

TO:	PERSONNEL COMMITTEE		
DATE:	6 OCTOBER 2016	AGENDA ITEM:	3
TITLE:	REDUNDANCY MULTIPLIER		
LEAD MEMBER SERVICE:	CLLR LOVELOCK	PERSONNEL COMMITTEE CHAIR	
	CORPORATE SUPPORT SERVICES	WARDS:	BOROUGHWIDE
AUTHOR:	WARREN KING	TEL:	74500
JOB TITLE:	INTERIM HR AND PAYROLL SERVICES MANAGER	E-MAIL:	Warren.king@reading.gov.uk

1. PURPOSE OF REPORT

To advise Personnel Committee of developments in respect of a revised discretionary redundancy multiplier.

2. RECOMMENDATIONS

That Personnel Committee note that there will be a further period of consultation to implement a revised discretionary x1.5 multiplier.

3. BACKGROUND

On 1 October 2015, Personnel Committee agreed to commence a period of consultation to amend the current, discretionary x2 multiplier for redundancies that occur in the Council. The proposal was to reduce the current discretionary multiplier to x1.

The Council reduced the discretionary multiplier from x3 to x2 in 2011.

Formal consultation took place with staff and Trade Unions in July and August 2016 and there were 68 responses from individuals as well as collective responses from Unite and Unison. Without exception, every response saw the proposed reduction to x1 as punitive and there was a general consensus that this proposal unfairly penalised long serving and dedicated staff at a time when they were most financially vulnerable.

CMT carefully considered the responses and as a result agreed that they would recommend a revised multiplier of X1.5 for a further 45 days period of consultation.

Following the outcome of this consultation and further consideration by CMT, Personnel Committee will be provided with an update.

The Council also currently applies a discretion to calculate redundancy pay using actual week's pay instead of capping a week's pay at the statutory maximum of £479. There is no proposal at the current time to reduce this discretion.

4. FINANCE

There were 34 redundancies and 22 Efficiencies/VRS in 2014/15. The costs of applying a x2, x1.5 and x1 discretionary multiplier is shown below:

X 2 multiplier	(a) X 1.5 multiplier	(b) X 1 multiplier
£1,170,719	£928,322	£618,890

5. EQUALITY IMPACT ASSESSMENT

Although any reduction would have a greater effect on women than men this is a result of the percentage difference between the number of women and men in our employment, not as a result of women being selected/volunteering for redundancy compensation.