

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY  
BY DEPUTY S. PITMAN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 10th MARCH 2009**

**Question**

Will the Minister inform members what proportion of ex-Woolworth employees have now received their statutory notice payments through the Social Security Department, and if this is less than 100%, explain the circumstances preventing completion and the action he is taking to deal with it?

Will the Minister inform members of what he takes to be the terms of the 'moral precedent' referred to in the debate on P9/2009? Will he further inform members what actions, if any, he will take in the case of individuals made redundant through insolvency in Jersey throughout this year, and agree to publicise the system he has set in place to assist such individuals? In particular, will he state whether he is involved in assisting employees of Pound World with their claim for statutory notice payments?

**Answer**

Of the 43 former Woolworths employees, the employment data and notice payment entitlements of 34 former employees have been validated and confirmed. 21 of those 34 individuals have assigned their right to the States. Cheques have been posted to all 21 of those individuals totalling over £95,000, which represents more than two thirds of the total amount due.

Six individuals have outstanding issues regarding their start dates and continuity of employment. The employees' legal representative has been asked to confirm these details with their clients to enable the Department to determine the correct notice payments due to them at the earliest opportunity. The employment details of three employees were verified late last week and assignments are being prepared for signing.

Thirteen individuals have not yet come forward to sign the assignments that have been prepared for them.

The Social Security, Law Officers' and Viscount's Departments have done everything possible for the notice payments to be issued as quickly as possible.

The Minister believes that a moral precedent has been set for other employees in the Island who come to find themselves in the same situation as the former employees of Woolworths. The Minister is seeking appropriate funding to enable the Department to act upon this precedent, which would be effective from the date that the States adopted the Proposition (P9/2009); 4th February 2009.

Provided that funds are made available to the Social Security Department, plans are underway to enable the Minister and the Department to act upon the precedent. It would be necessary to establish whether the relevant criteria have been met in each case of an employer's failure to give statutory notice (or pay in lieu) where employees have been made redundant due to insolvency.

Members will appreciate that resources and funding must be identified and staff must be fully briefed in order to deal with what is an unquantifiable additional workload and cost, with unknown parameters. In addition to the resources of the Viscounts and Law Officers' Departments, the Social Security Department alone has provided the equivalent of one full time Officer since Christmas to address the outcomes of the closure of Woolworths, in order to provide the necessary advice, assistance and arrangements for making the notice payments.

The precedent would apply until such a time as an Insolvency Scheme is has been set up in Jersey. The Minister will receive a report on insolvency issues from Officers of the Social Security Department by the end of March and he intends that an insolvency fund would be set up by the end of 2009.

Officers of the Social Security Department have on numerous occasions during the past month visited and telephoned the managers of Poundworld to offer assistance, advice and presentations to staff, however despite the best efforts of the Department, those offers have unfortunately not been taken up. It is understood that the Jersey Advisory and Conciliation Service has had some recent involvement with Poundworld employees in regard to their rights under the Employment (Jersey) Law 2003.

The Department was advised by the administrators of Poundworld in mid February that it was intended to continue trading for at least a further six weeks. At that stage the administrators were not able to advise the Department whether statutory notice of termination of employment, or pay in lieu, would be given to the employees. As Poundworld will continue to trade until 14th March and closure is inevitable, the Minister is not aware of any reason why notice of termination of employment could not have been given to the employees sooner. Six weeks notice would have fulfilled the minimum period of notice requirements of the law for employees with less than 5 years service, and a payment in lieu of notice would not be required from the employer or the States.

The Department has not been provided with sufficient information to determine conclusively that adequate notice (or pay in lieu) has not, and will not, be given to the employees. The Minister understands from recent contact with an employee of Poundworld that there is still some optimism that any statutory periods of notice owed when the business closes will be paid in lieu.

When the Department has been provided with sufficient information to establish if and when notice was given to the employees, the Minister will be able to consider whether the moral precedent set by P9/2009 applies to the employees of Poundworld. If the precedent does apply and sufficient notice has not been given to each Poundworld employee, the Department will require further details of each employee's terms and conditions of employment for validation in order to determine what claims the employees may have to pay in lieu of statutory notice under the Employment Law.