

Agenda Item	9
Report No	PC/7/20

THE HIGHLAND COUNCIL

Committee: Pensions Committee

Date: 23 September 2020

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 2020.

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: None
3.3 Community (Equality, Poverty, Rural and Island): None
3.4 Climate Change / Carbon Clever: None
3.5 Risk: None
3.6 Gaelic: None

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
 - Non Highland Council retirements
 - Comparisons with previous years

The total number of retirements for the whole fund was generally consistent with previous years although there was a marked increase in applications for ill health being approved.

Designation: Head of Corporate Finance and Commercialism

Date: 11th September 2020

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	114	0.00	0.00	0.00	0.00	0.00
	Ill-health	51	0.00	4,270,559.31	4,270,559.31	0.00	4,270,559.31
	Flexible	17	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	3	161,190.63	293,518.95	454,709.58	1,745,082.81	-1,290,373.23
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
TOTAL	ALL TYPES	185	161,190.63	4,564,078.26	4,725,268.89	1,745,082.81	2,980,186.08
OTHER EMPLOYERS	Normal	92	0.00	0.00	0.00	0.00	0.00
	Ill-health	26	0.00	2,570,328.38	2,570,328.38	0.00	2,570,328.38
	Flexible	11	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	7	104,342.59	164,445.97	268,788.56	1,296,318.22	-1,027,529.66
	Efficiency	5	0.00	92,226.30	92,226.30	0.00	92,226.30
TOTAL	ALL TYPES	141	104,342.59	2,827,000.65	2,931,343.24	1,296,318.22	1,635,025.02
TOTALS FOR ALL EMPLOYERS	Normal	206	0.00	0.00	0.00	0.00	0.00
	Ill-health	77	0.00	6,840,887.69	6,840,887.69	0.00	6,840,887.69
	Flexible	28	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	265,533.22	457,964.92	723,498.14	3,041,401.03	-2,317,902.89
	Efficiency	5	0.00	92,226.30	92,226.30	0.00	92,226.30
GRAND TOTALS	ALL TYPES	326	265,533.22	7,391,078.91	7,656,612.13	3,041,401.03	4,615,211.10

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	24	0.00	0.00	0.00	0.00	0.00
	Ill-health	9	0.00	571,903.58	571,903.58	0.00	571,903.58
	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	29	0.00	0.00	0.00	0.00	0.00
	Ill-health	22	0.00	1,664,265.81	1,664,265.81	0.00	1,664,265.81
	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	3	161,190.63	293,518.95	454,709.58	1,745,082.81	-1,290,373.23
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Care & Learning	Normal	52	0.00	0.00	0.00	0.00	0.00
	Ill-health	19	0.00	1,701,579.25	1,701,579.25	0.00	1,701,579.25
	Flexible	7	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	332,810.67	332,810.67	0.00	332,810.67
	Flexible	3	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 Executive's Office	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
	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	114	0.00	0.00	0.00	0.00	0.00
	Ill-health	51	0.00	4,270,559.31	4,270,559.31	0.00	4,270,559.31
	Flexible	17	0.00	0.00	0.00	0.00	0.00
	Employer Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	3	161,190.63	293,518.95	454,709.58	1,745,082.81	-1,290,373.23
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
TOTAL	ALL TYPES	185	161,190.63	4,564,078.26	4,725,268.89	1,745,082.81	2,980,186.08

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	25	0.00	0.00	0.00	0.00	0.00
	Ill-health	11	0.00	898,990.44	898,990.44	0.00	898,990.44
	Flexible	2	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	14,820.22	10,629.95	25,450.17	79,368.75	-53,918.58
	Efficiency	5	0.00	92,226.30	92,226.30	0.00	92,226.30
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	4	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	38,807.64	38,807.64	0.00	38,807.64
	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	2	17,402.00	85,896.17	103,298.17	644,091.08	-540,792.91
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Inverness College	Normal	1	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	282,118.06	282,118.06	0.00	282,118.06
	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	4	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	3,335.10	11,778.43	15,113.53	111,261.15	-96,147.62
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
UHI	Normal	3	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	280,722.94	280,722.94	0.00	280,722.94
	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	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Sight Action	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
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
SDS	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	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
An Comunn Gaidhealach	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	14	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	64,311.94	64,311.94	0.00	64,311.94
	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	21,397.44	37,643.46	59,040.90	301,265.48	-242,224.58
	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	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	27	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	9	0.00	590,460.17	590,460.17	0.00	0.00	590,460.17
	Flexible	6	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	4	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	150,003.75	150,003.75	0.00	0.00	150,003.75
	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	47,387.83	18,497.96	65,885.79	160,331.76	0.00	-94,445.97
	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	0	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	264,913.44	264,913.44	0.00	0.00	264,913.44
	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
TOTALS FOR OTHER EMPLOYERS	Normal	92	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	26	0.00	2,570,328.38	2,570,328.38	0.00	0.00	2,570,328.38
	Flexible	11	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	7	104,342.59	164,445.97	268,788.56	1,296,318.22	0.00	-1,027,529.66
	Efficiency	5	0.00	92,226.30	92,226.30	0.00	0.00	92,226.30
TOTAL	ALL TYPES	141	104,342.59	2,827,000.65	2,931,343.24	1,296,318.22	1,635,025.02	

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:

Stornoway Port Authority
Bord Na Gaidhlig
Morrison FM

Inverness Harbour Trust
HITRANS
HHP

Lewis Castle College
SPSA
HIE (former LECS)

Table 4 - Comparison With Previous Years:

Employer	Type of retirement	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	2010/11 No	% of Retirals
THE	Normal	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%	142	70.65%
HIGHLAND	Ill-health	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%	34	16.91%
COUNCIL	Flexible	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%	6	2.98%
	E'er Consent	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	n/a	n/a
	Redundancy	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%	18	8.96%
	Efficiency	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%	1	0.50%
TOTAL	ALL TYPES	185	100%	172	100%	153	100%	308	100%	285	100%	167	100%	143	100%	167	100%	276	100%	201	100%
OTHER	Normal	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%	36	27.27%
EMPLOYERS	Ill-health	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%	8	6.06%
	Flexible	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%	1	0.76%
	E'er Consent	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	n/a	n/a
	Redundancy	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%	85	64.39%
	Efficiency	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%	2	1.52%
TOTAL	ALL TYPES	141	100%	117	100%	126	100%	155	100%	117	100%	144	100%	114	100%	109	100%	134	100%	132	100%
TOTALS FOR	Normal	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%	178	53.46%
ALL	Ill-health	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%	42	12.61%
EMPLOYERS	Flexible	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%	7	2.10%
	E'er Consent	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	n/a	n/a
	Redundancy	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%	103	30.93%
	Efficiency	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%	3	0.90%
GRAND TOTALS	ALL TYPES	326	100%	289	100%	279	100%	463	100%	402	100%	311	100%	257	100%	276	100%	410	100%	333	100%