

Agenda Item	6
Report No	PC/11/22

THE HIGHLAND COUNCIL

Committee: Pensions Committee

Date: 30 September 2022

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

Report By: Head of Corporate 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 2022.

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 to the Pensions Committee:

- Number and types of retirements
- The total liability to the pension fund and revenue account in respect of these retirements
- 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

Date: 20 September 2022

Author: Annabel Scott

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	Voluntary	165	0.00	0.00	0.00	0.00	0.00
	Ill-health	21	0.00	1,945,957.32	1,945,957.32	0.00	1,945,957.32
	Flexible	21	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	1	0.00	9,786.98	9,786.98	0.00	9,786.98
TOTAL	ALL TYPES	208	0.00	1,955,744.30	1,955,744.30	0.00	1,955,744.30
OTHER EMPLOYERS	Voluntary	110	0.00	0.00	0.00	0.00	0.00
	Ill-health	14	0.00	1,119,829.11	1,119,829.11	0.00	1,119,829.11
	Flexible	14	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	28	402,976.19	275,183.98	678,160.17	2,418,790.97	-1,740,630.80
	Efficiency	10	0.00	193,994.20	193,994.20	0.00	193,994.20
TOTAL	ALL TYPES	176	402,976.19	1,589,007.29	1,991,983.48	2,418,790.97	-426,807.49
TOTALS FOR ALL EMPLOYERS	Voluntary	275	0.00	0.00	0.00	0.00	0.00
	Ill-health	35	0.00	3,065,786.43	3,065,786.43	0.00	3,065,786.43
	Flexible	35	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	28	402,976.19	275,183.98	678,160.17	2,418,790.97	-1,740,630.80
	Efficiency	11	0.00	203,781.18	203,781.18	0.00	203,781.18
GRAND TOTALS	ALL TYPES	384	402,976.19	3,544,751.59	3,947,727.78	2,418,790.97	1,528,936.81

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 £
Communities & Place	Voluntary	23	0.00	0.00	0.00	0.00	0.00
	Ill-health	4	0.00	441,967.36	441,967.36	0.00	441,967.36
	Flexible	4	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
Education & Learning	Voluntary	45	0.00	0.00	0.00	0.00	0.00
	Ill-health	5	0.00	551,158.47	551,158.47	0.00	551,158.47
	Flexible	4	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
Health & Social Care	Voluntary	16	0.00	0.00	0.00	0.00	0.00
	Ill-health	3	0.00	274,068.65	274,068.65	0.00	274,068.65
	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
Infrastructure, Environment & Economy	Voluntary	6	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
Performance & Governance	Voluntary	7	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
	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
Property & Housing	Voluntary	56	0.00	0.00	0.00	0.00	0.00
	Ill-health	8	0.00	612,712.93	612,712.93	0.00	612,712.93
	Flexible	5	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	1	0.00	9,786.98	9,786.98	0.00	9,786.98
Resources & Finance	Voluntary	11	0.00	0.00	0.00	0.00	0.00
	Ill-health	1	0.00	66,049.91	66,049.91	0.00	66,049.91
	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
Deputy Chief Executives	Voluntary	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	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	Voluntary	165	0.00	0.00	0.00	0.00	0.00
	Ill-health	21	0.00	1945957.32	1945957.32	0.00	1945957.32
	Flexible	21	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	1	0.00	9786.98	9786.98	0.00	9786.98
TOTAL	ALL TYPES	208	0.00	1,955,744.30	1,955,744.30	0.00	1,955,744.30

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	Voluntary	34	0.00	0.00	0.00	0.00	0.00
	Ill-health	7	0.00	691,662.45	691,662.45	0.00	691,662.45
	Flexible	4	0.00	0.00	0.00	0.00	0.00
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00
	Redundancy	26	366,062.00	246,085.46	612,147.46	2,134,224.82	-1,522,077.36
	Efficiency	10	0.00	193,994.20	193,994.20	0.00	193,994.20
Cromarty Firth Port Authority	Voluntary	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
Inverness Harbour Trust	Voluntary	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	Voluntary	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	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	0	0.00	0.00	0.00	0.00	0.00
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
Inverness College	Voluntary	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	16,140.00	15,320.36	31,460.36	175,046.02	-143,585.66
	Efficiency	0	0.00	0.00	0.00	0.00	0.00
North Highland College	Voluntary	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	Voluntary	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
Bord Na Gaidhlig	Voluntary	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 Blindcraft	Voluntary	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	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

Mrrison FM	Voluntary	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
SDS	Voluntary	0	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	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
Highlife Highland	Voluntary	14	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	1	20,774.19	13,778.16	34,552.35	109,520.13	-74,967.78	
	Efficiency	0	0.00	0.00	0.00	0.00	0.00	
Forth & Oban	Voluntary	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	Voluntary	38	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	7	0.00	428,166.66	428,166.66	0.00	428,166.66	
	Flexible	4	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 Police Authority (former Northern Joint Police Board)	Voluntary	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	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
Scottish Fire & Rescue Service (former Highland & Islands Fire Board)	Voluntary	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
TOTALS FOR OTHER EMPLOYERS	Voluntary	110	0.00	0.00	0.00	0.00	0.00	0.00
	Ill-health	14	0.00	1,119,829.11	1,119,829.11	0.00	1,119,829.11	
	Flexible	14	0.00	0.00	0.00	0.00	0.00	
	Employers Consent	0	0.00	0.00	0.00	0.00	0.00	
	Redundancy	28	402,976.19	275,183.98	678,160.17	2,418,790.97	-1,740,630.80	
	Efficiency	10	0.00	193,994.20	193,994.20	0.00	193,994.20	
TOTAL	ALL TYPES	176	402,976.19	1,589,007.29	1,991,983.48	2,418,790.97	-426,807.49	

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:

HIE	UHI Outer Hebrides (prev Lews Castle College)
Stornoway Port Authority	HHP
HITRANS	Sight Action
An Comunn Gaidhealach	WIPRO
Eden Court	

Table 4 - Comparison With Previous Years:

Employer	Type of retirement	2021/22 No	% of Retirals	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
THE	Voluntary	165	79.32%	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%
HIGHLAND	Ill-health	21	10.10%	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%
COUNCIL	Flexible	21	10.10%	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%
	E'er Consent	0	0.00%	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
	Redundancy	0	0.00%	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%
	Efficiency	1	0.48%	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%
TOTAL	ALL TYPES	208	100%	136	100%	185	100%	172	100%	153	100%	308	100%	285	100%	167	100%	143	100%	167	100%
OTHER	Voluntary	110	62.50%	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%
EMPLOYERS	Ill-health	14	7.955%	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%
	Flexible	14	7.955%	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%
	E'er Consent	0	0.00%	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
	Redundancy	28	15.91%	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%
	Efficiency	10	5.68%	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%
TOTAL	ALL TYPES	176	100%	124	100%	141	100%	117	100%	126	100%	155	100%	117	100%	144	100%	114	100%	109	100%
TOTALS FOR	Voluntary	275	71.61%	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%
ALL	Ill-health	35	9.12%	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%
EMPLOYERS	Flexible	35	9.12%	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%
	E'er Consent	0	0.00%	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
	Redundancy	28	7.29%	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%
	Efficiency	11	2.86%	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%
GRAND TOTALS	ALL TYPES	384	100%	260	100%	326	100%	289	100%	279	100%	463	100%	402	100%	311	100%	257	100%	276	100%