

Agenda Item	11
Report No	PEN/13/17

HIGHLAND COUNCIL

Committee: Pensions Committee

Date: 31 August 2017

Report Title: **The Highland Council Pension Fund – Monitoring of Retirements**

Report By: Director of Finance

1. Purpose/Executive Summary

- 1.1 This report provides information relating to retirements from The Highland Council Pension Fund for the year ended 31 March 2017.

2. Recommendations

- 2.1 Members are asked to:
- i. Consider the report

3. Background

3.1 Following recommendations from reports issued by the Accounts Commission and Audit Scotland the Finance Committee agreed on 26 August 1998 that the following information should be monitored and presented annually:

- Number and types of retirements
- The total liability to the pension fund and revenue account in respect of these
- Breakdown of these details between services and all bodies participating in The Highland Council Pension Fund.

3.2 In June 2003 Audit Scotland published a further report "Bye now, pay later: a follow up review of the management of early retirement".

This report recommended that details of expected savings on early retirements be included in the annual reports, and indicated that these reports should be presented to the appropriate Committee.

4. Analysis of Early Retirements

4.1 The Appendix to this report provides details of the following:

- Summary of retirements
- Highland Council retirements
- Non Highland Council retirements
- Comparisons with previous years

5. Implications

5.1 There are no additional implications other than those highlighted in the report.

Designation: Director of Finance

Date: 22 August 2017

Author: Charlie MacCallum. Payroll and Pension Manager

Background Papers: None

Table 1 - Summary of Retirements

Employer	Type of retirement	Number	Capitalised cost to revenue account £	Capitalised cost to pension fund £	Total Capitalised Cost £	Saving £	Net Cost £
THE HIGHLAND COUNCIL	Normal	91	0.00	0.00	0.00	0.00	0.00
	Ill-health	12	0.00	1,267,730.72	1,267,730.72	0.00	1,267,730.72
	Flexible	14	0.00	14,200.68	14,200.68	0.00	14,200.68
	Employers Consent	11	7,243.60	150,838.63	158,082.23	1,264,832.15	-1,106,749.92
	Redundancy	180	5,722,023.88	3,755,631.31	9,477,655.19	38,158,127.71	-28,680,472.52
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
TOTAL	ALL TYPES	308	5,729,267.48	5,188,401.34	10,917,668.82	39,422,959.86	-28,505,291.04
OTHER EMPLOYERS	Normal	100	0.00	0.00	0.00	0.00	0.00
	Ill-health	14	0.00	450,069.39	450,069.39	0.00	450,069.39
	Flexible	15	0.00	48,513.08	48,513.08	0.00	48,513.08
	Employers Consent	2	0.00	38,877.23	38,877.23	0.00	38,877.23
	Redundancy	23	986,482.14	708,683.39	1,695,165.53	6,604,027.28	-4,908,861.75
	Efficiency	1	0.00	3,135.64	3,135.64	0.00	3,135.64
TOTAL	ALL TYPES	155	986,482.14	1,249,278.73	2,235,760.87	6,604,027.28	-4,368,266.41
TOTALS FOR ALL EMPLOYERS	Normal	191	0.00	0.00	0.00	0.00	0.00
	Ill-health	26	0.00	1,717,800.11	1,717,800.11	0.00	1,717,800.11
	Flexible	29	0.00	62,713.76	62,713.76	0.00	62,713.76
	Employers Consent	13	7,243.60	189,715.86	196,959.46	1,264,832.15	-1,067,872.69
	Redundancy	203	6,708,506.02	4,464,314.70	11,172,820.72	44,762,154.99	-33,589,334.27
	Efficiency	1	0.00	3,135.64	3,135.64	0.00	3,135.64
GRAND TOTALS	ALL TYPES	463	6,715,749.62	6,437,680.07	13,153,429.69	46,026,987.14	-32,873,557.45

NOTES:

- 1) Only retirements in respect of members of the Local Government Pension Scheme are included.
- 2) The capitalised costs have been calculated using a nationally agreed actuarial method. These are the capitalised values of the costs resultant from the early retirements based on the period to the scheme members eligible retirement date.
- 3) The total capitalised cost is the total of the costs to the revenue account and the pension fund.
- 4) For redundancy, efficiency & flexible retirements, although there may be a capitalised cost to the pension fund quoted, this cost is recharged to the revenue account of the employer/employing service by lump sum or in instalments.

Table 2 - Details of HC Retirements

Service	Type of retirement	Number	Capitalised cost to revenue account £	Capitalised cost to pension fund £	Total Capitalised Cost £	Saving £	Net Cost £
Development & Infrastructure	Normal	2	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	396,632.65	396,632.65	0.00	396,632.65
	Flexible	2	0.00	0.00	0.00	0.00	0.00
	Employer Consent	3	0.00	33,846.54	33,846.54	0.00	33,846.54
	Redundancy	31	1,193,827.19	422,655.03	1,616,482.22	5,923,602.49	-4,307,120.27
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Community Services	Normal	31	0.00	0.00	0.00	0.00	0.00
	Ill-health	4	0.00	215,246.92	215,246.92	0.00	215,246.92
	Flexible	4	0.00	14,200.68	14,200.68	0.00	14,200.68
	Employer Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	30	1,338,977.03	1,056,956.82	2,395,933.85	9,703,759.47	-7,307,825.62
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Finance	Normal	0	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	261,405.28	261,405.28	0.00	261,405.28
	Flexible	2	0.00	0.00	0.00	0.00	0.00
	Employer Consent	5	7,243.60	60,345.82	67,589.42	749,767.19	-682,177.77
	Redundancy	52	1,295,537.34	1,195,449.87	2,490,987.21	10,379,222.75	-7,888,235.54
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Care & Learning	Normal	57	0.00	0.00	0.00	0.00	0.00
	Ill-health	6	0.00	394,445.87	394,445.87	0.00	394,445.87
	Flexible	6	0.00	0.00	0.00	0.00	0.00
	Employer Consent	1	0.00	12,204.61	12,204.61	149,232.14	-137,027.53
	Redundancy	41	1,044,189.84	653,982.25	1,698,172.09	7,353,731.25	-5,655,559.16
	Efficiency	0	0.00	0.00	0.00	0.00	0.00

'Corporate Development	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employer Consent	2	0.00	44,441.66	44,441.66	365,832.82	-321,391.16
	Redundancy	26	849,492.48	426,587.34	1,276,079.82	4,797,811.75	-3,521,731.93
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
TOTALS FOR ALL SERVICES	Normal	91	0.00	0.00	0.00	0.00	0.00
	Ill-health	12	0.00	1,267,730.72	1,267,730.72	0.00	1,267,730.72
	Flexible	14	0.00	14,200.68	14,200.68	0.00	14,200.68
	Employer Consent	11	7,243.60	150,838.63	158,082.23	1,264,832.15	-1,106,749.92
	Redundancy	180	5,722,023.88	3,755,631.31	9,477,655.19	38,158,127.71	-28,680,472.52
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
TOTAL	ALL TYPES	308	5,729,267.48	5,188,401.34	10,917,668.82	39,422,959.86	-28,505,291.04

Table 3 – Details of Other Employers’ Retirements:

Employer	Type of retirement	Number	Capitalised cost to employer revenue budget £	Capitalised cost to the pension fund £	Total Capitalised Cost £	Saving £	Net Cost £
Comhairle nan Eilean Siar	Normal	30	0.00	0.00	0.00	0.00	0.00
	Ill-health	3	0.00	63,611.06	63,611.06	0.00	63,611.06
	Flexible	8	0.00	22,050.08	22,050.08	0.00	22,050.08
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	7	77,361.86	82,997.38	160,359.24	1,047,896.46	-887,537.22
	Efficiency	1	0.00	3,135.64	3,135.64	0.00	3,135.64
Stornoway Port Authority	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Joint Valuation Board	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Highland Opportunity	Normal	0	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	2	42,224.22	63,831.54	106,055.76	952,251.52	-846,195.76
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Inverness College	Normal	3	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	363.49	363.49	0.00	363.49
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
North Highland College	Normal	3	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	2	28,021.50	15,080.56	43,102.06	314,449.79	-271,347.73
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Lews Castle College	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
UHI	Normal	0	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	68.51	68.51	0.00	68.51
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
HOST	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	1	18,842.00	0.00	18,842.00	0.00	18,842.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
HITRANS	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Hebridean Housing	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	1	9,643.18	24,967.40	34,610.58	230,592.48	-195,981.90
	Efficiency	0	0.00	0.00	0.00	0.00	0.00

Morrison FM	Normal	2	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
SPSA	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
HIE	Normal	0	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	161,967.37	161,967.37	0.00	161,967.37
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
SDS	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Highlife Highland	Normal	15	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	1	0.00	12,561.55	12,561.55	0.00	12,561.55
	Employers Consent	2	0.00	38,877.23	38,877.23	0.00	38,877.23
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Forth & Oban	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
NHS Highland	Normal	36	0.00	0.00	0.00	0.00	0.00
	Ill-health	8	0.00	224,058.96	224,058.96	0.00	224,058.96
	Flexible	6	0.00	13,901.45	13,901.45	0.00	13,901.45
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Scottish Police Authority (former Northern Joint Police)	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Scottish Fire & Rescue (former Highland & Islands)	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	10	810,389.38	521,806.51	1,332,195.89	4,058,837.03	-2,726,641.14
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
TOTALS FOR OTHER EMPLOYERS	Normal	100	0.00	0.00	0.00	0.00	0.00
	Ill-health	14	0.00	450,069.39	450,069.39	0.00	450,069.39
	Flexible	15	0.00	48,513.08	48,513.08	0.00	48,513.08
	Employers Consent	2	0.00	38,877.23	38,877.23	0.00	38,877.23
	Redundancy	23	986,482.14	708,683.39	1,695,165.53	6,604,027.28	-4,908,861.75
	Efficiency	1	0.00	3,135.64	3,135.64	0.00	3,135.64
TOTAL	ALL TYPES	155	986,482.14	1,249,278.73	2,235,760.87	6,604,027.28	-4,368,266.41

Table 4 - Comparison With Previous Years:

Employer	Type of retirement	2016/17 No	%of Retirals	2015/16 No	%of Retirals	2014/15 No	%of Retirals	2013/14 No	%of Retirals	2012/13 No	%of Retirals	2011/12 No	%of Retirals	2010/11 No	%of Retirals	2009/10 No	%of Retirals	2008/9 No	%of Retirals
THE	Normal	91	29.55%	100	35.10%	110	65.87%	99	69.23%	102	61.08%	170	61.60%	142	70.65%	120	69.77%	126	75.90%
HIGHLAND	Ill-health	12	3.90%	17	5.96%	14	8.38%	8	5.59%	15	8.98%	32	11.59%	34	16.91%	30	17.44%	35	21.09%
COUNCIL	Flexible	14	4.54%	50	17.54%	33	19.76%	30	20.98%	24	14.37%	13	4.71%	6	2.98%	0	0.00%	0	0.00%
	E'er Consent	11	3.57%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Redundancy	180	58.44%	117	41.05%	9	5.39%	5	3.50%	25	14.97%	61	22.10%	18	8.96%	20	11.63%	5	3.01%
	Efficiency	0	0.00%	1	0.35%	1	0.60%	1	0.70%	1	0.60%	0	0.00%	1	0.50%	2	1.16%	0	0.00%
TOTAL	ALL TYPES	308	100%	285	100%	167	100%	143	100%	167	100%	276	100%	201	100%	172	100%	166	100%
OTHER	Normal	100	64.51%	69	58.97%	98	68.06%	70	61.40%	54	49.54%	48	35.82%	36	27.27%	48	57.14%	36	48.65%
EMPLOYERS	Ill-health	14	9.03%	11	9.40%	11	7.64%	15	13.16%	9	8.26%	8	5.97%	8	6.06%	2	2.38%	13	17.57%
	Flexible	15	9.68%	23	19.66%	16	11.11%	12	10.53%	12	11.01%	3	2.24%	1	0.76%	0	0.00%	0	0.00%
	E'er Consent	2	1.29%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Redundancy	23	14.84%	14	11.97%	17	11.80%	15	13.16%	34	31.19%	73	54.48%	85	64.39%	33	39.29%	24	32.43%
	Efficiency	1	0.65%	0	0.00%	2	1.39%	2	1.75%	0	0.00%	2	1.49%	2	1.52%	1	1.19%	1	1.35%
TOTAL	ALL TYPES	155	100%	117	100%	144	100%	114	100%	109	100%	134	100%	132	100%	84	100%	74	100%
TOTALS FOR	Normal	191	41.25%	169	42.04%	208	66.88%	169	65.76%	156	56.52%	218	53.17%	178	53.46%	168	65.63%	162	67.50%
ALL	Ill-health	26	5.62%	28	6.96%	25	8.04%	23	8.95%	24	8.70%	40	9.76%	42	12.61%	32	12.50%	48	20.00%
EMPLOYERS	Flexible	29	6.26%	73	18.16%	49	15.76%	42	16.34%	36	13.04%	16	3.90%	7	2.10%	0	0.00%	0	0.00%
	E'er Consent	13	2.81%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Redundancy	203	43.84%	131	32.59%	26	8.36%	20	7.78%	59	21.38%	134	32.68%	103	30.93%	53	20.70%	29	12.08%
	Efficiency	1	0.22%	1	0.25%	3	0.96%	3	1.17%	1	0.36%	2	0.49%	3	0.90%	3	1.17%	1	0.42%
GRAND TOTALS	ALL TYPES	463	100%	402	100%	311	100%	257	100%	276	100%	410	100%	333	100%	256	100%	240	100%