

PERTH AND KINROSS COUNCIL**Strategic Policy & Resources Committee – 13 September 2017****SAVINGS ARISING FROM EARLY RETIREMENT DECISIONS TAKEN IN 2016/17****Report by Head of Finance****PURPOSE OF REPORT**

This report provides information on the costs and savings arising from early retirement decisions taken in financial year 2016/17.

1. BACKGROUND

- 1.1 On 17 September, 2003 this Committee approved Report No. 03/457 which detailed the Council's response to Audit Scotland's local report on early retirement entitled "Bye Now Pay Later part 2".
- 1.2 One of the recommendations in the Audit Scotland report was that the Council be informed of the costs and/or savings arising from decisions taken by Officers, under delegated authority, to approve employee early retirements. The presentation of this report ensures that the Council complies with that recommendation. The report incorporates the early retirements approved by the Council in setting the 2017/18 Final and 2018/19 Provisional Revenue Budgets (Report No 17/47 refers).
- 1.3 On 4 February, 2009, this Committee approved Report No 09/70 which set out new retirement provisions as part of the Council's workforce planning arrangements and included revised scrutiny and governance arrangements.

2. PROPOSALS

- 2.1 The Committee is asked to note the overall net savings arising from early retirement decisions taken in 2016/17 as summarised in Appendix 1. The overall net savings tabulated in the Appendix include Council staff who are members of the Local Government Pension Scheme and teachers whose pension arrangements are administered by the Scottish Public Pensions Agency.

3. CONCLUSION AND RECOMMENDATION

- 3.1 Based on the approach recommended by Audit Scotland the Council will achieve savings of £5,501,366 over a five year period. This equates to a recurring annual saving of over £1,200,000 in a full year (as detailed in Appendix 1). To deliver these recurring savings the Council will incur one-off costs of £2,074,067 in relation to members of the Local Government Pension Scheme and the Teacher's Pension scheme as indicated in Appendix 1.

3.2 An analysis of the approved early & flexible retirement applications over the medium term identified no equalities issues and that the numbers were proportionate to the age/gender profile of the workforce. Ongoing monitoring in this regard will continue to achieve value for money, accountability, transparency and equality of treatment.

3.3 It is recommended that the Committee note the contents of this report.

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Jim Valentine	Depute Chief Executive and Chief Operating Officer	30 August 2017

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	None
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Corporate Plan

- 1.1.1 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.1.2 This report relates to all of these objectives.

2. Resource Implications

2.1 Financial

- 2.1.1 This report provides retrospective information on decisions taken in the previous financial year (2016/17) and as such, there are no direct financial implications arising from the report.

2.2 Workforce

- 2.2.1 There are no direct workforce implications arising from this report other than those retrospectively reported in Appendix 1.

3. **Assessments**

3.1 Equality Impact Assessment

- 3.1.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.1.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA).
- 3.1.3 The most relevant equalities characteristics in relation to retirement are age and sex. The actual number of applications with approved/rejected breakdown demonstrates the figures are proportionate to the age/gender profile for the workforce.
- 3.1.4 The application of added years for early retirements due to efficiency/redundancy has been applied in accordance with the retirement scheme provisions.
- 3.1.5 In summary, based on an analysis of the data, there are no equalities issues.

3.2 Strategic Environmental Assessment

- 3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.2.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

3.3 Sustainability

- 3.3.1 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.3.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

2. BACKGROUND PAPERS

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above report.

Background papers:— Report 03/457
 Bye Now Pay Later Part 2
 Report 09/70
 Retirement Scheme

3. APPENDICES

Appendix 1 – Net savings/costs arising from early retirement decisions taken in 2016/17.