

REPORT REFERENCE NO.	HRMDC/17/15
MEETING	HUMAN RESOURCES MANAGEMENT & DEVELOPMENT COMMITTEE
DATE OF MEETING	12 DECEMBER 2017
SUBJECT OF REPORT	RETIREMENT & RE-EMPLOYMENT
LEAD OFFICER	Director of Service Improvement
RECOMMENDATIONS	<i>That the requests for retirement & re-employment as identified in paragraph 2.5 of this report be approved.</i>
EXECUTIVE SUMMARY	<p>The full Authority has approved a Pay Policy Statement in accordance with the requirements of the Localism Act 2011.</p> <p>The Pay Policy Statement requires, amongst other things, for all requests for re-employment following retirement for employees up to Executive Board posts, to be approved by the Human Resources Management & Development Committee (the Committee).</p> <p>This report provides more information on the Authority's position in relation to retirement and re-employment and sets out specific requests for approval. Since this is a recurring approval process the report provides the same background each time but sections 2.2, 2.3 and 2.5 contain information specific to this request.</p>
RESOURCE IMPLICATIONS	<p>The Service has achieved the planned reduction in uniformed Wholetime staff as a result of the Corporate Plan decisions in 2013/14. The Service is currently slightly above the existing establishment levels following the Wholetime recruitment in 2017, however retirement and re-employment provides us with certainty for the leave date for these employees whilst at the same time providing a suitable rate of staff turnover. It also provides a transition for the employee from full employment into retirement and this is particularly beneficial where the Firefighter moves to a job share position.</p>
EQUALITY RISK & BENEFITS ASSESSMENT	<p>The Retirement & Re-Employment Policy has had an equalities assessment.</p>
APPENDICES	Nil.
LIST OF BACKGROUND PAPERS	Nil.

1. INTRODUCTION

1.1 The 2016/17 Pay Policy Statement includes the following stated position on the retirement and re-employment of employees:

“8. RE-EMPLOYMENT OF EMPLOYEES”

- 8.3 *The Authority will, in principle, allow the re-employment of employees who have retired, subject to a break in service of at least one month, because it is recognised that this often represents an effective way of retaining specialist knowledge and skills without any increase in cost to the Authority (and noting that costs to the Pension Scheme are no more than would be the case for normal retirement). The re-employment of any employee who has retired will, however, be subject to:*
- *the approval of the Human Resources Management and Development Committee for all employees up to Executive Board posts; or*
 - *the approval of the full Authority for any Executive Board post-holder.*
- 8.4 *Where retired uniformed staff are re-employed, then the Fire-Fighters’ Pension shall be abated such that the income from the gross annual rate of pay whilst re-employed together with the gross annual pension (after commutation) will not exceed the gross annual rate of pay immediately prior to retirement. For staff within the Local Government Pension Scheme, where an individual is re-employed on the same terms and conditions [salary] as previously, the same abatement rules as apply to those within the Fire Fighters Pension Scheme will be applied. However, the Authority’s policy on Pension Discretions refers to flexible retirement and states that this “may be subject to abatement during such time as the individual remains employed by the Service”. This allows the Authority to use flexible retirement opportunities where key employees may wish to continue working as they get older but step down in grade or reduce their working hours. This can be beneficial to the Authority in retaining key skills, knowledge and experience whilst also reducing costs. The authorisation of any such flexible retirement arrangements will be subject to the approval mechanism detailed above.*
- 8.5 *The appointment, or re-employment, of any members of the Executive Board (the Chief Fire Officer, Assistant Chief Fire Officer, Director of Corporate Services and Director of People and Commercial Services) will always be subject to approval of the full Authority and any re-employment following redundancy or retirement will be subject to consideration of a robust business case and fully scrutinised against the above criteria.”*

1.2 This paper includes details of applications for retirement/re-employment in accordance with the approved policy.

2. RETIREMENT AND RE-EMPLOYMENT

2.1 The Service policy on retirement & re-employment is linked to workforce planning arrangements. Approval by the Authority of the 2013/14 – 2014/15 Corporate Plan at its meeting on 10 July 2013 (Minute DSFRA/20 refers) required a reduction of 149 Wholetime posts. The Service achieved this reduction in staffing levels and so is no longer using retirement & re-employment as a means of encouraging turnover of staff.

- 2.2 The Service has forecast the potential Wholetime turnover in the next few years and has completed a recruitment campaign in 2017 for 15 new recruits plus 11 transfers from the On-call staff. There will also be further work undertaken related to the Integrated Risk Management Plan (IRMP). This work may identify longer term options which may modify the approach to staff resourcing in the future but at present, the Service has an over-establishment of 18.72 (down from 21 in September 2017). By the end of 2017/18, the Service expects to be at the correct establishment level as there is a further 20 potential retirees in this financial year.
- 2.3 Looking ahead to the next 2 years, the Service could have a further 17 retirees in 2018/19 and 31 in 2019/20. Retirement and re-employment provides the Service with certainty for the leave date for these employees whilst at the same time providing a suitable rate of staff turnover. It also provides a transition for the employee from full employment into retirement and this is particularly beneficial where the Firefighter moves to a job share position.
- 2.4 The Firefighter Pension Scheme provides for employees to receive their maximum pension benefits after 30 years' service. However, as there is no longer a fixed age for retirement it is difficult to predict precisely when individuals are likely to leave the Service. The use of retirement and re-employment opportunities encourages individuals to commit to an end retirement date, giving the Service more control over actual retirement and natural turnover. Through this process, employees have a one month break in service before returning on a fixed-term contract either on a full-time basis or as a job share. In either case, the maximum contract term that has previously been set is 12 months because of the need to reduce wholetime Firefighter numbers. However, having achieved the required reduction in numbers, consideration can be given on a case by case basis to longer periods for fixed-term contracts (for operational roles) or, in exceptional cases, permanent contracts where uniformed staff transfer to Green Book jobs. It should be noted that where employees return on a job share basis, we see an immediate reduction in the workforce staffing levels.
- 2.5 The Service has received an expression of interest from the following uniformed employees:

Role	Position	Station/Dept	Interested in Job Share	Notes	Duration
Station Manager	Ops Licence	Academy	Yes	O.5 FTE for 6 months and then job-share at SM	12 months
Crew Manager	Group Support Team	West Somerset Group	No	Re-employment will be at CM	12 months

- 2.6 There are no additional financial costs for the organisation since these employees have reached the point at which they can retire and are therefore entitled to receive their pension lump sum on retirement. The pension payments would normally be abated if re-employed. In addition to giving certainty as to a leaving date, the retirement and re-employments represent a saving to both the Service and employee as pension contributions are either:
- removed as the employee opts out of future pension contributions, or;
 - they are reduced since staff from Firefighter to Watch Manager, who decide to join a pension scheme, will be in the 2015 Firefighters' Pension Scheme for which the employer contributions are lower than the previous 1992 Firefighters' Pension Scheme.

- 2.7 For positions at Station Manager or above, the employee would be eligible to join the Local Government Pension Scheme which also has lower employer contribution levels. Where uniformed staff move from uniformed positions to support staff positions, they will again be eligible to join the Local Government Pension Scheme.

PETE BOND
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