changes Reserve Fund.

**3 REASONS FOR RECOMMENDATIONS**

- 3.1** The completion of the South Hill Park restoration works means there will no longer be the need for a Project Manager post.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1** To keep the post on the permanent establishment. This would not be required operational nor be financially viable as there is no more grant funding available.

**5 SUPPORTING INFORMATION**

- 5.1** South Hill Park is a 23 hectare Grade II Registered Park of Special Historic Interest located to the south of Bracknell town centre. The former mansion and associated walls, steps, piers and gates are also Grade II listed. The combination of an important designed landscape with an Arts Centre created an excellent opportunity to enhance the public enjoyment of a mix of heritage and modern creativity.

In 2004, the Council was successful in securing Heritage Lottery Fund (HLF) support (Project Planning Grant) to prepare a Conservation Management Plan for South Hill Park. A major review was carried out as part of the preliminary stages of plan preparation, including extensive consultation with a wide range of interested bodies, groups and individuals.

- 5.2** In accordance with Heritage Lottery Fund (HLF)/Big Lottery Fund rules, projects of this scale have to be delivered through a two-stage process. A Stage One bid was made to the "Parks for People" programme in September 2007. This was successful and a Stage One pass was awarded in April 2008 which funded the detailed design and costing work. A sum of £298,000 was allocated as the Stage One costs and a grant of 70% (£210,000) was provided. Stage One was successfully completed in March 2009.

The detailed scheme was submitted to the Heritage Lottery Fund as a Stage Two application in March 2009. A Grant award of £2.3m was confirmed by the HLF to implement the landscape restoration works at South Hill Park, together with access improvements and conservation of heritage features.

- 5.3 The Project Manager post was therefore appointed in July 2008 on a time limited basis of 4 years to manage the landscape restoration of South Hill Park, with an expectation that the works phase was to be completed in 2012. The post has focused on co-ordinating the landscape restoration project with key duties including research, design, arranging and supervising tenders/contracts, consultation and promotional work.
- 5.4 The completed restoration work has been delivered to a very high standard. Large scale woodland management and extensive replanting have been undertaken. Views and vistas have been opened up and woodland walks and trails have been identified and waymarked, with great community involvement. A thriving Friends Group and conservation volunteer groups will work closely to ensure the well being of the parkland well into the future under the guidance of a dedicated park manager and gardener. The work of the Project Manager is now, however, at an end.
- 5.5 This employee was originally appointed in October 2001 as the Lily Hill Park Project Officer, where he remained until he was appointed as the South Hill Park Project Manager in July 2008. The South Hill Park Project Manager post was a fixed-term appointment and, at the time of recruitment the postholder was clearly the best candidate so was appointed. As he was already employed by the Council, he had almost 7 years service at the start of this appointment. He was therefore legally a permanent employee and was accordingly issued with a permanent contract of employment. Therefore for this termination process the Council's normal Redundancy Handling Procedure is being followed rather than the End of a Fixed Term Contract Procedure which only requires the Chairman's authorisation. That is the reason it is now a matter for the Employment Committee to determine.
- 5.6 As the postholder has been employed to deliver capital schemes and has been working on this project for some time the Accounting Code of Practice allows the cost of redundancy to be funded through the Council's Capital Budget (approved contribution to the South Hill Park project). However, the capitalised cost of pension will need to be met from the Structural Changes Fund in accordance with the required accounting rules.

## **6. ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### **6.1 Borough Solicitor**

Nothing to add.

### **6.2 Borough Treasurer**

This post was funded by a combination of HLF grant and the Council's capital programme; no future provision for funding has been made. The funding of the redundancy and capitalised pension costs is set out in paragraph 5.6.

**6.3** Impact Assessment

Not applicable.

**7. CONSULTATION**

**7.1** Principal Groups Consulted

In accordance with the Council's Organisational Change Protocol.

**7.2** Representations Received

None received.

Background Papers

None

Contact for further information

Vincent Paliczka – Director of Environment, Culture & Communities – 01344 351750.

[Vincent.palczka@bracknell-forest.gov.uk](mailto:Vincent.palczka@bracknell-forest.gov.uk)

Richard Walton – Head of Parks & Countryside Leisure & Culture, Environment Culture and Communities Department – 01344 351226

[richard.walton@bracknell-forest.gov.uk](mailto:richard.walton@bracknell-forest.gov.uk)

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TO: EMPLOYMENT COMMITTEE  
20 JUNE 2012

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**ANNUAL PERFORMANCE REPORT ON EARLY RETIREMENTS AND REDUNDANCIES  
(Director of Corporate Services – Human Resources)**

**1 INTRODUCTION**

- 1.1 The Council produces an annual report to outline its current policy on severance issues, show the capital costs and savings on early retirements/redundancies and report on ill health retirements. The Council has been doing this since 1999 so, in line with established practice, this report summarises the Council's performance during the last financial year i.e. 1/4/11 to 31/3/12.

**2 SUPPORTING INFORMATION**

The Council's Early Retirement policy

- 2.1 The Committee are reminded that the framework for the Council's early retirement policy is based on clearly identifiable principles which were initially set out in the Pensions and Severance Policy agreed in June 1999 and then revised in October 2006. They remain a sound basis for the Council's approach to severance and are:
- (i) Most employees should expect retirement to take place at the normal retirement age. No employee should regard early retirement for which the employer's consent is required as his or her automatic right, nor should the exercise of the employer's discretions be expected as a right. Discretions will only be exercised where there is a benefit to the organisation which adequately justifies their use.
  - (ii) Early retirement is not a substitute for proper performance management and will not be used by management to resolve competence/capability problems.
  - (iii) On occasions early retirement is a valuable management tool which enables decisions to be made to effect savings and/or improve efficiency in the organisation. It will also avoid the negative industrial relations impact of compulsory redundancies.
  - (iv) Employees will be treated in a fair and equitable manner.
  - (v) Each case must be assessed individually, and the costs and benefits to the organisation clearly presented to the decision-makers as part of that case.

Decisions on early retirement must be made with regard to the Council's overriding responsibility to act with prudence, propriety and in accordance with the age discrimination laws.

### 3 PENSION REFORM

3.1 The report to the Employment Committee in December 2011 introduced the issues which had been raised by the Hutton Report on reforming Public Sector Pensions. Lord Hutton's report made broad recommendations which were subject to consultation and subsequent endorsement by the Government.

3.2 The primary concern driving these reforms was that average life expectancy is increasing thereby raising the cost of providing a pension as it needs to be paid out for a longer term.

In addition the Hutton report explained the need for there to be a fairer balance between scheme member and tax payer contributions. However the Government has recognised that the LGPS, unlike some other public service pensions, is a fully funded scheme (i.e. the scheme is funded through a combination of employee and employer contributions), and agreed that separate discussions should take place to find savings.

3.3 Following discussions between the Government and Unions, the Treasury announced the following proposals for the reform of the LGPS:

- Increases in contribution rates, if any, to be introduced from 1 April 2014 (Current contribution rates are shown in para 3.5)
- Protection for members who are within 10 years of retirement from any changes made
- LGPS to change from a Final Salary Scheme to Career Average Re-valued Earnings (CARE) scheme.

The final Regulations are to be laid before parliament in April 2013, with changes to take effect from 1 April 2014.

3.4 The contribution rates for employees in 2012/2013 are:

Band	Salary Range	Contribution rate
1	£0 - £13,500	5.5%
2	Over £13,500 to £15,800	5.8%
3	Over £15,800 to £20,400	5.9%
4	Over £20,400 to £34,000	6.5%
5	Over £34,000 to £45,500	6.8%
6	Over £45,500 to £85,300	7.2%
7	Over £85,300	7.5%

### 4 CARE SCHEME

4.1 As indicated above, the current LGPS scheme is a final salary scheme which is based on the number of years service times  $1/60^{\text{th}}$  of your final pensionable pay.

4.2 A CARE scheme works by building up an amount of pension year on year, based on a percentage of an individuals pensionable pay in each year of scheme membership. To reflect the effects of inflation, the pension they earn will be re-valued upwards each year in line with the Consumer Prices Index.

4.3 The CARE scheme produces a pension based on each year of service so is considered more reflective of the employees total work record and history of contributions. For example a final salary scheme may have cases where an employee has worked for 20 years, 18 of those being at relatively the same salary level and paying contributions on that level, but due to promotion in the final 2 years, they had a salary increase. This would mean the pension would be calculated on the higher salary and would in turn increase the cost to the pension scheme. With a CARE scheme, the pension is calculated using 18 years at the lower salary level and then 2 years at a higher salary resulting in a “flattening” out and the average then being paid as pension, a scheme much more representative of that individuals overall pension contribution.

**5 ANNUAL REVIEW**

5.1 The number and percentage of early retirements as a percentage of overall retirements over the last 3 years are as outlined below. Comparisons are slightly skewed because of the change of pension rules to make pension payable at 55 and not 50 in redundancy cases (effective from April 2010).

	2009/2010		2010/2011		2011/2012	
Ill Health	3	3.5%	3	5%	7	8%
Redundancy (Over 50/55)	4	5%	20	31%	31	36.5%
Normal Retirements	75	91.5%	41	64%	47	55.5%
Total	82	100%	64	100%	85	100%

In all cases, the Employment Committee will have received a detailed report on the business case to enact the redundancies & early retirements (including the savings accrued from the deletion of the post) and approved accordingly.

5.2 In previous years the trend has been that the number of normal retirements increases year on year. However, the number of normal retirements decreased in 2010/11 and remains at relatively the same level in 2011/12.

5.3 Since 2001 the Council has not been bound by the normal state retirement age of 65, and has allowed individuals to continue in employment after that age where appropriate. Therefore new legislation introduced in October 2011 to remove the default retirement age had no significant impact on current Council practice and has not affected the number of people retiring.

#### 5.4 Ill Health Retirements

The total number of employees leaving as the result of Ill Health Retirements (IHR), including schools, has increased slightly in 2011/2012 but still remains at a low level. The number IHR's is recorded as a local Performance Indicator (LO69) and measured as a proportion of the Council's workforce who are in the LGPS or Teacher's pension scheme (3,545 employees, or approximately 90% of staff).

	2009-10			2010-11			2011-12		
	Target	Outturn	No.	Target	Outturn	No.	Target	Outturn	No.
L069 % Ill Health Retirements	0.14	0.09	3	0.12	0.08	3	N/A	0.2	7

5.5 The number has remained at a low level because of two key factors:

- management by Occupational Health.
- the process to obtain retirement on medical grounds being very stringent because the employee has to be assessed by an independent Occupational Health Practitioner and judged to be permanently incapable of discharging the duties of their current post and have a reduced likelihood of being capable of undertaking gainful employment before normal retirement age

5.6 Whilst the process cannot predict the number of people who are seriously ill, it does ensure that only those who fit the strict eligibility criteria are granted IHR and ensures the cost to the Council is kept to a minimum.

#### Impact of "Balancing the Budget" measures

5.7 The number of Early Retirements is recorded as a Best Value Performance Indicator (BV14) and measured as proportion of the Council's workforce who are in the LGPS.

5.8 The number of over 55 redundancies rose in 2010/11 compared to the previous 2 years due to the restructures carried out during the year. 2011/2012 saw another programme of change, which meant the number of over 55 redundancies rose again but this time more steeply. This steep rise was because of the significant restructure across the organisation but particularly in the provision of Home Care to Council residents and the closure of Ladybank Residential home where the age profile of those employees involved was that 50% of them were over the age of 55.

Because of this, the BVPI, which measures the number of redundancies which have resulted in access to pension as a proportion of the Council's workforce who are in the LGPS, has seen a sharp increase. The term used by the BVPI is Early Retirement, however as the Council rarely approve an early retirement, the figure really relates to those retirements which have resulted from a redundancy so is profoundly affected by the number of Council restructures which happen in year.



## Unrestricted

5.9 The BVPI figure for Early Retirements is as follows:

	2009-10			2010-11			2011-12		
	Target	Outturn	No.	Target	Outturn	No.	Target	Outturn	No.
BV14 % Early Retirements	0.20	0.12	4	0.20	0.23	10	N/A	0.67	24

Please note, projected targets had been set in 2009/10 and 2010/11 however it was decided not to continue with a using targets for these two BVPI calculations as they are indicators which the Council has little control over and, in times of budget restrictions and consequent downsizing, little ability to improve upon.

These figures are calculated, as with IHR, as a proportion of the Council's workforce who are in the LGPS or Teacher's pension scheme.

## 6 CONCLUSION

6.1 The Council's approach continues to be one where the expectation of early retirement as a right does not apply. The level of Ill Health Retirements continues to be at a low level whilst the level of normal retirements remains stable. The number of over 55 redundancies has risen since 2010 in line with the Council's need to make significant budget reductions. If the Council continues with this rigorous approach to the use of discretions, the cost of early retirements will continue to be kept at a minimum level.

## 7 EQUALITIES IMPACT ASSESSMENT

7.1 No adverse equalities impact are anticipated; the policy is constructed on a fair and equitable basis and applies to all employees.

## 8 STRATEGIC RISK MANAGEMENT ISSUES

8.1 Identified in the individual reports to the Employment Committee which recommended redundancies / early retirements.

### Background Papers

None

### Contact for further information

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### Doc. Ref

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