EXPLANATORY MEMORANDUM

The Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) (Amendment) Order 2004 No.1682

Compatibility of the Order with the European Convention on Human Rights

The Order is compatible with the European Convention on Human Rights.

The powers under which the Order is made

The powers conferred by section 209(1)(b) of the Employment Rights Act 1996 ("the Act".

Legislative context of the Order

The Order is designed to add some new employing bodies to the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999 ("the LGMO"), as previously amended by The Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) (Amendment) Order 2001 and The Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) (Amendment) Order 2002. The LGMO ensures that employees' continuity of employment is preserved for statutory redundancy payments purposes when they change jobs between specified employers in the local government sector.

The policy background and objectives of the Order

Local authorities and other bodies in the local government sector are legally separate employers. This means that employees lose continuity of service when they change jobs between different employers in the sector. The original rationale for the LGMO was that it did not make sense for staff who were surplus to requirements with one employer in the sector, but who found a new job with another, to get a redundancy payment on each occasion. Similarly, it was considered that continuous periods of employment with one or more of these bodies should be added together for the purpose of calculating any eventual redundancy payment that an employee might receive on leaving the sector altogether. Because there is no formal definition of what constitutes local government employment it was necessary to list all the bodies

with whom service was reckonable, and the list has had to be updated regularly to keep pace with legislative and other changes. The Order is the latest of these updating measures. It has been prepared in consultation with the relevant government departments and agencies, and adds a number of employing bodies to those already governed by the provisions of the LGMO.

Regulatory impact

None

Identifiable costs to the public

None

Identifiable costs to the Exchequer

None

Applicability to Wales

In accordance with section 244 of the Act, the Order extends to Wales.

Department of Trade and Industry
5th July 2004