



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 22/12

MEETING	Dorset & Wiltshire Fire and Rescue Authority
DATE OF MEETING	9 February 2022
SUBJECT OF THE REPORT	Enhanced Redundancy – Review of Multiplier
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For approval
EXECUTIVE SUMMARY	<p>The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 permit an authority to make redundancy payments at an enhanced rate. Commonly referred to as the redundancy multiplier, this discretion enables authorities to multiply the number of weeks' statutory pay by a multiplier which ranges from 1 to 3.46.</p> <p>The regulations also enable 'actual' weeks salary to be utilised instead of the 'statutory' weeks salary.</p> <p>At the last review in February 2020, the Authority agreed to reduce the multiplier from 1.75 to 1.5 and to review this arrangement in two years.</p> <p>A review of these arrangements is now due.</p>
RISK ASSESSMENT	No significant risks arise from this report although a reduction in the multiplier may have a detriment to our good industrial relations.
COMMUNITY IMPACT ASSESSMENT	None
BUDGET IMPLICATIONS	If the multiplier is reduced, there would be cost savings associated with this reduction should redundancies need to be made. These savings would be dependent upon individual circumstances.

<p>RECOMMENDATIONS</p>	<p>It is recommended to Members that:</p> <ol style="list-style-type: none"> 1. The redundancy multiplier remains at 1.5. 2. The same level of multiplier be applied for compulsory and voluntary redundancy. 3. Retain the policy position that redundancy payments should be calculated on the basis of 'actual' salary.
<p>BACKGROUND PAPERS</p>	<p>None</p>
<p>APPENDICES</p>	<p>None</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Name: Jenny Long, Director of People Services Email: jenny.long@dwfire.org.uk Tel no: 01722 691311</p>

1. Background

- 1.1 The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 permit an authority to make redundancy payments at an enhanced rate. Commonly referred to as the redundancy multiplier, this discretion enables authorities to multiply the number of weeks' statutory pay by a multiplier which ranges from 1 to 3.46. The regulations also enable 'actual' weeks salary to be utilised instead of the 'statutory' weeks salary.
- 1.2 The current redundancy multiplier is 1.5 and is based on actual salary.
- 1.3 The redundancy multiplier can be utilised as a workforce planning tool, as, in times of reorganisation or restructure it can incentivise individuals to consider applying for voluntary redundancy. This means that compulsory redundancies can be kept to a minimum. This approach can also assist in maintaining staff morale during challenging times of change.

2. Multiplier in Use in neighbouring Local Authorities

- 2.1 The multipliers used within neighbouring authorities are wide-ranging. Compared to these organisations the 1.5 multiplier means the Authority has a lower multiplier than most of the neighbouring authorities.
- 2.2 The previous review and reduction in February 2020 considered the financial landscape in which we are operating in and the need for financial prudence going forward.
- 2.3 The Service has experienced difficulties in recruiting new staff into corporate roles and a comprehensive reward package, which extends to good severance terms, will act as an attraction and retention tool.

3. Differing Multipliers for Compulsory and Voluntary Redundancy

- 3.1 Members will be aware that some authorities use different rates depending on whether the redundancy is on a voluntary or compulsory basis. There are pros and cons for these differences in approach, but the assumption of this report is that Members wish to retain the current position in that the same multiplier is used for both voluntary and compulsory redundancy.

4. Redundancy Multiplier for Operational Staff

- 4.1 There is no equivalent of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 in respect of Operational Staff covered by the Firefighters Pension Schemes which means that technically authorities are limited to the statutory redundancy arrangements.
- 4.2 Nationally, there have been discussions for many years as to whether the redundancy compensation for uniformed staff could be enhanced. To date no national guidance has been developed or agreed.
- 4.3 Mindful of this, restructuring of operational roles is achieved through natural wastage and vacancy management.

5. Summary and key points

- 5.1 In February 2020 Members reduced the redundancy multiplier from 1.75 to 1.5 and agreed that it be reviewed in two years.
- 5.2 Following a review, this paper recommends maintaining the current redundancy multiplier of 1.5, calculated on actual salary.

February 2022