

**REPORT TO:** Policy and Resources Committee - 11 November 2013  
**REPORT ON:** Voluntary Early Retirement/Voluntary Redundancy Scheme  
**REPORT BY:** Director of Corporate Services  
**REPORT NO** 473-2013

## **1 PURPOSE OF REPORT**

- 1.1 To advise the Committee of the uptake by employees of the reintroduction of the Council's Voluntary Early Retirement/Voluntary Retirement Scheme in October 2012.

## **2 RECOMMENDATION**

- 2.1 It is recommended that the Committee notes the information contained within the report regarding the uptake of the scheme.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The total net salary savings, relating to posts approved to date under the reintroduced scheme, are estimated to be £1.244m in 2014/15 and beyond. In terms of the Council's revenue budget, the full financial impact of the reintroduced scheme does not accrue until 2014/15 due to initial "one-off" severance costs and part-year effects. The costs and savings by department are detailed in Appendix 2.

## **4 MAIN TEXT**

- 4.1 Approval was given to reintroduce the Voluntary Early Retirement/Voluntary Redundancy Scheme (AN180-2011) at a meeting of the Policy and Resources Committee on 29 October 2012 and the closing date for applications was 30 November 2012.
- 4.2 In addition, the Chief Executive has used his delegated authority to consult relevant heads of departments and apply the provisions in Report No 227-1010 as an incentive, in order to facilitate departmental reviews, restructurings, rationalisations and efficiency savings and agree a number of targeted applications.
- 4.3 Applications were made following the same process as when the Scheme was introduced and, as before, these were considered by the employee's Head of Department in the first instance and thereafter given final consideration by the Chief Executive, Director of Corporate Services and the Head of Human Resources. The final decision was to take account of cost and impact on service provision.
- 4.4 A number of applications were deferred where a review was pending.
- 4.5 The trade unions have been kept informed of the number of approved applications by regular updates from the Head of Human Resources.

4.6 The table below shows the breakdown of the applications received:-

Applications progressed and considered by the Chief Executive, Director of Corporate Services, Head of Human Resources	177
Approvals	44
Refusals	105
Deferrals	24
Declined Offer	2
Application withdrawn by employee	2

## 5 **POLICY IMPLICATIONS**

5.1 This report has been screened for any Sustainability, Strategic Environmental Assessment, Anti Poverty, and Risk Management and Equality Impact.

An Equality Impact Assessment is attached.

## 6 **CONSULTATION**

6.1 The Chief Executive, Head of Democratic and Legal Services have been consulted in the preparation of this report.

## 7 **BACKGROUND PAPERS**

7.1 None.

Marjory M Stewart  
Director of Corporate Services

31 October 2013

**DUNDEE CITY COUNCIL****VOLUNTARY EARLY RETIREMENT/VOLUNTARY REDUNDANCY SCHEME**

Where efficiencies can be achieved through improved methods of working or restructuring of services, eligible employees, who apply, may be allowed to leave their employment early with added years pension entitlement **or** a statutory redundancy payment.

**Scheme Principles**

In considering applications, the following principles will apply:-

- There is no entitlement to early retirement/redundancy and it may not be possible to approve all applications.
- Approval will be subject to the retention of sufficient numbers of employees with the necessary skills to maintain an effective level of service to the citizens of Dundee.
- Approval will be required from the Head of Department, Chief Executive and Director of Corporate Services. There will be no right of appeal against their decisions.
- The closing date for applications under this scheme will be **30 November 2012**

**Eligible Employees**

- A Members of the Local Government Pension Scheme aged 50 and over but under 65.
- B Members of the Local Government Pension Scheme aged under 50.
- C Non members of the Local Government Pension Scheme.
- D Members of the Local Government Pension Scheme aged 65 and over.

**Entitlements**

- 1 Pension with added years of service - option applicable to A above.
- 2 Statutory redundancy payment and pension without added years - option applicable to D and option applicable to A above
- 3 Statutory redundancy payment - applicable to B and C above.

**ENTITLEMENTS EXPLAINED:-****Entitlement 1**

- Approved applicants opting for added years will be required to sign a compromise agreement/COT3 agreeing to their redundancy payment entitlement being incorporated into added years of service and will receive their pension immediately, with added years as follows:-

<b>Number of years pensionable service</b>	<b>Number of added years</b>
Less than 10	1
10 but less than 15	2
15 but less than 20	3
20 but less than 30	4
30+	5

Added years are subject to maximum service not exceeding 40 years or the total service that could be attained by age 65. The Council will arrange and pay for the provision of independent legal advice to employees on their rights and options.

### **Entitlement 2**

- Approved applicants opting for a statutory redundancy payment without added years (eg if they already have 40 years' service) will be entitled to a statutory redundancy payment of up to 30 weeks' pay (limited to statutory maximum £430 per week), depending on age and length of service, as detailed in the Ready Reckoner for Statutory Redundancy Payments. (See Appendix 1.)
- In addition, they will receive their pension entitlement immediately with no added years.

### **Entitlement 3**

- Approved applicants will be entitled to a statutory redundancy payment of up to 30 weeks' pay (limited to statutory maximum £430 per week), depending on age and length of service, as detailed in the Ready Reckoner for Statutory Redundancy Payments. (See Appendix 1.)

**NB** *Depending on departmental circumstances, approved applicants may be offered an early termination date, or be required to continue working pending the introduction of alternative arrangements and/or restructuring. However, it is anticipated that the majority would be released by the end of financial year 2012/13.*

## REDUNDANCY READY RECKONER FOR CALCULATING THE NUMBER OF WEEK'S PAY DUE

Read off your age and number of complete years' service. The table will then show how many weeks' pay you are entitled to.

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
17	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	1	1½	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	1	1½	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	1	1½	2	2½	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	1	1½	2	2½	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	1	1½	2	2½	3	3½	-	-	-	-	-	-	-	-	-	-	-	-	-
23	1½	2	2½	3	3½	4	4½	-	-	-	-	-	-	-	-	-	-	-	-
24	2	2½	3	3½	4	4½	5	5½	-	-	-	-	-	-	-	-	-	-	-
25	2	3	3½	4	4½	5	5½	6	6½	-	-	-	-	-	-	-	-	-	-
26	2	3	4	4½	5	5½	6	6½	7	7½	-	-	-	-	-	-	-	-	-
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-	-	-	-	-	-	-	-
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-	-	-	-	-	-	-
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-	-	-	-	-	-
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-	-	-	-	-
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-	-	-	-
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-	-	-
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-	-
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	29½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
60+	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30

**Dundee City Council**  
**Voluntary Early Retirement / Voluntary Redundancy Scheme**  
**Summary of Financial Implications**

<b><u>2012/13</u></b>	<u>Strain on Fund</u> £	<u>Added Years</u> £	<u>Statutory Redundancy</u> £	<u>Sub-Total</u> £	<u>Salary Savings</u> £	<u>Net (Cost)/ Savings</u> £
Education	(14,913)	0	(11,196)	(26,109)	0	(26,109)
Social Work	0	0	(1,913)	(1,913)	1,109	(804)
City Development	(3,959)	0	(10,166)	(14,125)	0	(14,125)
Environment	(144,413)	(20,411)	(44,813)	(209,637)	0	(209,637)
Chief Executive	(46,134)	(10,294)	(14,307)	(70,735)	0	(70,735)
Corporate Services	(187,603)	(15,119)	(5,625)	(208,347)	11,882	(196,465)
Housing	(20,571)	(3,482)	0	(24,053)	0	(24,053)
<b>Total</b>	<b>(417,594)</b>	<b>(49,306)</b>	<b>(88,020)</b>	<b>(554,920)</b>	<b>12,991</b>	<b>(541,929)</b>
<b><u>2013/14</u></b>	<u>Strain on Fund</u> £	<u>Added Years</u> £	<u>Statutory Redundancy</u> £	<u>Sub-Total</u> £	<u>Salary Savings</u> £	<u>Net (Cost)/ Savings</u> £
Education	(218,121)	(23,522)	(30,176)	(271,819)	234,345	(37,474)
Social Work	0	0	0	0	16,302	16,302
City Development	(8,816)	0	(29,700)	(38,516)	151,261	112,745
Environment	(102,445)	(15,221)	(21,194)	(138,861)	333,684	194,824
Chief Executive	(34,667)	(7,293)	0	(41,960)	129,261	87,301
Corporate Services	(6,548)	(6,063)	(9,185)	(21,795)	196,936	175,141
Housing	(19,747)	(11,538)	(13,500)	(44,785)	50,651	5,867
<b>Total</b>	<b>(390,344)</b>	<b>(63,637)</b>	<b>(103,755)</b>	<b>(557,735)</b>	<b>1,112,440</b>	<b>554,705</b>
<b><u>2014/15 onwards</u></b>	<u>Strain on Fund</u> £	<u>Added Years</u> £	<u>Statutory Redundancy</u> £	<u>Sub-Total</u> £	<u>Salary Savings</u> £	<u>Net (Cost)/ Savings</u> £
Education	0	(7,094)	0	(7,094)	327,606	320,512
Social Work	0	0	0	0	16,302	16,302
City Development	0	0	0	0	162,907	162,907
Environment	0	(9,022)	0	(9,022)	347,143	338,121
Chief Executive	0	(4,427)	0	(4,427)	134,814	130,387
Corporate Services	0	(5,523)	0	(5,523)	208,271	202,748
Housing	0	(3,367)	0	(3,367)	76,514	73,147
<b>Total</b>	<b>0</b>	<b>(29,433)</b>	<b>0</b>	<b>(29,433)</b>	<b>1,273,557</b>	<b>1,244,124</b>

## DUNDEE CITY COUNCIL

### Equality and Diversity Rapid Impact Assessment

#### Part 1

<b>Date</b> 16 September 2013	<b>Title:</b> Voluntary Early Retirement/Voluntary Redundancy Scheme
Is this a new document? <b>Yes</b>	Is this an existing document under review? No
Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.	Report No 441-2012 Voluntary Early Retirement/Voluntary Redundancy Scheme
What is the description of the policy, procedure or strategy?	Report to Senior Management Team summarising uptake of Voluntary Early Retirement/Voluntary Redundancy Scheme
What is the intended outcome of this policy, procedure or strategy?	To inform Senior Management Team of uptake of Voluntary Early Retirement/Voluntary Redundancy Scheme. Age is a determining factor in qualifying for pension entitlements.
Which individuals are responsible for undertaking Equality and Diversity Impact Assessment?	Val Ridley, Iain Martin

#### Part 2

Which groups of the population will be positively or negatively affected by this policy, procedure or strategy?

	Positively	Negatively	No Impact	Not Known
<b>Ethnic Minority Communities including Gypsies and Travellers</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Gender including transgender people</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or Belief</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>People with a disability</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Age</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Lesbian, Gay and Bisexual</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Socio-economic</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other (please state)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Part 3

## Equality and Diversity Rapid Impact Assessment

<p><b>a) Have any positive impacts been identified?</b></p> <p><i>We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another.</i></p>	<p><b>If yes please give further details</b></p> <p>-</p>
<p><b>b) Have any negative impacts been identified?</b></p> <p><i>Based on direct knowledge, published research, community involvement, customer feedback etc</i></p> <p><i>If unsure seek advice.</i></p>	<p><b>If yes please give further details</b></p> <p>-</p>
<p><b>c) What action is proposed to overcome any negative impacts?</b></p> <p><i>If you identify a negative impact that cannot be eliminated by amending or replacing the policy it would then be necessary to seek legal advice.</i></p>	<p><b>Please give details</b></p> <p>-</p>
<p><b>d) Consultation or involvement which has informed this assessment.</b></p>	<p><b>Please give details</b></p> <p><b>Head of Human Resources and Director of Corporate Services</b></p>
<p><b>e) Is there a need to collect further evidence?</b></p>	<p><b>If yes please give further details including how you gather further evidence.</b></p> <p>-</p>
<p><b>f) How will the policy be monitored ?</b></p>	<p><b>Please give details</b></p> <p><b>Further reports if required.</b></p>



Part 4

Department

<b>Human Resources Division</b>

**Type of Document**

<b>Human Resource Policy</b>	<input checked="" type="checkbox"/>
<b>General Policy</b>	<input type="checkbox"/>
<b>Strategy/Service</b>	<input type="checkbox"/>
<b>Change Papers/Local Procedure</b>	<input type="checkbox"/>
<b>Guidelines and Protocols</b>	<input type="checkbox"/>
<b>Other</b>	<input type="checkbox"/>

**Contact Information**

Manager Responsible	Author Responsible
Name      Iain Martin	Name      Val Ridley
Designation    Head of Human Resources	Designation    HR Manager
Base            Dundee House	Base            Dundee House
Telephone    434224	Telephone    434233
Email	Email

**Signature of author of the policy, procedure or strategy: Iain Martin**

**Head of Department and Service area: Head of Human Resources**