

RETIREMENT AGE

1 SUMMARY

- 1.1 This report seeks to revise the Council's policy on compulsory retirement at 65 as a move to best practice and to help alleviate recruitment and retention issues in some areas.

2 INTRODUCTION

- 2.1 At present the Council's policy is that all staff must retire at 65. This conforms to the Local Government Pension Scheme. On occasions staff do wish to continue working after the age of 65 and it is becoming more common for employees to be fit and active well beyond compulsory retirement age.
- 2.2 Under proposed legislation, staff reaching the age of 65 will have the right to request to continue working. The 'right to request model' will be similar to flexible working requests, where employers must respond in writing and can refuse only for valid business reasons.

3 DETAILED CONSIDERATIONS

- 3.1 Age legislation must be implemented in the UK by 2 December 2006. The Government intends the new legislation, to be in the form of regulations, to come into force on 1 October 2006. The Government has announced that a default retirement age of 65 will be set, but workers will have the right to request the opportunity to keep working beyond this. Employers will have a duty to consider such a request.
- 3.2 It is proposed that the Council allows staff to continue working beyond age 65 (at the discretion of the Head of Service) and subject to a satisfactory annual Performance Development Review.
- 3.3 Work patterns are changing. The UK has an ageing population and life expectancy continues to rise. Although most people still wish to retire at age 65 there are others who for personal and financial reasons would wish to continue working.
- 3.4 The Council does have recruitment and retention challenges in some areas and extending the retirement age for those who wish to continue working would be one way of alleviating these. By allowing staff to continue to work where that is their wish the Council benefits from both their knowledge and experience.

4 RISK IMPLICATIONS**4.1 Strategic Risk**

Where we have able employees who want to continue working we need to utilise their skills to enable us to meet future service needs.

4.2 Resource Risk

Rising costs of recruiting staff may not be sustainable. We need to look at alternative ways of ensuring we have the skills and knowledge required in the organisation.

4.3 Operational Risk

Managers need to assess staff capability through the Performance Development Review process to ensure we manage the performance and ability of all workers.

4.4 Reputation Risk

Implementation should help the Council to be an employer of choice.

5 RECOMMENDATION**5.1 It is proposed that the Committee RESOLVES**

To agree that staff can request to work beyond the age of 65 where their Head of Service agrees and subject to annual Performance Development Review.

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Background papers:

None

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