

## Audit Scotland Report – Responding to Challenges and Change

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Bye now, pay later? – key recommendations	What is done at Argyll & Bute Council?
<b>Framework for decision-making</b>	
<ul style="list-style-type: none"> <li>• Early retirement policies should be approved by councillors and reviewed regularly.</li> </ul>	<p>Policy on discretions is approved by full Council and it states the policy will be reviewed in line with changes to statutory redundancy provision and Pension Scheme Regulations and reserves the right to review its practice with regard to any of the discretions, after appropriate consultation.</p>
<b>Informing members</b>	
<ul style="list-style-type: none"> <li>• Councillors should receive a report at least annually that details the number of early retirement decisions and the associated costs and savings.</li> </ul>	<p>A report will be submitted to the Council in August 2013 on the costs and savings associated with severance during 2012-13.</p>
<b>Decision-making</b>	
<ul style="list-style-type: none"> <li>• Local authorities should rigorously appraise individual cases to ensure the expected savings associated with retirement outweigh the costs.</li> </ul>	<p>Executive Director and Head of Finance approve all early retirements. Prior to making their decision they are provided with all costs associated with the retirement and costs will be repaid from savings within a 3 year period.</p>
<ul style="list-style-type: none"> <li>• To improve accountability and assist monitoring, the costs of early retirement should be charged to the appropriate service budget.</li> </ul>	<p>If there are any other payments due to the employee over and above pension related costs then these are charged to the service, this includes redundancy, pay in lieu of notice, etc – classed as “current service costs”. Any pension related lump sum is charged to Non Distributed Costs as well as any ongoing pension payments - classed as “past service costs”. Current service costs and past service costs are defined within CIPFA Service Reporting Code of Practice (SeRCOP). All early retirements or redundancies should meet the three year pay-back period and the budget for the post within the service is removed immediately and this provides an element of accountability within the service.</p>
<ul style="list-style-type: none"> <li>• Councillors should be involved in approving early retirement decisions for senior staff.</li> </ul>	<p>No, only involved where the repayment of costs incurred is longer than 3 years. (our old policy was that Chief Officers leaving would be approved by Council)</p>