

REPORT TO: POLICY AND RESOURCES COMMITTEE- 26 NOVEMBER 2012

REPORT ON: VOLUNTARY EARLY RETIREMENT SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS – OUTCOME - 2011/12

REPORT BY: DIRECTOR OF EDUCATION

REPORT NO: 447-2012

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide feedback on the Voluntary Early Retirement Scheme (VER) Report No 507-2011 refers, agreed by the Policy and Resources Committee held on 12 December 2011.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee:-
- i. Notes the costs and savings arising from the Voluntary Early Retirement scheme for financial years 2011-12 and 2012-13.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Appendix 1 provides a summary of the costs and savings arising from both the previous schemes that have run during 2011-12 and 2012-13.

4.0 MAIN TEXT

- 4.1 The VER Scheme for Teaching Staff and Associated Professionals, has resulted in, the Education Department maintaining teacher numbers in line with pupil numbers and also allowing the department to manage the teaching resource more effectively.
- 4.2 Within the secondary sector, this has resulted in schools having the subject specialists required to deliver the curriculum in the most effective way.
- 4.3 The Scheme has allowed the department to manage the retirement of members of staff,. In addition, the department has secured employment for newly qualified teachers.
- 4.4 Arising from the report agreed at the Policy and Resources Committee on 12 December 2011, 120 teachers expressed an interest in voluntary early retirement, 57 received an offer and 51 accepted and left employment in August 2012.
- 4.5 The estimated cost of releasing a teacher under the 2011-12 scheme was £7,000 in year one with ongoing annual costs of £2,000. The average net salary

savings, after taking account of estimated replacement teacher costs amounts to £9,700 per post. This means on average each post subject to Voluntary Early retirement scheme has achieved a saving of £7,700. It should be noted that this saving reduces each year as replacement teachers progress through the salary scale.

- 4.6 As a guide to the estimated cost, the average cost of releasing a teacher under the 2012-13 scheme was £5,500 in year one with ongoing annual costs of £1,500. The average net salary savings, after taking account of the replacement teacher costs amounted to £11,800 per post. This means on average each post subject to Voluntary Early Retirement scheme has achieved a saving of £10,300. It should be noted that this saving reduces each year as replacement teachers progress through the salary scale.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been screened for any implications in respect of sustainability, strategic environment assessment, anti-poverty, equality impact assessment and risk management. An equality impact assessment has been carried out and will be placed on the Council website: www.dundee.gov.uk/equanddiv/equimpact
- 5.2 There are no major issues.

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 Equality Impact Assessment.
- 7.2 Report No 507-2011 Voluntary Early Retirement Scheme for Teaching Staff and Associated Professionals.

Michael Wood
Director of Education

MW/JR/DD

7 November 2012

Appendix 1

SUMMARY OF EARLY RETIREMENT FINANCIAL COSTS AND SAVINGS

	Number	Salary saving £'000	Less lump sum costs £'000	Less on-going pension costs £'000	Less Replacement salary costs £'000	Net savings £'000
2011-12 Early Retirement scheme						
Financial year 2011-12 - retirements August 2011 - part year	49	1,878	285	59	1,581	(47)
Full year 2012-13 onwards		3,004		95	2,529	380
2012-13 Early Retirement scheme						
Financial year 2012-13 - retirements August 2012 - part year	53	1,286	235	49	864	138
Full year 2013-14 onwards		2,058		78	1,383	597