



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 24/12

MEETING	Dorset & Wiltshire Fire and Rescue Authority
DATE OF MEETING	8 February 2024
SUBJECT OF THE REPORT	Corporate Staff - 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>These regulations are associated to those eligible to be members of the Local Government Pension Scheme (LGPS) and therefore only apply to corporate staff.</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 2022, the Authority agreed to maintain the multiplier at 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 for the purposes of this paper.

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

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.

2. Current position

- 2.1 The current redundancy multiplier is 1.5 and is based on actual salary. The multiplier is the same for both voluntary and compulsory redundancy situations.
- 2.2 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.

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. Multiplier in Use in neighbouring Local Authorities

- 4.1 The multipliers used within neighbouring authorities are wide-ranging. Within our service area, the multiplier ranges from 1 to 2.5. Compared to these organisations the 1.5 multiplier means the Authority has a lower multiplier than the range set out above.
- 4.2 The previous review in February 2022 considered the financial landscape we were operating in and the need for financial prudence going forward. Mindful of this the Authority decided to maintain the redundancy multiplier at 1.5 and requested that the 2-year review period remained.

5. Use of the multiplier during 2022 -2023

- 5.1 In October 2022, as a result of needing to make savings, the Service restructured

the prevention department. This resulted in a reduction in the activities undertaken and an associated redundancy programme. The 1.5 multiplier contributed to nine individuals volunteering for redundancy with only one compulsory redundancy being made. This enabled an organisational restructure to be set in place promptly and efficiently, and in many cases saved organisational time through reduced numbers of individual consultations and redundancy selection processes. Whilst such situations are difficult, the Service was able to maintain good levels of productivity with all staff involved aware that colleagues leaving the Service were supported, hence maintaining higher levels of staff morale and engagement which was vital in enabling the Service to move forward with its new ways of working.

- 5.2 The Service has also experienced difficulties in recruiting new staff into some corporate roles and a comprehensive reward package, which extends to good severance terms, will act as an attraction and retention tool.

6. Summary and key points

- 6.1 In February 2022 Members decided to maintain the redundancy multiplier at 1.5 and agreed that it be reviewed in two years.
- 6.2 Following a review of multipliers in use across the Service area, this paper recommends maintaining the current redundancy multiplier of 1.5, calculated on actual salary.
- 6.3 It is also recommended that the same multiplier is used for both voluntary and compulsory redundancy situations.