

BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.

**Report of the Director
(Human Resources, Performance
and Communications)**

2016/2017 SERVICE AND FINANCIAL PLANNING REDUNDANCY COMPENSATION AND PROCEDURES

1. Purpose of Report

- 1.1 To consider the maximum amount of compensation to be paid under the Discretionary Compensation Regulations 2006.
- 1.2 To consider the period of notice to be afforded to employees declared compulsory redundant.

2. Recommendations

- 2.1 **That for the purpose of the 2016/2017 budgetary procedures, payments in accordance with the Discretionary Compensation Regulations 2006 be up to a maximum of 30 weeks actual pay based on the Statutory Redundancy Scheme.**
- 2.2 **That any employee (excluding Teachers) declared redundant be afforded the maximum of 12 weeks notice of termination of employment.**

3. Introduction/Background

- 3.1 The above regulations provide Local Authorities with the power to make discretionary one-off lump sum payments (enhanced redundancy payments) to employees who are made redundant.
- 3.2 With effect from 1 April 2007, the Council introduced a revised scheme of compensation using the Statutory Redundancy Scheme but based on actual pay.

4. Current Position

- 4.1 Employees are entitled by their contract of employment to receive a period of notice if their employment is to be terminated by reason of redundancy.
- 4.2 This period of notice is the greater of either that specified within their contract of employment or that specified by statute.
- 4.3 In previous years, the Council has agreed the maximum of 12 weeks notice, irrespective of an employee's length of service, would be served on any employee declared compulsory redundant. In addition to this, redeployment opportunities will be sought for affected employees during the statutory consultation period.
- 4.4 The advantage of affording 12 weeks notice to all employees are:-
- (i) The maximum time will be available to pursue and achieve redeployment opportunities.
 - (ii) Successful redeployment will negate the need to make a redundancy payment (maximum up to 30 weeks actual pay).
- 4.5 The disadvantage is if no redeployment opportunities exist, then there is a cost over and above what the contractual/statutory notice entitlement would have provided.

5. Options

- 5.1 To accept the report recommending payment up to a maximum of 30 weeks actual pay to all employees who are redundant and any employee declared compulsory redundant to be offered the maximum of 12 weeks notice of termination.
- 5.2 Not accept the report.

6. Local Area Implications

- 6.1 There are no direct Local Area implications.

7. Compatibility with European Convention on Human Rights

- 7.1 There are no implications.

8. Ensuring Social Inclusion

- 8.1 There are no implications.

9. Reduction of Crime and Disorder

9.1 There are no implications.

10. Risk Assessment

10.1 There are no implications.

11. Consultations

11.1 The Director – Human Resources, Performance and Communications, Finance and the Trade Unions have been consulted.

12. Proposal

12.1 It is recommended that Cabinet approve the recommendations of this report.

13. Glossary

13.1 None

14. List of Appendices

14.1 None

15. Background Papers

15.1 Discretionary Compensation Regulations 2006 – available for inspection from Human Resources.

Office Contact: Julia Bell Telephone No: 3304 Date: January 2016