

Agenda Item	6
Report No	PC/13/21

THE HIGHLAND COUNCIL

Committee: Pensions Committee

Date: 22 September 2021

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

Report By: Head of Corporate Finance and Commercialism

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 2021.

2. Recommendations

2.1 Members are asked to:

- i. Consider the details of the retirements as outlined in the appendices to this report

3. Implications

- 3.1 Resource: As described in the report.
3.2 Legal
3.3 Community (Equality, Poverty, Rural and Island)
3.4 Climate Change / Carbon Clever
3.5 Risk
3.6 Gaelic

4. Introduction

- 4.1 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.
- 4.2 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 local authority's Audit Committee, or equivalent.

5. Analysis of Retirements

- 5.1 The Appendices to this report provides details of the following:
- Summary of retirements
 - Highland Council retirements per Service headings at that time.
 - Non Highland Council retirements
 - Comparisons with previous years

The total number of retirements for the whole fund was generally consistent with previous years.

Designation: Head of Corporate Finance and Commercialism

Date: 11th September 2021

Author: Charlie MacCallum

Background Papers:

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	102	0.00	0.00	0.00	0.00	0.00
	Ill-health	26	0.00	2,022,426.74	2,022,426.74	0.00	2,022,426.74
	Flexible	8	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
TOTAL	ALL TYPES	136	0.00	2,022,426.74	2,022,426.74	0.00	2,022,426.74
OTHER EMPLOYERS	Normal	90	0.00	0.00	0.00	0.00	0.00
	Ill-health	7	0.00	306,187.24	306,187.24	0.00	306,187.24
	Flexible	13	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	164,063.17	172,398.17	336,461.34	1,720,543.45	-1,384,082.11
	Efficiency	4	0.00	12,359.40	12,359.40	0.00	12,359.40
TOTAL	ALL TYPES	124	164,063.17	490,944.81	655,007.98	1,720,543.45	-1,065,535.47
TOTALS FOR ALL EMPLOYERS	Normal	192	0.00	0.00	0.00	0.00	0.00
	Ill-health	33	0.00	2,328,613.98	2,328,613.98	0.00	2,328,613.98
	Flexible	21	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	164,063.17	172,398.17	336,461.34	1,720,543.45	-1,384,082.11
	Efficiency	4	0.00	12,359.40	12,359.40	0.00	12,359.40
GRAND TOTALS	ALL TYPES	260	164,063.17	2,513,371.55	2,677,434.72	1,720,543.45	956,891.27

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	10	0.00	0.00	0.00	0.00	0.00
	Ill-health	4	0.00	150,508.44	150,508.44	0.00	150,508.44
	Flexible	1	0.00	0.00	0.00	0.00	0.00
	Employer 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
Community Services	Normal	23	0.00	0.00	0.00	0.00	0.00
	Ill-health	5	0.00	534,132.01	534,132.01	0.00	534,132.01
	Flexible	1	0.00	0.00	0.00	0.00	0.00
	Employer 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
Care & Learning	Normal	61	0.00	0.00	0.00	0.00	0.00
	Ill-health	16	0.00	1,160,521.30	1,160,521.30	0.00	1,160,521.30
	Flexible	6	0.00	0.00	0.00	0.00	0.00
	Employer 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
Corporate Resources	Normal	6	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	177,264.99	177,264.99	0.00	177,264.99
	Flexible	0	0.00	0.00	0.00	0.00	0.00
	Employer 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
Chief Executives' Office	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
	Employer 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
TOTALS FOR ALL SERVICES	Normal	102	0.00	0.00	0.00	0.00	0.00
	Ill-health	26	0.00	2,022,426.74	2,022,426.74	0.00	2,022,426.74
	Flexible	8	0.00	0.00	0.00	0.00	0.00
	Employer 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
TOTAL	ALL TYPES	136	0.00	2,022,426.74	2,022,426.74	0.00	2,022,426.74

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	38	0.00	0.00	0.00	0.00	0.00
	Ill-health	2	0.00	162,261.73	162,261.73	0.00	162,261.73
	Flexible	3	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	4	0.00	12,359.40	12,359.40	0.00	12,359.40
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
Cromarty Firth 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	1	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
Eden Court	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	1	15,871.00	30,317.67	46,188.67	218,616.99	-172,428.32
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Inverness College	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	5	46,080.09	68,753.57	114,833.66	635,025.21	-520,191.55
	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	1	15,487.50	207.19	15,694.69	192,714.59	-177,019.90
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Lews Castle 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	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	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	2	59,507.22	16,946.95	76,454.17	292,226.20	-215,772.03
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Bord Na Gaidhlig	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	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Highland Blindcraft	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	1	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	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

SDS	Normal	2	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00	0.00
Highlife Highland	Normal	6	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	51,761.62	51,761.62	0.00	0.00	51,761.62
	Flexible	1	0.00	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00	0.00
Forth & Oban	Normal	1	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00	0.00
NHS Highland	Normal	18	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	4	0.00	92,163.89	92,163.89	0.00	0.00	92,163.89
	Flexible	5	0.00	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00	0.00
Scottish Police Authority (former Northern Joint Police Board)	Normal	5	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00	0.00
	Flexible	2	0.00	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00	0.00
Scottish Fire & Rescue Service (former Highland & Islands Fire Board)	Normal	1	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	0.00
	Redundancy	0	0.00	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00	0.00
WIPRO	Normal	1	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	0	0.00	0.00	0.00	0.00	0.00	0.00
	Flexible	0	0.00	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	0.00
	Redundancy	1	27,117.36	56,172.79	83,290.15	381,960.46	0.00	-298,670.31
	Efficiency	0	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS FOR OTHER EMPLOYERS	Normal	90	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	7	0.00	306,187.24	306,187.24	0.00	0.00	306,187.24
	Flexible	13	0.00	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	0.00
	Redundancy	10	164,063.17	172,398.17	336,461.34	1,720,543.45	0.00	-1,384,082.11
	Efficiency	4	0.00	12,359.40	12,359.40	0.00	0.00	12,359.40
TOTAL	ALL TYPES	124	164,063.17	490,944.81	655,007.98	1,720,543.45	-1,065,535.47	

NOTES:

1) All costs on the pension fund as a result of redundancy, efficiency or flexible retirement are recharged either as a lump sum or in annual instalments (of up to 5 years max).

2) There have been no retirements from the following employers:

Inverness Harbour Trust	Morrison FM
HITRANS	HHP
An Comunn Gaidhealach	Sight Action

Table 4 - Comparison With Previous Years:

Employer	Type of retirement	2020/21 No	% of Retirals	2019/20 No	% of Retirals	2018/19 No	% of Retirals	2017/18 No	% of Retirals	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
THE	Normal	102	75.00%	114	61.62%	119	69.19%	110	71.90%	91	29.55%	100	35.10%	110	65.87%	99	69.23%	102	61.08%	170	61.60%
HIGHLAND	Ill-health	26	19.12%	51	27.57%	25	14.53%	20	13.07%	12	3.90%	17	5.96%	14	8.38%	8	5.59%	15	8.98%	32	11.59%
COUNCIL	Flexible	8	5.88%	17	9.19%	25	14.53%	17	11.11%	14	4.54%	50	17.54%	33	19.76%	30	20.98%	24	14.37%	13	4.71%
	E'er Consent	0	0.00%	0	0.00%	0	0.00%	2	1.31%	11	3.57%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Redundancy	0	0.00%	3	1.62%	3	1.75%	4	2.61%	180	58.44%	117	41.05%	9	5.39%	5	3.50%	25	14.97%	61	22.10%
	Efficiency	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1	0.35%	1	0.60%	1	0.70%	1	0.60%	0	0.00%
TOTAL	ALL TYPES	136	100%	185	100%	172	100%	153	100%	308	100%	285	100%	167	100%	143	100%	167	100%	276	100%
OTHER	Normal	90	72.58%	92	65.25%	87	74.36%	85	67.46%	100	64.51%	69	58.97%	98	68.06%	70	61.40%	54	49.54%	48	35.82%
EMPLOYERS	Ill-health	7	5.65%	26	18.44%	12	10.26%	17	13.49%	14	9.03%	11	9.40%	11	7.64%	15	13.16%	9	8.26%	8	5.97%
	Flexible	13	10.48%	11	7.80%	13	11.11%	13	10.32%	15	9.68%	23	19.66%	16	11.11%	12	10.53%	12	11.01%	3	2.24%
	E'er Consent	0	0.00%	0	0.00%	0	0.00%	2	1.59%	2	1.29%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Redundancy	10	8.06%	7	4.96%	2	1.71%	8	6.35%	23	14.84%	14	11.97%	17	11.80%	15	13.16%	34	31.19%	73	54.48%
	Efficiency	4	3.23%	5	3.55%	3	2.56%	1	0.79%	1	0.65%	0	0.00%	2	1.39%	2	1.75%	0	0.00%	2	1.49%
TOTAL	ALL TYPES	124	100%	141	100%	117	100%	126	100%	155	100%	117	100%	144	100%	114	100%	109	100%	134	100%
TOTALS FOR	Normal	192	73.85%	206	63.19%	206	71.28%	195	69.89%	191	41.25%	169	42.04%	208	66.88%	169	65.76%	156	56.52%	218	53.17%
ALL	Ill-health	33	12.69%	77	23.62%	37	12.80%	37	13.26%	26	5.62%	28	6.96%	25	8.04%	23	8.95%	24	8.70%	40	9.76%
EMPLOYERS	Flexible	21	8.08%	28	8.59%	38	13.15%	30	10.75%	29	6.26%	73	18.16%	49	15.76%	42	16.34%	36	13.04%	16	3.90%
	E'er Consent	0	0.00%	0	0.00%	0	0.00%	4	1.44%	13	2.81%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Redundancy	10	3.84%	10	3.07%	5	1.73%	12	4.30%	203	43.84%	131	32.59%	26	8.36%	20	7.78%	59	21.38%	134	32.68%
	Efficiency	4	1.54%	5	1.53%	3	1.04%	1	0.36%	1	0.22%	1	0.25%	3	0.96%	3	1.17%	1	0.36%	2	0.49%
GRAND TOTALS	ALL TYPES	260	100%	326	100%	289	100%	279	100%	463	100%	402	100%	311	100%	257	100%	276	100%	410	100%