

REPORT TO: POLICY AND RESOURCES COMMITTEE - 9 DECEMBER 2013

REPORT ON: VOLUNTARY EARLY RETIREMENT, PHASED RETIREMENT OR WIND DOWN SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS

REPORT BY: DIRECTOR OF EDUCATION

REPORT NO: 517- 2013

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to seek approval for a voluntary early retirement scheme for teachers and associated professionals, to take effect from the end of academic session 2013-2014.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:-

- i. approves the voluntary early retirement scheme for teaching staff aged 55 years and over with effect from 17 August 2014, as outlined in Section 4 and the appendix to this report;
- ii. approves the additional encouragement for teaching staff, who meet the criteria, to be considered for phased retirement or winding down; and
- iii. in agreeing to the scheme notes that the Director of Education will maintain teacher numbers in line with pupil numbers.

3.0 FINANCIAL IMPLICATIONS

3.1 The financial implications of this scheme will vary depending upon the circumstances of individual applicants and therefore it is not possible to be precise at this stage. By offering this scheme it would be hoped this will create opportunities for newly qualified staff.

3.2 As teachers will be required to sign a settlement agreement (COT/3) before accepting any offer, the Council will arrange for a firm of solicitors to give free independent legal advice to employees. The cost to the council for this advice will be in the region of £50 per employee.

4.0 MAIN TEXT

- 4.1 There are currently 242 teachers who will be aged 55 - 60 years, as at 17 August 2014. This proposal would allow teachers in this age group, in all sectors, to apply for consideration for voluntary early retirement. Teachers within this age band can also be considered for phased retirement and winding down employment opportunities where they meet the criteria of the scheme. The breakdown is as follows:

Age	Numbers
55	49
56	46
57	59
58	55
59	33
Total	242

- 4.2 Staff aged 55 but under 57 would be offered a service enhancement of 3 years. Staff aged 57 but under 59 would be offered up to 3 years' enhancement. Staff aged 59 and over would be offered 1 year's enhancement, provided that in all cases this would not result in an accrual of service of more than 40 years.
- 4.3 Staff aged 60 or over, are entitled to retire. However, consideration may be given to members of staff aged 60 but under 65, to grant up to a maximum of 1 year's enhancement, where a saving would result for the Department. There are 83 members of teaching staff in this category.
- 4.4 There are currently 9 members of staff aged over 65 who are not entitled to any enhancement of pension. It is proposed to offer statutory redundancy payment to these members of staff.
- 4.4 There are currently 78 members of staff who are subject to conservation or assimilation of salary ie. receiving a salary in excess of the current grade for their post. This is broken down as follows -

Lifetime conservation = 39

Assimilation = 33

Cash conservation = 6

Discussions are currently ongoing at both national and local levels to look at options for managing the situation regarding those on lifetime conservation, including offering VER schemes, allowing individuals who meet the criteria to leave to be replaced by a teacher on the appropriate point of the scale, if required.

- 4.5 There are currently 6 members of teaching staff aged 55 or over who are not in the pension scheme and therefore cannot apply for early retirement with enhancement. It is therefore proposed that applications will be sought from them and if approved they will be allowed to leave and receive a statutory redundancy payment.
- 4.6 This proposal would help the department in the following ways:
- increase the employment opportunities for probationers and those in the early years of their teaching career, and help Dundee City Council to be seen as an employer of choice

- assist with the release of teachers who have lifetime conservation or assimilation of salary, following the adoption of 'A Teaching Profession for the 21st Century' and those on cash conserved salaries following job sizing changes
- assist with the SNCT agreement to seek alternative options for members of staff affected by the removal of lifetime conservation with effect from 2016
- reduce the overall salary budget for the department
- assist in restructuring the workforce to cope with the demands of curricular change
- help reduce absence statistics
- actively seeking applications from members of staff who meet the SPPA criteria for phased retirement or winding down, will allow staff to make informed decisions as they end their careers without leaving employment completely
- improve the morale of the workforce
- assist the Director of Education meet the budgetary savings required in the following years; to maximise these savings, all promoted vacancies would, in the first instance, be ring-fenced to current Dundee City Council teachers

4.7 Approval of applications for early retirement, phased retirement and winding down would be subject to the voluntary early retirement scheme principles outlined in the attached Appendix 1. A summary of the qualifying principles for phased retirement and wind down is attached as Appendix 2.

4.8 Early retirals would be effective from 17 August 2013.

4.9 Phased retirements and wind down arrangements would be effective from 17 August 2013.

5.0 POLICY IMPLICATIONS

5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. An Equality Impact Assessment has been carried out and is attached to this report.

6.0 CONSULTATION

6.1 This report has been subject to consultation with the Chief Executive, Director of Corporate Services and the Head of Democratic and Legal Services. The trade unions have also been consulted.

7.0 BACKGROUND PAPERS

7.1 None.

Michael Wood
Director of Education

MW/JR/DD
20 November 2013

EDUCATION DEPARTMENT - VOLUNTARY EARLY RETIREMENT, PHASED RETIREMENT OR WIND DOWN SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS

SCHEME PRINCIPLES

This scheme is open to all permanent teachers who meet the age of 55+ years as at 17 August 2013, and who are members of the Scottish Teachers Superannuation Scheme.

All early retirements granted will be effective from the end of session 2013-14.

Teachers will be offered reimbursement of actuarial reduction of pension (mandatory compensation) and up to three added years' service (discretionary compensation), up to a maximum of 40 years' service and a maximum of age 65 as follows:

Age at 17 August 2014	Enhancement
55 but under 57	3 years' enhancement
57 but under 59	Up to 3 years' maximum enhancement
59 and over	1 year's enhancement

Staff who are not members of the Scottish Teachers Superannuation Scheme - no enhancement is available but staff will receive a statutory redundancy payment.

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, particularly in sector/subject shortage areas.
- Teacher numbers will be maintained in line with pupil numbers.
- 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 and all decisions will also take account of the financial implications for the Council.
- Applications for phased retirement and wind down will be subject to the exigencies of maintaining service delivery
- Individual applications will be subject to consideration by - Head of Education, Corporate Business Support Manager. Finance Manager and recommendations subject to final approval by the Director of Education. The Chief Executive, Director of Corporate Services and the Head of Democratic and Legal Services will also be consulted.
- The timeline for the scheme is attached as Appendix 3.

Approved early retirement applicants will be required to sign a settlement agreement/COT3, which safeguards both the applicant and the Council in reaching an agreed position. The Council will make provision for independent legal advice to be made available.

Phased retirement (drawing part of your benefits whilst continuing in service)

After age 55 you can apply to take phased retirement without having a break in employment provided that your pensionable salary reduces by 20% or more for at least 12 months. The Scottish Public Pensions Agency (SPPA) recommend full discussion with your employer prior to commencing this arrangement. The maximum you can draw under this arrangement is 75% of your total benefits. The remaining service, which must be at least 25%, will be aggregated with any subsequent service you accrue and used in future benefit calculations. The benefits taken will be actuarially reduced if they are taken before your Normal Pension Age (NPA).

Full information regarding the Scottish Teachers Superannuation Scheme is available via the SPPA website:

http://www.sppa.gov.uk/index.php?option=com_content&view=category&layout=blog&id=54&Itemid=106

Winding Down employment

Winding Down is a phased retirement option which, if you are approaching retirement age, offers you the opportunity to continue in employment on a part-time basis whilst protecting your overall final retirement benefits entitlement.

You cannot elect to enter winding down employment earlier than four years prior to NPA. You must have a minimum of 25 years teaching service (i.e. you must have had a contract to teach for at least 25 years) of which the last 10 years must have been full-time service. A break of up to five years will count as qualifying service, but will not count in the calculation for benefits.

Winding Down incorporates the following features:

- Your part-time contract must be set at a minimum of 0.5 full time equivalent, but could be for more
- Each year you serve under the part-time contract will count as one full year for pension benefits calculation purposes
- Your pensionable salary, for benefit calculation purposes, will be the salary that you received in the 365 days prior to entering winding down employment, index linked to actual point of retirement
- Your contributions and your employers contributions will be based on actual salary and it is possible for Winding Down contracts to end after your NPA subject to a maximum length of four years.

Appendix 3

DATE	ACTION
9 December 2013	Committee Decision
11 December 2013	E-mail issued to all teaching staff aged 55 or over at 17 August 2014
10 January 2014	Closing date for teaching staff to make an application to receive an estimate for retirement, wind down or phased retirement
31 January 2014	Staff who have applied for an estimate will receive the information by this date
14 February 2014	Closing date for teaching staff to ask for application to be taken to next stage
7 March 2014	Management for confirm decisions
14 March 2014	Final date for teaching staff to accept offer
28 March 2014	Final paperwork issued to those teaching staff who have accepted offer eg. compromise agreement
17 April 2014	Preferred date for pension paperwork to be in hands of Scottish Public Pensions Agency to guarantee payment in August 2014
17 May 2014	Final date for pensions paperwork to be in hands of Scottish Public Pensions Agency to guarantee payment in August 2014
17 August 2014	Retiral date
18 August 2014	Start date for phased retirement or wind down contracts

Appendix 1

DUNDEE CITY COUNCILEquality and Diversity Rapid Impact Assessment ToolPart 1

Date of assessment 20 November 2013	Title of document being assessed Early Retirement Scheme for Teachers and Associated Professionals
1) This is a new policy, procedure, strategy or practice being assessed (If yes please tick box) <input type="checkbox"/>	This is an existing policy, procedure, strategy or practice being assessed? (If yes please tick box) <input checked="" type="checkbox"/>
2) Please give a brief description of the policy, procedure, strategy or practice being assessed.	Voluntary Early Retirement Scheme for Teaching Staff and Associated Professionals
3) What is the intended outcome of this policy, procedure, strategy or practice?	To effect savings for the Council
4) Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.	88-2011 507-2011 447-2012
5) Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.	No
6) Please give details of council officer involvement in this assessment. (E.g. names of officers consulted, dates of meetings etc)	Director of Education and department senior management team
7) Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy? (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)	No - there is no adverse impact on any protected community members

Part 2

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

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

Part 3

<p>1) Have any positive impacts been identified? (We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>If yes please give further details Yes - the scheme allows employees aged 55 years and over to make a choice and ask to retire early.</p>
<p>2) Have any negative impacts been identified? (Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>If yes please give further details No</p>
<p>3) What action is proposed to overcome any negative impacts? E.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. see Good Practice on DCC equalities web page</p>	<p>Please give further details N/A</p>
<p>4) Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome? (If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>If yes please give further details N/A</p>
<p>5) Has a 'Full' Equality Impact Assessment been recommended? (If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required) Seek advice from your departmental Equality Champion.</p>	<p>If yes please give further details No</p>
<p>6) How will the policy be monitored? (How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.)</p>	<p>Please give details The Director of Education will monitor the effects by assessing recruitment, selection and complaints received.</p>

Part 4**Name of Department or Partnership:****Type of Document**

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

Contact Information

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Signature of author of the policy:		Date 20 November 2013
Signature of Director/Head of Service area:		Date 20 November 2013
Name of Director / Head of Service:	Michael Wood	
Date of next policy review:	N/A	