

WEST DUNBARTONSHIRE COUNCIL

Report by Head of Personnel Services

Joint Consultative Forum –25th May 2006

Subject: Trawl for Early Retirement/Severance

1. Purpose

- 1.1** To provide a written response to the concerns raised at the JCF meeting on 9th March 2006, regarding variances between the Social Work Trawl and the Council wide severance/early retirement trawl.

2. Background

Social Work – Revised Management Restructure

- 2.1** In June 2005 a meeting was held between UNISON, Social Work and Personnel to discuss the proposed management restructure, including the timescale and draft information bulletin.
- 2.2** Information Bulletin No.1, dated 4th July 2005 was circulated to employees within Social Work seeking volunteers for early retirement/redundancy from employees at a grade of PO4-7. The bulletin detailed the following options:-

Redundancy (Age Under 50 or Aged 50 or more but not in the Pension Fund)

The Council will exercise its discretion to provide redundancy pay of up to 66 weeks based on age, length of service and contractual earnings.

Redundancy (Age 50 or more with access to Pension Benefits)

Employees with between 2 and 5 years pensionable service will receive redundancy pay of up to 30 weeks contractual earnings and an immediate pension and lump sum based on actual pension contributions without enhancement

Employees with more than 5 years pensionable service will receive redundancy pay of up to 30 weeks contractual earnings and an immediate pension and lump sum based on actual pension contributions. The Council will exercise its discretion to award added years to a maximum of 6 $\frac{2}{3}$ rds.

Early Retiral on the grounds of Efficiency (Age 50 or more with access to Pension Benefits)

This will only be approved where a service benefit to the Council can be shown. Pension benefits are based on actual membership of the Pension Scheme. The Council will also use its discretion to enhance membership by up to 10 added years. There is no redundancy payment in this option.

- 2.3** A closing date for expressions of interest was set at 1st August 2005, with 9 employees expressing an interest. Employees received provisional quotes in November/December 2005, prior to the commencement of the budget saving exercise.

Budget Preparations for 2006/2007

- 2.4** In December 2005 the Chief Executive issued a letter to all employees inviting expressions of interest in early retirement/severance from employees within specific areas, as a part of the Council's budget preparations for 2006/2007. The trawl would allow an opportunity to ensure maximum efficiency in service delivery arrangements.

- 2.5** The options available for the voluntary severance exercise were:-

Severance (Age Under 50 or Aged 50 or more but not in the Pension Fund)

The Council will exercise its discretion to provide severance pay of up to 66 weeks based on age, length of service and contractual earnings.

Early Retiral on the grounds of Efficiency (Age 50 or more with access to Pension Benefits)

The Council will exercise its discretion to enhance benefits by **up to 10** added years depending on the age and service.

3. Main Issues

- 3.1** The main concern expressed was that a two tier system was operating with regard to the recent trawl for severance/early retirement particularly in the Social Work Services department with different packages being offered. However, it should be noted that both trawls were undertaken for different reasons and at different times. The Social Work trawl was a review of management positions whereas the budget savings exercise was council wide to enable posts to be released through efficiency to the service.
- 3.2** The Council's Policy on Discretionary Payments for Early Retirement and Redundancy Provisions for Local Government Employees and Craft Operatives delegate authority to the Chief Executive in conjunction with the relevant Departmental Director to approve early severance payments.

4. Personnel Issues

- 4.1** Perceptions of different packages can affect morale within the workforce. However the budget saving exercise was not a redundancy exercise, and was clearly circulated as an opportunity for employees to leave through voluntary severance, with an enhancement of up to 10 added years where appropriate.

- 4.2** The total number of employees leaving Social Work through the trawl exercises are as follows:-

Management review: 2 employees
Budget saving exercise: 34 employees (at present)

5. Financial Implications

- 5.1** Early retirement in redundancy, efficiency and the Rule of 85 situations require the pension fund to be reimbursed for the early payment of accrued benefits. These costs are met by the Council and require to be considered when assessing posts which can be released

6. Conclusions

- 6.1** The Social Work Trawl was subject to consultation with the Trades Unions, it commenced in June 2005 and was underway before the budget saving exercise commenced in December. There is no evidence of a two tier system in operation, and information relating to trawl exercises including reasons and options available was circulated to employees and unions.

7. Recommendations

- 7.1** No further action be taken on this matter.

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Background Papers: Council Policy: Policy on Discretionary Payments for
Early Retirement and Redundancy Provisions.

Wards Affected: Not Applicable