

| MERSEYSIDE FIRE AND RESCUE AUTHORITY | | | |
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| MEETING OF THE: | COMMUNITY SAFETY AND PROTECTION COMMITTEE | | |
| DATE: | 6TH FEBRUARY 2020 | REPORT NO: | CFO/001/20 |
| PRESENTING OFFICER | CFO | | |
| RESPONSIBLE OFFICER: | NICK MERNOCK | REPORT AUTHOR: | NICOLA HANLON |
| OFFICERS CONSULTED: | MIKE REA, MIKE PILKINGTON | | |
| TITLE OF REPORT: | FLEXIBLE RETIREMENT – LOCAL GOVERNMENT PENSION SCHEME (LGPS) | | |
| APPENDICES: | A – DRAFT POLICY: FLEXIBLE RETIREMENT LOCAL GOVERNMENT PENSION SCHEME (LGPS) | | |

Purpose of Report

1. To inform Members on the proposed introduction of a new policy covering the option for Flexible Retirement for those employees who are members of the Local Government Pensions Scheme (LGPS)

Recommendation

2. That Members approve the implementation of Flexible Retirement for LGPS members and the associated policy.

Introduction and Background

3. A briefing note outlining potential options for flexible retirement was discussed at the People Board on 23rd July 2019 with agreement in principle given subject to creation of the necessary policy, confirmation surrounding a number of queries raised, and Members' approval.
4. Whilst the initial proposal considered flexible retirement for all Authority employees (members of the various Firefighter Pension Schemes ('FPS') along with members of the LGPS) further analysis has highlighted under the FPS 2015 Scheme regulations employees over the age of 55 years are able to apply for Partial Retirement without the requirement of approval from the Authority as the employer.
5. As such any request by an FPS 2015 employee over 55 years of age to reduce working hours and access their pension can be administered via routine flexible working procedure. FPS 2015 members therefore would not be required to meet the criteria set out in the Flexible Retirement Policy. The process for 2015 Scheme members who wish to apply for partial retirement will be outlined in a separate Service Instruction.

6. For Grey Book employees who are members of the FPS 1992/FPS 2006 schemes the option for flexible or partial retirement under the FPS 1992 and FPS 2006 is not available through the pension criteria under these schemes. As such any employee who contributes to these pension schemes would not be eligible for flexible retirement and there is subsequently no requirement for the policy to refer specifically to this cohort of employees.
7. As a result, the proposed Flexible Retirement Policy would be applicable only to LGPS members only. A copy of this draft Policy which includes criteria and pension regulatory information regarding LGPS employees is included within Appendix A of this report.

Equality and Diversity Implications

8. Currently flexible working arrangements are often utilised by staff who may wish to reduce their hours for example to offer either childcare support to children/grandchildren, or to assist with caring for parents. The Flexible retirement process will offer a valuable alternative for those employees who are eligible to apply under the LGPS thereby having a positive impact on employees aged 55 or over.
9. Conversely, this could be seen as having a negative impact on those under the age of 55 years with similar needs, however this is outside of the control of the Authority as the Pension Regulations dictate eligibility. Extant flexible working arrangement remain to support employees who do not meet the criteria for flexible retirement.

Staff Implications

10. Allowing employees to undertake Flexible Retirement can improve the retention of employees over 55 years old, retaining valuable skills and experiences within the Authority when compared with current option of full retirement.
11. Reductions in hours and/or change of grades can present other employees with opportunities to progress into alternative roles, acquire further skills and broaden experience.
12. Consideration of requests by the Flexible Working Panel and line managers will mitigate against any potentially negative impact on other employees within the relevant team as well ensuring organisational service delivery is not affected. Applications will only be approved subject to the exigencies of the services.

Legal Implications

13. Flexible Retirement arrangements will be compliant with all necessary regulations as outlined within the Local Government Pensions Scheme. The process followed when considering applications will comply with all necessary employment legislation.

Financial Implications & Value for Money

14. Flexible Retirement requests will not be agreed when there is a cost to the authority for the release of the pension benefits, unless the application forms part of a business efficiency plan approved under the necessary governance arrangements.
15. There is the potential for cost savings dependent on the role and department, for example if an employee reduces hours and the work can be distributed between other team members. This would be dependent on the impact any request has on the department service delivery and other team members and each case considered on its individual merits.
16. There are potential costs that could be incurred as a result of the need to recruit into hours/roles vacated following approval of a flexible retirement application. It is the view of POD that the costs can be absorbed into existing POD recruitment arrangements and the benefits to the organisation in terms of both increased staff retention, and additional development opportunities outweigh these potential additional costs.

Risk Management, Health & Safety, and Environmental Implications

17. There are no Health & Safety or Environmental implications associated with this policy.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Fire Fighters*

18. Flexible Retirement can both improve retention rates of employees whilst also facilitating development opportunities for other employees, contributing to our corporate aim of Excellent People.

BACKGROUND PAPERS

GLOSSARY OF TERMS

Authority - Merseyside Fire and Rescue Authority

MFRS - Merseyside Fire and Rescue Service