AGENDA ITEM NO 13  
REPORT NO 627/11  
ANGUS COUNCIL  
SCRUTINY AND AUDIT SUB COMMITTEE – 20 SEPTEMBER 2011  
EARLY RETIRAL/VOLUNTARY REDUNDANCY  
REPORT BY CHIEF EXECUTIVE  

ABSTRACT  
This report advises of the number of employees released on early retiral/voluntary redundancy and ill health retiral during the 2010/11 financial year.  

1 RECOMMENDATION  
The Sub Committee consider the terms of this report.  

2 INTRODUCTION  
Each year as part of the council’s performance management arrangements a report on the number of early retirals from the council on the grounds of efficiency/redundancy and ill health during the previous financial year is submitted to this Sub Committee.  

3 EARLY RETIRALS 2010/11  
Eleven employees were released on early retiral/voluntary redundancy during 2010/11. In the previous five financial years 2005/06 to 2009/10 the figures were 2, 12, 5 10 and 8 respectively.  

A total of 13 employees were released during 2010/11 on ill health grounds having been certified as being permanently unfit for work by the council’s medical adviser. All were members of the pension scheme and will be in receipt of an ill health retiral pension. The comparative numbers released on ill health grounds in financial years 2005/06 to 2009/10 were 10 11, 8, 17 and 10 respectively.  

The Sub Committee is asked to note that the figures only relate to those employee categories covered by the Local Government Pension Scheme and therefore exclude teaching staff.  

4 FINANCIAL IMPLICATIONS  
Employees will normally only be released on the grounds of early retiral/voluntary redundancy when there is a saving after taking account of enhanced payments and the cost of early payment of the accrued pension and accrued lump sum.  

The full costs of early retiral/redundancy to both the revenue budget and the pension fund are identified to ensure that each department supporting an efficiency or redundancy early retiral has regard to additional costs, including the strain on the fund, as well as other operational considerations. The pension regulations require the council to reimburse the cost of additional years to the pension fund, together with any capitalised strain on the fund.  

Lump sum costs (including redundancy and strain on the fund costs) associated with the early retirals granted in 2010/11 amounted to £88,099. The whole of this sum will be recovered through permanent savings in staff costs which will substantially reduce recurring base budget needs.
The cost of *ill health retirals* is borne by the pension fund. However, the greater the number of retirals the greater will be the strain on the fund and this may result, in the longer term, in an increase in employer’s pension contributions borne by the council.

5  **HUMAN RIGHTS IMPLICATIONS**

There are no human rights implications associated with the terms of this report.

6  **EQUALITIES IMPLICATIONS**

The issues dealt with in this report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

7  **CONSULTATION**

The Director of Corporate Services, Head of Finance and Head of Law & Administration have been consulted on the terms of this report.

RICHARD STIFF  
CHIEF EXECUTIVE

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**NOTE**  No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.