

**Report for:** Staffing & Remuneration Committee 24 June 2021

**Item number:**

**Title:** Review of the Flexible Retirement Policy

**Report authorised by:** Richard Grice, Director of Customers, Transformation & Resources

**Lead Officer:** Dan Paul, Chief People Officer

**Ward(s) affected:**

**Report for Key/  
Non Key Decision:**

- 1 Describe the issue under consideration**  
To provide the Committee with details of the proposed changes to the Flexible Retirement Policy.
- 2 Cabinet Member Introduction**  
Not applicable.
- 3 Recommendations**  
That the Committee approve the changes proposed to the Flexible Retirement Policy attached at Appendix 1.
- 4 Reason for Decision**  
The changes make it clear to employees if they have previously taken flexible retirement at no cost to the Council, there is no restriction on their future employment choices. This is in line with the original intention of the policy.
- 5 Alternative options considered**  
None, the proposed changes result on only minor amendments to an already established policy.
- 6 Background information**
  - 6.1 In order to apply for Flexible Retirement, the employee undertakes to reduce their hours of work by at least four hours per week or to reduce their pay by an amount equivalent to a minimum of four hours pay per week. In the current policy the employee is then prevented from increasing their hours at a later stage or from applying for another job at a higher grade.
  - 6.2 This clause was added as the early release of benefits before age 65 has the potential to incur an actuarial reduction in benefits, and in exceptional circumstances this reduction can be waived and paid for from the Service budget. In these circumstances when there has been a cost to the Council it is

appropriate that the employee can then not increase their hours or return to on higher pay for a period of three years.

- 6.3 In many cases, agreeing to a request for flexible retirement will not incur any additional costs for the Council and allowing the employee to change their employment after flexible retirement will not alter this. Amending the policy to reflect this change will enable employees to have more flexibility at work and will enable the Council to retain their existing skills and experience.
- 6.4 If however, there were additional costs incurred as a result of the application through increased capital costs, then the Council reserves the right to recover the full amount of the loss suffered. The recovery will be via payroll deductions or, if the employee leaves the Council's employment, via the usual debt recovery process.

## **7 Contribution to strategic outcomes**

This amendment supports the themes in the Workforce Development Strategy.

## **8 Statutory Officers' comments**

### **Chief Finance Officer**

There is no financial cost to the Council from the proposed changes to the policy as they apply only in cases where the flexible retirement has not resulted in financial loss to the Council. The revenue costs of an employee on flexible retirement subsequently increasing their hours or applying for a job at a higher grade will be funded from the relevant service staffing budgets.

### **Head of Legal & Governance**

The Head of Legal and Governance has been consulted in the preparation of this report, and in noting that the proposed amendments are compliant with applicable employment and pensions law, subject to implementation in accordance with HMRC rules on phased retirement, and that the Committee has within its Constitutional terms of reference:

To consider policies, procedures and schemes relating to employment matters including pay and grading structure and changes to employee terms and conditions of employment.

To approve all human resources policies including pay and grading structures, and changes to employees' terms and conditions of employment and to approve policies on how the Council exercises its functions under the Local Government Pension Scheme and the Teachers' Pension Scheme.

advises that there is no legal reason why the Committee cannot adopt the Recommendation contained in the report.

## **9 Use of Appendices**

Appendix 1 - Policy Statement for Flexible Retirement

## **10 Local government (Access to Information) Act 1985**

Not applicable.