

REDUNDANCIES AND EARLY RETIREMENTS

2004/05

1. REDUNDANCY

The following table summaries the redundancies which have occurred during the last financial year:

2004/05	Teachers	Others	Total
Number	6	19	25
Total Cost	£83,019	£301,404	£384,423
Average	£13,837	£15,863	£15,377

Eight of the non-teaching redundancies were in Education including schools posts.

In 2003/04, 17 staff were involved at a total cost of £80,992.

Where appropriate the figures include compensation payments under the Local Government Compensation for Redundancy Regulations which came into force during July 1996.

2. EFFICIENCY OF THE SERVICE

During 2004/05, two members of staff received payments under the Efficiency of the Service provisions.

The costs of these two cases are as follows:

2004/2005	Teachers	Others	Total
Number	0	2	2
Total Cost	0	£21,209	£21,209
Average	0	£10,605	£10,605

3. ADDED YEARS

A summary of the costs involved in cases where staff were awarded Added Years is as follows:

	No. of Cases	Annual Pension	Retirement Grant	Capital Cost
2004/05	4	£8,110	£24,329	£156,969

4. ACTUARIAL STRAIN LOCAL GOVERNMENT SCHEME

The financial year 1999/2000 was the first full year in which actuarial strain has been charged to the Council budgets and, therefore, the figures below indicate total costs for 1999/2000 to date.

	No. of Cases	Total Actuarial Strain	Actuarial Strain payable 1st Year
1999/00	13 cases	£238,250	£85,609
2000/01	17 cases	£629,002	£226,217
2001/02	10 cases	£196,794	£70,789
2002/03	13 cases	£273,628	£98,427
2003/04	3 cases	£73,114	£26,300
2004/05	9 cases	£245,213	£88,206

NOTE:

Actuarial Strain payments reimburse the Superannuation Fund for the fact that the employee concerned is retiring earlier than normal. The Fund would otherwise have to meet the cost of, perhaps, several years additional pensions payments. In previous years the costs involved were eventually reflected in higher employer contributions. The new arrangements involving actuarial strain make the cost of early retirements more transparent.

5. CONCLUSION

In the case of three of the above mentioned four categories, with efficiency of the service being the exception, the number of individuals and therefore the costs involved are significantly higher than in 2003/04.