

REPORT TO: POLICY AND RESOURCES COMMITTEE - 10th FEBRUARY 2011

REPORT ON: VOLUNTARY EARLY RETIREMENT SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS

REPORT BY: DIRECTOR OF EDUCATION

REPORT NO: 88-2011

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide feedback on the report agreed by the Policy and Resources Committee held on 11 February 2010 regarding the voluntary early retirement scheme for teachers, and to suggest further proposals to take effect at the end of academic session 2010-2011.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Policy and Resources Committee:

- i. continues the voluntary early retirement scheme for teaching staff aged 55 years and over with effect from 14 August 2011, as outlined in Section 4 and the appendix to this report; and
- ii. instructs the Director of Education to monitor the effect of this scheme on service delivery and, if appropriate, bring back further proposals for subsequent years.

3.0 FINANCIAL IMPLICATIONS

3.1 The cost of this scheme will vary depending upon the circumstances of individual applicants, and therefore it is not possible at this stage to be precise. However, should 10 primary and 10 secondary teachers be granted early retirement, and only 10 teachers in total are replaced, the approximate savings target will be £243,000 in 2011-12 and £468,000 in a full financial year.

3.2 As teachers will require to sign a compromise 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 £75 per employee. Estimating that 20 teachers be granted retirement, the savings would be reduced by £1,500.

4.0 MAIN TEXT

4.1 Arising from the report agreed at the Policy and Resources Committee on 11 February 2010, 170 teachers expressed an interest, 115 received an offer and 90 accepted and left employment in August 2010.

4.2 There are currently 273 teachers who will be aged 55 - 60 years, as at 14 August 2011. This proposal would allow teachers in this age group, in all sectors, to

apply for consideration for voluntary early retirement. The breakdown is as follows:

Age	Numbers
55	55
56	54
57	62
58	61
59	41
Total	273

- 4.3 Staff aged 55 but under 58 would be offered a service enhancement of 2 years. Staff aged 58 but under 59 would be offered up to 2 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.
- 4.4 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.
- 4.5 This proposal would help the department in the following ways:
- reduce excess staffing numbers in schools, especially in the secondary sector
 - assist with the release of teachers who have lifetime conservation or 3-year cash conservation of salary, following the adoption of 'A Teaching Profession for the 21st Century'
 - 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
 - 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
 - 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
- 4.6 Approval of applications for early retirement would be subject to the voluntary early retirement scheme principles outlined in the attached appendix.
- 4.7 Early retirals would be effective from 14 August 2011.

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. There are no major issues. An Equality Impact Assessment has been carried out and will be made available on the Council website: <http://www.dundee.gov.uk/equanddiv/equimpact>.

6.0 CONSULTATION

- 6.1 This report has been subject to consultation with the Chief Executive, Depute Chief Executive (Support Services) and Director of Finance. The trade unions have also been consulted.

7.0 BACKGROUND PAPERS

- 7.1 Equality Impact Assessment.

Jim Collins
Director of Education

JC/JR/DD

27 January 2011

Appendix

EDUCATION DEPARTMENT - VOLUNTARY EARLY RETIREMENT 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 14 August 2011, and who are members of the Scottish Teachers Superannuation Scheme.

All early retirements granted will be effective from the end of session 2010-11.

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

Age at 14 August 2011	Enhancement
55 but under 58	2 years' enhancement
58 but under 59	Up to 2 years' maximum enhancement
59 and over	1 year's enhancement

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 and all decisions will also take account of the financial implications for the Council.
- Approval will be required from the Head of Department, Chief Executive and Director of Finance.
- The closing date for applications under the scheme will be 28 February 2011.

Approved applicants will be required to sign a compromise 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.