

MUTUAL BENEFITS OF FLEXIBLE RETIREMENT

Report of the Managing Director

1. SUMMARY

- 1.1 This report has been prepared at the request of the Governance Committee to outline the mutual benefits of flexible retirement.

2. RECOMMENDATION(S)

- 2.1 To note the report.

3. REASON(S) FOR RECOMMENDATION

- 3.1 To enable Board Members to fully understand the benefits of flexible retirement to both the employee and the organisation.

4. MATTER(S) FOR CONSIDERATION

- 4.1 The Policy in respect of flexible retirement is contained within the Leaving Work Policy, last approved in November 2020.
- 4.2 Under the Local Government Pension Scheme an employee aged 55 or over can apply for Flexible Retirement.
- 4.3 Flexible retirement gives an employee the opportunity to take life slightly easier, without giving up the structure and companionship of employment. It means they can continue earning a salary, and any gap in earnings can be filled by drawing on their pension. Continuing employment after flexible retirement would be at reduced hours (average 40%) or reduced grade. Any future increase in hours or grade must be temporary (not exceeding six months) and must be in the interests of the organisation.
- 4.4 Flexible retirement also has benefits for the employer. There is evidence that part-time employees who maximise their work life balance are more productive than employees continuing to work full time. At Derby Homes we have agreed requests where it enables us to make savings by reducing establishment hours but equally it can enable us to retain experience and expertise where otherwise an employee may have considered full retirement. This is important to support knowledge transfer and succession planning particularly where an employee works in a specialist area.

- 4.5 Our Policy allows that any employee over the age of 55 can request Flexible Retirement. In considering a request there has to be benefits for the organisation and the needs of the service are paramount.
- 4.6 The Employee is responsible for requesting their pension estimate at a selected potential retirement date. If they decide to proceed with their request they should then put the it in writing setting out the reasons and detailing any benefits that the request could bring to Derby Homes. I would expect line managers to support this process, particularly in discussing the potential benefits to the organisation.
- 4.7 The Executive Team will then consider the request, if supported and it is at nil cost to the organisation the Managing Director has delegated authority to approve with retrospective reporting to Governance Committee. For any supported requests with cost implications a report is prepared for Governance Committee.
- 4.8 If a request is not supported by the Executive Team an Employee may appeal to Governance Committee.
- 4.9 A full copy of the Leaving Work Policy is available in the link below.

5. OTHER OPTIONS CONSIDERED

- 5.1 N/A

IMPLICATIONS

15. POLICY REVIEW IMPLICATIONS

- 15.1 This is a key policy of Derby Homes and is included in the Key Policy Review Schedule. The next scheduled review of the Leaving Work Policy is November 2023, or sooner as required.

The areas listed below have no implications directly arising from this report:

Consultation
Financial and Business Plan
Legal and Confidentiality
Council
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk

For more information please contact:

Maria Murphy Managing Director / 01332 888522 / maria.murphy@derbyhomes.org

Background information: [Leaving Work Policy – agreed at 12 November 2020 meeting](#)
[Amendment to Employers Pensions Discretions element of the Leaving Work Policy – agreed at 21 April 2022 meeting](#)

List of appendices None

This report has been approved by the following

Managing Director	Maria Murphy	22/08/2022
-------------------	--------------	------------