

Adoption of Enhanced Redundancy Policy and Calculator

Committee: Finance & General Purposes

Meeting Date: 4th November 2025

Author: Andrew Briggs, Head of Ops

1. Purpose of the Report

To present for consideration and approval an updated Redundancy Policy and Redundancy Calculator, produced by Aversure, which establish an enhanced redundancy pay scheme for Council employees.

The proposed policy provides a clear framework for managing any future redundancy situations fairly, transparently, and in accordance with legal and best practice standards.

2. Background

- The Council's employment documentation has recently been reviewed and updated to reflect the latest Green Book provisions and employment legislation.
- During this review, it was noted that the Council has not formally reviewed or updated its redundancy arrangements since the Council's inception in 2017.
- It is therefore considered prudent and good governance practice to review and formalise these arrangements to ensure they remain lawful, transparent, and consistent with local government standards.
- Under the National Joint Council (NJC) Green Book, redundancy pay defaults to statutory entitlement unless a council adopts an enhanced local scheme.

Aversure were therefore instructed to prepare a draft Redundancy Policy and Redundancy Calculator, which are now presented for review and adoption.

3. Summary of the Proposed Scheme

The new Redundancy Policy:

- Establishes a clear and transparent process for managing redundancies in compliance with the Employment Rights Act 1996 and the Green Book.
- Confirms that redundancy is a last resort and that the Council will seek to avoid compulsory redundancy wherever possible.
- Sets out a consistent approach to consultation, selection, and support for affected employees.
- Is expressly non contractual, preserving the Council's discretion to review or amend the scheme in future.

The accompanying Redundancy Calculator provides a local enhancement to statutory redundancy pay as follows:

- Two times (2×) the statutory redundancy entitlement.
- Based on actual weekly pay, subject to a cap of £787.50 per week.
- Applies to employees with two or more years' continuous service (including continuous local government service under the Redundancy Modification Order).
- Service capped at 20 years, in line with statutory provisions.

These enhancements bring the Council's arrangements in line with comparable local authorities, such as:

- Kenwyn Parish Council
- Shrewsbury Town Council
- Bristol City Council

and provides fairer treatment of long serving employees.

4. Comparison of Statutory and Enhanced Redundancy Arrangements

Under UK statutory redundancy provisions, employees with at least two years' continuous service are entitled to a payment based on their age, length of service (capped at 20 years), and weekly pay (subject to a statutory cap – currently £700 per week for the 2024/25 financial year). The calculation provides:

- 0.5 week's pay per full year of service under age 22;
- 1 week's pay per full year of service aged 22 - 40; and
- 1.5 weeks' pay per full year of service aged 41 and over.

By contrast, many local authorities and an increasing number of town and parish councils have chosen to adopt enhanced redundancy arrangements as a matter of local discretion. These enhancements typically include one or more of the following:

- Removing the statutory weekly pay cap and calculating redundancy pay using actual weekly salary (or a higher local cap);
- Applying a multiplier (often 1.5× or 2×) to the number of weeks' entitlement; and
- In some cases, extending the maximum number of weeks payable beyond the statutory limit.

The Council's proposed scheme reflects this approach, providing a local enhancement equivalent to twice the statutory redundancy entitlement, based on actual weekly pay, capped at £787.50 per week. This mirrors the arrangements adopted by comparable local authorities and ensures fair treatment for long-serving employees, while maintaining a sensible limit on cost exposure.

Example Comparison

To illustrate the difference between the statutory and proposed enhanced schemes:

Example	Age	Service	Statutory Weeks	Statutory Pay	Enhanced Weeks	Enhanced Pay (2× statutory)
A	25	5 years	4 weeks	£2,400	8 weeks	£4,800
B	45	15 years	17 weeks	£10,200	34 weeks	£20,400
C	50	3 years	6 weeks	£3,600	12 weeks	£7,200
D	50	20 years	24.5 weeks	£14,700	49 weeks	£29,400

(illustrative at £600/week)

5. Financial and Governance Considerations

- The financial impact of the enhanced scheme will depend on the specific circumstances of any redundancy situation.
- The cap on weekly pay limits overall exposure, while the discretionary nature of the policy ensures the Council retains control over implementation.
- Any redundancy process will continue to require prior Member approval and advice from Avensure HR to ensure compliance with legal requirements.
- Adoption of this policy strengthens governance by providing a clear, preapproved framework for any future decisions.
- Reviewing these arrangements after several years also demonstrates sound financial and responsible employment governance.

6. Consultation

The draft policy and calculator have been reviewed by Avensure and are compliant with current employment legislation and NJC guidance.

As this policy represents an enhancement to employee terms and does not reduce any existing rights, formal staff consultation is not required.

7. Recommendation

That the Finance & General Purposes Committee:

1. Approve the adoption of the Redundancy Policy and Redundancy Calculator produced by Avensure.
2. Note that the scheme provides for enhanced redundancy pay equivalent to twice the statutory entitlement, based on actual weekly pay capped at £787.50 per week, and that this will apply to employees with two or more years of continuous service.
3. Agree that the policy will be noncontractual and may be reviewed or amended by Council resolution as required.
4. Recommend to Full Council that the policy and calculator be formally adopted and published.

Next Steps

If approved by Committee (and subsequently by Full Council):

1. The Redundancy Policy and Calculator will be finalised and uploaded to the PeopleCloud HR Portal.
2. The enhanced redundancy provisions will be incorporated into the updated Statement of Particulars currently being prepared for all staff.
3. Staff will be notified of the policy once implemented, alongside the finalised employment documentation.

Attachments:

1. Draft Redundancy Policy
2. Draft Redundancy Calculator