



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 25/11

MEETING	Dorset & Wiltshire Fire and Rescue Authority
DATE OF MEETING	6 February 2025
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>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 2024, the Authority agreed to maintain the multiplier at 1.5 but requested to review this arrangement in one year's time.</p> <p>In developing the people management principles for the Resourcing & Savings Programme; the Authority considered a paper in June 2024 regarding aligning the multiplier to changes within our operational staffing. The Authority approved an aligned approach.</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	<p>It is recommended to Members that:</p> <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. 4. the redundancy multiplier principle extends to any appropriate restructures affecting operational staff. 5. the redundancy multiplier is next reviewed in February 2026.
BACKGROUND PAPERS	None
APPENDICES	None
REPORT ORIGINATOR AND CONTACT	<p>Name: Jenny Long, Assistant Chief Officer - Director of People Services</p> <p>Email: jenny.long@dwfire.org.uk</p> <p>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.

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.
- 2.3 This approach can also assist in maintaining staff morale during challenging times of change. Similarly, 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, also acts 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. 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 2024 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 but

requested that this was now reviewed on an annual basis.

5. Use of the multiplier during 2023 -2024 for Corporate Staff

- 5.1 There have been no corporate redundancies since January 2024.

6. Redundancy Multiplier for Operational Staff

- 6.1 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.
- 6.2 Nationally, there have been discussions over the years as to whether the redundancy compensation for uniformed staff could be enhanced, however no national guidance has been developed and it is increasingly unlikely that this will be the case, so Fire and Rescue Authorities will need to agree their own approach.
- 6.3 Mindful of this, to date our restructuring of operational roles has been achieved through natural staff turnover and vacancy management. This approach has been possible due to small scale changes in our operational structure.
- 6.4 Our Resourcing and Savings Programme (RSP) 2024 – 2026 sets out how the Service intends to make savings and investments to:
- secure future financial sustainability and deliver savings in line with the forecasted deficits outlined in the MTFP.
 - Redesign our operational response by resourcing to risk and demand.
 - Mitigate key strategic risks relating to on-call and our financial sustainability.
- 6.5 As Members are aware, proposals contained within the current phase of the RSP included removal of some of our second away appliances and making changes to the duty system at some of our stations. These matters are within the scope of the Chief Fire Officer's delegations.
- 6.6 The proposed changes to operational staffing set out in the RSP along with associated timescales for implementation mean that reduction in headcount may not be able to be achieved through our previous approach of natural staff turnover.
- 6.7 In readiness for these potential changes, in June 2024 the Fire Authority agreed that should the Service be in a position whereby it has no other option but to make operational staff redundant the enhancement provided by the multiplier would also be applicable to operational staff affected these changes.

- 6.8 The Service continues to make good progress with this programme of work, and both trade unions and affected staff have been kept updated on the proposed changes.
- 6.9 As part of the changes to duty systems, we are utilising the multiplier to calculate 'loss of earnings' payments for the some of the stations where the duty systems will be changing and the need for WDS staff undertaking On-Call duties has ceased.

7. Summary and key points

- 7.1 In February 2024 Members decided to maintain the redundancy multiplier at 1.5 and agreed that it be reviewed in one year's time.
- 7.2 As the Service continues to operate in a financially challenging time it is important to maintain high levels of morale, motivation and productivity.
- 7.3 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.
- 7.4 It is also recommended that the same multiplier is used for both voluntary and compulsory redundancy situations.
- 7.5 It is further recommended that redundancy multiplier principle extends to any appropriate change programmes/restructures affecting operational staff.