

Policy Group – 18 April 2018

Scheme for redundancy

1. Purpose of report

To approve changes to the Council's redundancy scheme.

2. Key issues

- 2.1 In February the Secretary of State approved two new unitary councils for Dorset. Subject to parliamentary approval, services will be delivered across Dorset by the new councils from 1 April 2019. On this date Purbeck District Council will cease to exist and employees will be transferred to the new Council serving the west of the County.
- 2.2 The process used to transfer employees into the new Council will be operated in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and they will transfer on their current terms and conditions of employment. This means that staff employed in the new Council will be on different terms and conditions until harmonisation is completed.
- 2.3 One difference between Purbeck and the other councils is the calculation for redundancy payments with Purbeck District Council paying less than other district and borough councils. This could have a detrimental effect on Purbeck employees and so the Council's Unison branch has asked for this to be brought into line with the other district and borough councils as soon as possible, to provide staff with some reassurance.
- 2.4 In order to qualify for a redundancy payment an employee must have at least two years' continuous local government service and other relevant service, as set out in The Redundancy Payments (Continuity of Employment in Local Government) (Modification) Order 1999 (as amended) up to a maximum of twenty years, irrespective of the length of service with Purbeck District Council. The redundancy payment is based on the employee's salary at the time of the redundancy.
- 2.5 When an employee leaves the employment of Purbeck District Council on the grounds of redundancy, the Council uses a statutory calculation that is based on actual weekly pay, age and length of service (up to a maximum of 20 years) in line with current legislation.
- 2.6 Redundancy payments are calculated as follows:
- 0.5 weeks' pay for each full year of service where age during the year is less than 22;
 - 1.0 weeks' pay for each full year of service where age during the year is 22 or above, but less than 41;
 - 1.5 weeks' pay for each full year of service where age during the year is 41 or more.
- 2.7 The other district and borough councils (East Dorset, North Dorset, West Dorset and Weymouth and Portland) use the same formula as that in 2.6 and then apply a multiplier of 1.75.

2.8 Harmonisation of redundancy payments with the other district and borough councils affected by local government reorganisation would mean that employees of Purbeck District Council will have the same entitlements as those of its partners when they transfer to the new organisation. This will address the union's concern to protect the Council's staff from potential unfair selection at some point in the future

3. **Recommendation**

3.1 Changes to the Council's scheme for redundancy to harmonise the multiplier of 1.75 with that of the other district and borough councils that will form the Dorset Council be submitted to Council for approval.

3.2 **Policy Issues**

3.3 **How will this affect the environment, social issues and the local economy?**

There is no impact on the Council's policy issues.

3.4 **Implications**

3.4.1 **Resources**

It is not possible to provide information on financial implications as each case will vary but redundancy payments will increase.

3.4.2 **Equalities**

There are no equalities issues associated with this report.

For further information contact:-

Christine Dewey, HR Manager