

STATES OF JERSEY



WOOLWORTHS EMPLOYEES: PAYMENT OF STATUTORY NOTICE PERIODS

**Lodged au Greffe on 21st January 2009
by Deputy G.P. Southern of St. Helier**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to request the Minister for Treasury and Resources –

- (a) to enter into negotiations with former employees of the Jersey branch of Woolworths made redundant following the collapse of the parent company, to seek agreement with them on the assignment to the States of any claims that they may have on the administrators of the company and, providing that these negotiations are successful, to further request the Minister to allocate a sum calculated under the statutory notice terms in the Employment (Jersey) Law 2003 to provide compensation to these employees and if this sum cannot be identified through the reprioritisation of existing heads of expenditure or year-end balances, to request the Minister to bring forward a request under Article 11(8) of the Public Finances (Jersey) Law 2005 for the necessary additional funding to meet the cost of these payments; and
- (b) to seek reimbursement of the above sum from the administrators.

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

Members will be aware of the many factors involved in the debate on P.2/2009, Woolworths Employees: Redundancy Payments and the amendment lodged by Senator Breckon. They will also recognise that the debate ended somewhat unsatisfactorily when the debate was suspended after some three and a half hours by a motion to move on to the next item.

The proposition itself requested that, in the absence of statutory redundancy payments in Jersey, the sum of £139,500, based on UK redundancy terms should be paid to employees of the Jersey branch of Woolworths made redundant following the collapse of the parent company. It became clear during the debate that in the absence of Jersey legislation, any such payment would be "*ex gratia*" and recompense could not be sought for any such payment.

Deputy Breckon's amendment expanded that sum to include statutory notice payments under the Employment (Jersey) Law 2003, bringing the total to £289,000. In the case of the additional £150,000, however, it was clear that, under certain conditions, this sum could be sought from the administrator under Jersey law.

There was a clear injustice being done to these workers, with consequent hardship. Many members expressed the sympathy and concern for the situation of the employees along with anger at the actions of the administrator. It was argued however that the States should not set a precedent by making an award for redundancy without legislation in place. In the interest of equity it was made clear that the States might feel obligated to pay out sums to what could be many cases of redundancy over the coming months or years. There appeared to be nothing that the States was prepared to do to meet the immediate need beyond such measures of support and assistance already in place to assist people to find other employment.

The Constable of St. Clement towards the end of the debate suggested that the way forward in getting some additional compensation to these employees was to rely solely on the sums required under the statutory notice terms in the Employment (Jersey) Law 2003, since there was every probability that these sums could be claimed from the administrator. The total amount required under the Jersey statutory notice terms is, coincidentally, £139,500.

Financial and manpower statement

The financial costs are as set out above. The manpower costs cannot be great and can be met from within departmental budgets.