

<b>REPORT REFERENCE NO.</b>	<b>HRMDC/16/13</b>
<b>MEETING</b>	<b>HUMAN RESOURCES MANAGEMENT &amp; DEVELOPMENT COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>16 SEPTEMBER 2016</b>
<b>SUBJECT OF REPORT</b>	<b>RETIREMENT &amp; RE-EMPLOYMENT</b>
<b>LEAD OFFICER</b>	<b>Director of People &amp; Commercial Services</b>
<b>RECOMMENDATIONS</b>	<p><i>(a) That the requests for retirement &amp; re-employment as identified in paragraph 2.4 of this report be approved, and</i></p> <p><i>(b) That the distinction between casual workers and employees as set out in section 3.1 of this report is noted.</i></p>
<b>EXECUTIVE SUMMARY</b>	<p>Previously, the full Authority have prepared a Pay Policy Statement on an annual basis in accordance with the requirements of the Localism Act.</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 HRMD 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.</p> <p>The report also distinguishes the difference between casual workers and employees.</p>
<b>RESOURCE IMPLICATIONS</b>	Contained within the body of the report.
<b>EQUALITY RISK &amp; BENEFITS ASSESSMENT</b>	The Retirement & Re-Employment Policy has had an equalities assessment.
<b>APPENDICES</b>	Nil.
<b>LIST OF BACKGROUND PAPERS</b>	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 whole-time posts. The Service has progressed well with reducing the staffing levels against this target and is likely to achieve the overall reduction in this current financial year.

2.2 The Authority has a balanced budget for the current financial year which supports the existing levels of staff. In light of this, it is considered appropriate for the Service to continue the reduction in staff numbers through natural turnover but at the same time using retirement and re-employment opportunities where appropriate.

2.3 The Firefighter Pension Scheme provides for employees to receive their maximum pension benefits after 30 years' service. As there is no longer a fixed age for retirement, however, 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 1 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 is normally 12 months. Where employees return on a job share basis, we see an immediate reduction in the workforce staffing levels.

2.4 The Service has received an expression of interest from the following uniformed employees:

Role	Station /Dept	Interested in Job Share	Notes
Group Manager	South Devon	No	
Watch Manager	Greenbank	Yes	
Firefighter	Greenbank	Yes	
Firefighter	Crownhill	Yes	

2.5 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.

2.6 For positions at Station Manager or above, the employee would be eligible to join the Local Government Pension Scheme. Once these employees leave the organisation, the Service will not recruit replacement personnel externally so these reductions will contribute to the required reductions in staffing numbers.

### 3. **CASUAL WORKERS**

3.1 The Service does, from time to time, use previous employees for casual work including advocates and casual work within support areas of the Service. Such assignments have no mutuality of obligation between the Service and the individual and they are not classed as being an employee of the Service. Such individuals are not being re-employed by the Service and are not, therefore, covered by the Pay Policy Statement. Consequently, there is no requirement to seek the approval of the Human Resources Management & Development Committee to engage such individuals on this basis.

4. **RECOMMENDATIONS**

- 3.1 That the request for retirement & re-employment as identified in paragraphs 2.4 of this report be approved and that the distinction between casual workers and employees in section 3.1 is noted.

**JANE SHERLOCK**  
**Director of People & Commercial Services**