

TO: EMPLOYMENT COMMITTEE
13 DECEMBER 2017

ANNUAL REPORT ON RETIREMENTS AND REDUNDANCIES
(Director of Resources – Human Resources)

1 PURPOSE OF REPORT

- 1.1 The Council produces an annual report to show the capital costs and savings on early retirements/redundancies and to 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. 1/4/16 to 31/3/17.

2 SUPPORTING INFORMATION

PENSION CHANGES

- 2.1 Previous reports to the Employment Committee described the changes to the Local Government Pension Scheme (LGPS) from April 2014 which are now firmly in place and no further major amendments have been announced.

There remains no firm date for implementation of the cap on exit payments, as described in previous reports; when this is implemented it may require some adjustments to the Pension regulations at a national level to enable the change.

3 ANNUAL REVIEW OF ILL HEALTH RETIREMENTS AND REDUNDANCIES

- 3.1 The following information captures statistics from the last year (2016/2017) and compares them to previous periods.

The numbers of Ill Health Retirements, Flexible Retirements and Redundancies over the age of 55 over the last 3 years are as follows:

	2014/2015	2015/2016	2016/2017
Ill Health	5	5	3
Redundancy (Over 55 with access to pension)	3	8	28*
Flexible Retirements (no capitalised cost)	1	3	3
Total	9	16	33

* See paragraph 3.3 for an explanation of the increase

The Employment Committee has received detailed reports on the business case in relation to the redundancies & early retirements (including the savings accrued) and this has been implemented accordingly.

3.2 Ill Health Retirements

The total number of employees leaving as the result of ill health retirements (IHR), including schools, has reduced slightly in 2016/2017, and still remains at a low level because of two key factors:

- early intervention and robust management by Occupational Health.
- the process to obtain retirement on medical grounds is stringent.

3.3 Redundancies (over the age of 55)

The number of those employees over 55 made redundant, who had access to their pension, increased significantly in 2016/17 compared to the previous year. This reflects a year where the number of restructures increased as a result of budget reductions, and included the closure of Heathlands and the Education Library Service.

3.4 Flexible Retirements (no cost to the Council)

The number of those employees taking Flexible Retirement, decreased in 2016/17 compared to the previous year. This is a useful tool for the Council to retain knowledge and experience of staff, whilst enabling those staff to prepare for retirement normally by reducing their hours or less common, transferring to a lower graded position. It is initiated by employee request.

4 **EQUALITIES IMPACT ASSESSMENT**

- 4.1 No adverse equalities impact as the current policy on discretions is constructed on a fair and equitable basis and applies to all employees. The policy has been the subject of an Equalities Impact Assessment. Each restructure involving more than 5 redundancies is also subject to an Equalities Screening process which has no identified any adverse impact. The Workforce Monitoring Report contains a summary of all redundancies in the financial year broken down by protected characteristics.

5 **STRATEGIC RISK MANAGEMENT ISSUES**

- 5.1 Identified in the individual reports to the Employment Committee where recommendations on redundancies / early retirements are made.

Background Papers

None

Contact for further information

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