

# **STATES OF JERSEY**



## **WOOLWORTHS EMPLOYEES: PAYMENT OF STATUTORY NOTICE PERIODS (P.9/2009) – COMMENTS**

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**Presented to the States on 3rd February 2009  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

P.9/2009 requests the Minister for Treasury and Resources to make payments to the former employees of Woolworths plc. equivalent to the sums due to them in respect of statutory notice period provisions in accordance with the Employment (Jersey) Law 2003.

The proposition makes such payments conditional upon successful negotiation with the former employees to assign to the States their individual rights, which, in particular, include rights in respect of sums due in lieu of notice.

Once assigned, the proposition further requests the Minister for Treasury and Resources to seek reimbursement of the above sums from the administrators.

Whilst, on balance, as with P.2/2009, approving the proposition appears unlikely to set any *legal* precedent, it is clear to the Council of Ministers that a *moral* precedent would most definitely be established, and any argument otherwise would be unjust and unfair to those who may well find themselves in the same unfortunate circumstances as the former employees of Woolworths plc. in Jersey.

The Council of Ministers sympathises with the former employees of Woolworths plc. and equally anyone faced with redundancy in these difficult economic times, and welcomes the Minister for Social Security's promise, not only to bring forward legislation in February for the States to consider, but also to develop, as a matter of priority, proposals for an Insolvency Fund so that employees' rights are protected in the case of insolvency and funding agreed by the States to underwrite the associated costs.

The Council of Ministers believes that this is the responsible way forward, establishing protection against insolvency for all, backed by statute with well-defined rights and responsibilities clear and understood by all and accessible by all, rather than by establishing ambiguous and uncertain rights through a proposition short on detail, after limited consideration and with no funding mechanism identified but carrying an unknown and potentially considerable cost to the taxpayer.

The Council of Ministers asserts that it is important that the former employees of Woolworths are provided with every support and assistance in identifying and pursuing their legal rights and associated claims against Woolworths plc. and/or its administrators.

Success in pursuing their claims appears to hinge around whether local assets of Woolworths plc. can be properly protected, through the Royal Court, to meet the claims of creditors in Jersey.

In the absence of effective representation by a Union, the Council of Ministers believes that it is the Government's role to ensure that the former employees receive the support and advice necessary to pursue such claims through the Royal Court and supports the decision of the Minister for Treasury and Resources to meet the legal costs of doing so.

This will extend further the undertaking to meet the costs of the initial legal advice which the Council of Ministers has already agreed to meet and which is already being provided for the former employees.

This action may well set a precedent for future groups of employees which find themselves in the same circumstances and without effective representation or the means to secure that representation themselves.

However, it is self-evident to the Council of Ministers that in such cases it is already incumbent upon a responsible Government to ensure that every support and advice is provided.

The costs of any such precedent would be considerably less than those established by P.9/2009, particularly as once the current case were pursued through the Royal Court, case law would have been established to guide future decisions and potential actions.