

Finance and General Purposes Committee
17 January 2013

Proposal to create a dedicated fund as a provision for redundancy costs.

Newcastle City Branch of Unison currently employs three staff in the Branch Office:

Senior Administrative Officer (full time)
2 Admin Assistants (part time)

At the present time there are no proposals to reduce the staffing complement in the Branch.

However, since 2010 the number of members in the Branch has reduced from 7,082 to 6,515.

This number is likely to reduce further given the budget cuts being imposed on the local authority over the next three years. This will inevitably have a negative impact on the finances available to the Branch. It is therefore prudent to plan for any potential redundancy liability that might hit the Branch in the future and budget accordingly.

Unison's rules allow branches to create a dedicated fund to act as a provision for potential redundancy costs up to the statutory minimum redundancy payments that would be due to any employees. This fund would be created by transferring an amount from the general reserves of the branch which will become ring-fenced for redundancy costs and could not be used for any other purpose.

It is proposed that a dedicated provision for redundancy in the sum of £13,000 be created from the general reserves of the Branch. At the end of 2012 the general reserves stood at £97,282 therefore the creation of the fund would leave the Branch with reserves of £84,282.

The provision will be reviewed on an annual basis to ensure compliance with the statutory redundancy payment regulations.

This proposal will need to be approved by the Branch Committee and ratified by the Annual General Meeting.