

## **EARLY RETIREMENT OF EXECUTIVE HEAD OF OPERATIONS (DEPUTY CHIEF EXECUTIVE)**

### **1. INTRODUCTION**

- 1.1 This report deals with a request from the Executive Head of Operations (Deputy Chief Executive) for early retirement of the grounds of efficiency.
- 1.2 The early retirement of Executive Directors needs to be approved by Members at full Council.

### **2. BACKGROUND**

- 2.1 The Executive Head of Operations (Deputy Chief Executive) has formally asked to be considered for early retirement for personal reasons and to support the efficiency of the Council.
- 2.2 Early retirement is loss of office before an employee's normal retirement age. Where the employee is a contributor to the Local Government Pension Scheme (LGPS) pension benefits including a lump sum and annual pension may be payable. An employee may request to volunteer for early retirement on the grounds of efficiency. However, the request must be supported by a financial business case to support it as the Council will be required to fund the pension "strain" of the employee leaving employment early. (The Pension "Strain" is the loss to the pension fund of pension contributions of both the employee and employer in the period of early retirement to normal retirement age, which is required to be paid to the Pension Fund by the Council.)
- 2.3 The Council is committed to the establishment of effective organisational structures that are flexible and responsive to changing needs. Early retirement is one way that changes to organisational structures can be achieved.
- 2.4 Following on from the decision of the Council to the Health and Leisure Review the Council is now in a position whereby it could operate with four instead of five Executive Heads. There would therefore be a saving of one Executive Head with the remaining responsibilities shared between four Executive Heads. It is not intended to identify a Deputy Chief Executive at this stage.
- 2.5 It is intended the Chief Financial Officer could take on responsibilities for ICT and HR, enabling the current Executive Director for Resources to oversee and review Operational Services pending a final decision on organisational arrangements.

### **3. FINANCIAL IMPACT**

- 3.1 Early retirement of the Executive Head of Operations (Deputy Chief Executive) will contribute a saving of £112,880 per annum and incur a one off cost of £99,004. This provides a business case payback of 0.88 years. This compares favourably with the business case target of 3 years.

#### **4. RECOMMENDATIONS**

- 4.1 To agree to the request from the Executive Head of Operations (Deputy Chief Executive) for early retirement of the grounds of efficiency.

#### **Further Information:**

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