

TO: EMPLOYMENT COMMITTEE
5 OCTOBER 2016

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

1 PURPOSE OF REPORT

- 1.1 The Council produces an annual report to outline its current policy on severance issues and explain any potential for change, 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. 1/4/15 to 31/3/16.

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.

A report in October 2015 provided information on the Government's proposal to introduce a £95,000 cap on exit payments and introduce recovery provisions if employees return to employment after being in receipt of exit payments.

A separate report at this Committee also explains further potential changes which are being considered. The Committee will receive further information on the proposals when they are confirmed.

ANNUAL REVIEW OF ILL HEALTH RETIREMENTS AND REDUNDANCIES

- 2.2 The following information captures statistics from the last year (2015/2016) and compares them to previous periods.

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

	2013/2014	2014/2015	2015/2016
Ill Health	5	5	5
Redundancy (Over 55 with access to pension)	11	3	8
Total	16	8	13

The Employment Committee has received a detailed report on the business case to enact each of the redundancies & early retirements (including the savings accrued) and approved accordingly.

2.3 Ill Health Retirements

The total number of employees leaving as the result of ill health retirements (IHR), including schools, has remained the same in 2015/2016, 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 has become very stringent

2.4 Redundancies (over the age of 55)

The number of those employees over 55 made redundant, who had access to their pension, increased in 2015/16 compared to the previous year. This reflects a year where the number of restructures increased as a result of budget reductions.

3 **EQUALITIES IMPACT ASSESSMENT**

- 3.1 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 is also subject to an Equalities Screening process which has no identified any adverse impact.

4 **STRATEGIC RISK MANAGEMENT ISSUES**

- 4.1 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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