

HUMAN RESOURCES & COUNCIL TAX COMMITTEE

22 OCTOBER 2026

REPORT OF DIRECTOR OF PEOPLE

A.1 RETIREMENT AND FLEXIBLE RETIREMENT POLICY

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

The purpose of this report is to seek the Human Resources and Council Tax Committee's approval of the revised Retirement and Flexible Retirement Policy at Appendix A, which establishes a clear and consistent process for retirement and flexible retirement applications.

EXECUTIVE SUMMARY

The revised Retirement and Flexible Retirement Policy establishes a single, clear and consistent framework for the management of standard and flexible retirement arrangements. It confirms that the Council does not operate a compulsory retirement age and reflects the relevant requirements of employment and equality legislation and the Local Government Pension Scheme (LGPS).

The principal provisions of the revised Policy are as follows:

- Introduction of a standard Retirement/Flexible Retirement Notification Form, with employees expected, wherever possible, to provide at least three months' written notice.
- A five-stage process covering early discussion, the provision of pension information, formal notification, confirmation of arrangements and completion of the Council's leaver process.
- A requirement for employees to obtain appropriate pension information and consider the financial implications before making a final decision, recognising that the Council is unable to provide financial advice.
- Eligibility criteria for flexible retirement, which may be available to eligible permanent employees who are active LGPS members and have reached the applicable normal minimum pension age, subject to a permanent reduction in contractual hours of more than 25%, a reduction of at least one grade, or both.
- Consideration of each flexible retirement application on its individual merits, having regard to business continuity, service provision, operational impact, affordability, workforce and succession planning, recruitment implications, knowledge retention and any relevant precedent.
- Consideration of the application by the relevant Corporate Director, followed by submission to the Workforce Panel, comprising the Section 151 Officer and the Head of People. The Panel may endorse the application but has no delegated decision-making powers. The formal decision will be taken by the relevant Corporate Director in accordance with Part 3 of the Council's Constitution, having regard to the Panel's advice. Any proposal involving regrading, restructuring or a change in staffing levels, or falling outside the approved Policy, must be referred to the Head of Paid Service or determined through the appropriate constitutional route.
- A requirement that flexible retirement should normally be at no additional cost to the Council, including no pension strain cost, with any early access to pension benefits potentially subject to actuarial reduction.

Flexible retirement is not an automatic entitlement. There is no general trial period and, once pension benefits have been brought into payment, reversal will not normally be available. The Policy nevertheless preserves the Council's ability to consider exceptional circumstances pragmatically and through the appropriate constitutional decision-making route. Employees may remain in, or rejoin, the

LGPS to build up further benefits, including through the 50/50 section where appropriate. Where an application is refused, the employee may use the Council's Grievance Appeals Procedure.

Implementation of the revised Policy will provide a clear and consistently administered route through retirement and flexible retirement. The proposed notice and notification arrangements will allow sufficient time for Essex Pension Fund and the Council's Payroll and Payments Team to obtain estimates and complete the necessary pension and employment processes.

The revised arrangements will support business continuity, service provision and effective workforce and succession planning. They will also facilitate knowledge transfer and the retention of skills and experience where operationally appropriate, while promoting fair, transparent and consistent decision-making across Council services.

The Policy also defines the respective responsibilities of employees, managers, the People Team and the Payroll and Payments Team, thereby strengthening compliance with employment, equality and LGPS requirements and reducing procedural and financial risk.

RECOMMENDATION(S)

It is recommended that the Human Resources & Council Tax Committee:

- a) approves the Retirement and Flexible Retirement Policy attached at Appendix A;**
- b) subject to a) above, notes that flexible retirement applications will be considered in line with the approved Policy and determined in accordance with the delegations set out in the Council's Constitution; and**
- c) authorises the Director of People to implement the approved Policy and, in accordance with the Council's delegated arrangements, make any minor, consequential or legislative amendments to associated procedures, guidance and documentation that do not materially alter the Policy.**

REASON(S) FOR THE RECOMMENDATION(S)

The revised Retirement and Flexible Retirement Policy introduces a standard application form for both retirement and flexible retirement, providing employees with a clear and consistent process to follow.

This will reduce the risk of insufficient notice being given and help ensure that the Essex Pension Fund has adequate time to process pension benefits, so funds are available from the employee's intended retirement date.

The revised Policy will:

- Provide employees with clear and accessible information about their retirement options.
- Ensure that retirement arrangements are administered consistently across all Council services.
- Support effective workforce and succession planning.
- Set out a clear and transparent approach to flexible retirement applications.
- Strengthen compliance with relevant employment legislation and pension scheme requirements.
- Support the retention of valuable skills, knowledge and experience where this is operationally beneficial.

By bringing retirement and flexible retirement arrangements together within a single framework, the Policy will promote consistent and transparent decision-making, strengthen governance and reduce the risk of procedural variation across the Council. Its implementation will also demonstrate the Council's commitment to supporting employee wellbeing, effective retirement planning and a sustainable workforce.

ALTERNATIVE OPTIONS CONSIDERED

Employees seeking access to their Local Government Pension Scheme (LGPS) benefits, whether through retirement from the Council or as part of a flexible retirement arrangement, must follow the relevant LGPS requirements. Essex Pension Fund has requested that employees provide at least three months' notice of their intention to retire. This allows sufficient time for pension benefits to be processed and made available from the intended retirement date. Where insufficient notice is given, an employee may retire from their post before their pension benefits become payable, potentially placing them in a difficult financial position.

The Policy is intended to reduce this financial risk by promoting timely notification. It will also provide managers with additional time to plan for any vacancy or change in service capacity arising from an employee's departure or reduction in working hours.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The revised Retirement and Flexible Retirement Policy supports the Council's Corporate Plan 2024–2028, principally the themes of **Pride in our area and services to residents** and **Financial sustainability and openness**.

Pride in our area and services to residents: timely and consistent retirement planning supports continuity and resilience across Council services. It enables services to plan proactively for vacancies and changes in working arrangements, retain organisational knowledge where appropriate and maintain reliable service delivery for residents.

Financial sustainability and openness: the Policy provides a transparent and consistently applied framework for managing retirement and flexible retirement requests. It supports effective workforce and succession planning, informed management of organisational capacity and appropriate control of financial implications, including the normal expectation that flexible retirement will not create additional pension strain costs for the Council.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

The revised Policy has been developed having regard to the Equality Act 2010, the Employment Rights Act 1996, the Local Government Pension Scheme Regulations 2013, as amended, and relevant ACAS guidance. It provides a framework for the fair and consistent consideration of retirement and flexible retirement applications and does not affect employees' separate statutory employment rights, including those relating to flexible working and reasonable adjustments. Notice arrangements and any review of a decision will be managed in accordance with the Policy, supporting procedures and applicable legal requirements.

Equality Act 2010

The Council does not operate a compulsory retirement age. Retirement-related decisions must be made fairly and without unlawful discrimination. In accordance with the Public Sector Equality Duty, the Council must have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations. The duty to consider reasonable adjustments for disabled employees continues to apply.

Employment Rights Act 1996

The Act provides statutory employment rights relevant to the operation of the Policy, including minimum notice, protection from unfair dismissal and the statutory right to request flexible working. A flexible retirement application remains distinct from any statutory flexible working request.

Local Government Pension Scheme Regulations 2013

The Regulations govern pension benefits and entitlements for eligible Council employees. Flexible retirement requires the Council's consent and must be administered in accordance with the Regulations and the Council's approved pension discretions.

The Human Resources and Council Tax Committee has responsibility for approving the Retirement and Flexible Retirement Policy in accordance with the Council's Constitution. Under Part 3 of the Constitution, the relevant Corporate Director has delegated authority to act on staff-management matters within their area of responsibility. The Corporate Director will consider an individual flexible retirement application before submitting it to the Workforce Panel, comprising the Section 151 Officer and the Head of People. The Panel may endorse the application but has no delegated decision-making powers. The formal decision will therefore be taken by the relevant Corporate Director, having regard to the Panel's advice. Ian Davidson, as Chief Executive and Head of Paid Service, holds delegated authority in relation to regrading posts, restructuring and determining staffing levels. Any application engaging those delegations, or falling outside the approved Policy, must be referred to the Head of Paid Service or determined through the appropriate constitutional route.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The implementation of the Retirement and Flexible Retirement Policy does not create significant additional financial implications.

Effective retirement planning enables:

- Better workforce planning.
- Reduced business disruption.
- Improved succession planning.
- Retention of knowledge and expertise through flexible retirement, where appropriate.

The Policy also reinforces the Council's existing requirement that flexible retirement arrangements should not create additional pension strain costs for the Council unless exceptionally approved.

USE OF RESOURCES AND VALUE FOR MONEY

The Best Value Duty relates to the statutory requirement for local authorities and other public bodies defined as best value authorities in Part 1 of the Local Government Act 1999 ("the 1999 Act") to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget (Part 1 of the Local Government Finance Act 1992), provide statutory services and secure value for money in all spending decisions.

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The Policy supports financial sustainability through the effective management of retirement and flexible retirement applications, workforce planning and preparation for future staffing requirements.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	The Policy establishes a clear and transparent framework for retirement and flexible retirement applications across the workforce, promoting consistency and reducing organisational risk.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	The revised Retirement and Flexible Retirement Policy supports economy, efficiency and effectiveness by promoting timely and structured retirement applications. This will help ensure that pension applications are addressed promptly and fairly, while allowing managers sufficient time to plan

	for vacancies and reductions in working hours within their workforce.
MILESTONES AND DELIVERY	
<p>The adoption and implementation of the Retirement and Flexible Retirement Policy will follow the timeline below:</p> <ul style="list-style-type: none"> ▪ Management Team – 6 October 2026 ▪ Human Resources and Council Tax Committee – 22 October 2026 <p>Following formal approval, the Policy will be shared with managers across the organisation to promote a consistent and robust approach to retirement planning for employees.</p>	
ASSOCIATED RISKS AND MITIGATION	
<p>The introduction of the revised Retirement and Flexible Retirement Policy will help manage and mitigate a range of organisational risks, including workforce planning gaps, loss of organisational knowledge, inconsistent management practices, delayed pension applications, age discrimination claims and non-compliance with employment and pension regulations.</p>	
OUTCOME OF CONSULTATION AND ENGAGEMENT	
<p>The local union branch executive was consulted on the proposed revisions to the Council's Retirement and Flexible Retirement Policy, and its feedback was considered in developing the revised Policy. The revised procedure will also be communicated to managers to support consistent application and timely decision-making.</p> <p>In addition, advice and input have been sought from the Council's Payroll, Payments and Business Manager regarding compliance with the LGPS application process.</p>	
EQUALITIES	
<p>Section 149 of the Equality Act 2010 establishes the Public Sector Equality Duty (PSED). The revised Retirement and Flexible Retirement Policy supports the Council's commitment to equality by:</p> <ul style="list-style-type: none"> (a) Confirming that the Council does not operate a compulsory retirement age. (b) Ensuring retirement decisions are made fairly and consistently. (c) Preventing age discrimination. (d) Supporting employees irrespective of age or protected characteristic. <p>The protected characteristics under the Act are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Marriage and civil partnership is also a protected characteristic, but it is only relevant to the duty to eliminate unlawful discrimination.</p> <p>The Council is committed to being an inclusive and supportive employer in all its people policies and practices. A clear, Council-wide approach to retirement and flexible retirement will support consistent and non-discriminatory practice in accordance with the Council's equality and diversity policies.</p> <p>An Equality Impact Assessment has been completed and indicates that the proposals in this report will not have a disproportionately adverse impact on individuals with any protected characteristic.</p>	
SOCIAL VALUE CONSIDERATIONS	
<p>Social Value is defined through the Public Services (Social Value) Act 2012 and requires all public sector organisations (and their suppliers) to look beyond the financial cost of a contract and consider how the services they commission and procure might improve the economic, social and environmental well-being of an area.</p>	

The Council seeks to lead by example as a major local employer. This includes following recognised best practice and ensuring full compliance with legislation. The adoption of the revised Retirement and Flexible Retirement Policy contributes to social value by supporting employee wellbeing and enabling individuals to make informed decisions regarding retirement.

IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION

On 7 September 2026, the Secretary of State for Housing, Communities and Local Government announced in Parliament that a review of the Local Government Reorganisation programme was commencing and that the decision made in March 2026 for Greater Essex and other areas had been withdrawn in light of new legal advice. Following this announcement, local authorities received correspondence from the Minister of Housing, Communities and Local Government requesting that councils cease work on implementing the previously announced decisions until the review has concluded. The timetable for completion of the review is currently unknown.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

Consideration has been given to the Council's aim to be net zero by 2050. There are no direct implications arising from the content of this report.

OTHER RELEVANT IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder	Not applicable.
Health Inequalities	Employment is known to be a significant factor supporting the health of individuals. The Council is a major employer in the area contributing to the wider determinants of health and wellbeing.
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	This report does not involve the provision of financial assistance or confer any economic advantage to external organisations; therefore, subsidy control considerations are not applicable in this instance.
Area or Ward affected	Not applicable.

ANY OTHER RELEVANT INFORMATION

None.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Tendring District Council recognises that retirement is a significant life event and is committed to supporting employees to understand and plan for their retirement options. Clear and timely arrangements are important both for employees' financial wellbeing and for the Council's ability to manage workforce changes, succession planning, knowledge transfer and service continuity.

There is currently no standard form for employees to notify the Council of their intention to retire or to apply for flexible retirement. This has contributed to some employees providing insufficient notice for the necessary pension arrangements to be completed. The Essex Pension Fund requires sufficient time to process pension benefits, and where an employee retires before those benefits are available, any delay may adversely affect their income and create financial difficulty.

The revised Retirement and Flexible Retirement Policy addresses this gap by introducing a single Retirement/Flexible Retirement Notification Form and a clear process for both retirement and flexible retirement. Wherever possible, employees are expected to provide at least three months' written notice and to submit the completed form so that managers, the People Team, the Payroll and Payments Team

and Essex Pension Fund have sufficient information and time to progress the required employment and pension arrangements.

- A five-step retirement process, from early discussion and pension information through to formal notification, confirmation and the Council's leaver process.
- An expectation that employees will provide at least three months' written notice, wherever possible, to support the timely processing of pension benefits and employment arrangements.
- The eligibility criteria and application requirements for flexible retirement, including a permanent reduction in hours of more than 25%, a reduction of at least one grade, or both.
- The requirement for flexible retirement requests to address business continuity and service provision. Applications will be considered by the relevant Corporate Director before submission to the Workforce Panel, comprising the Section 151 Officer and the Head of People. The Panel may endorse an application but has no delegated decision-making powers. The formal decision will be taken by the relevant Corporate Director in accordance with the Council's Constitution, having regard to the Panel's advice. Any matter reserved to the Head of Paid Service or falling outside the approved Policy must be referred through the appropriate constitutional route.
- The respective responsibilities of employees, managers, the People Team and the Payroll and Payments Team throughout the process.
- The need for employees to obtain pension estimates and consider the effect of retirement or flexible retirement on their pension benefits, earnings and overall financial position.

Overall, the revised Policy provides a clear, consistent and supportive framework for retirement and flexible retirement. The notification form will improve the quality and timeliness of information, reduce the risk of delays to pension payments and help employees make informed decisions about their retirement and financial position. It will also support fair and transparent decision-making, effective workforce and succession planning, and consistent administration across Council services.

PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.

Full Council previously approved, in exceptional circumstances connected with Local Government Reorganisation, the reversal of a flexible retirement arrangement that fell outside the Council's ordinary policy position. That decision does not create a general entitlement to reversal but demonstrates that exceptional cases may require pragmatic consideration through the appropriate constitutional decision-making route.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

The relevant Full Council report and decision relating to the exceptional reversal of a flexible retirement arrangement in connection with Local Government Reorganisation.

APPENDICES

Appendix A – Retirement and Flexible Retirement Policy

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