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MVCP Termination / Redundancy Statement for Steering Group Members re' MOA

As stated in the MVCP Members MOA, should the Steering Group decide to terminate the Agreement, then any surplus of income over expenditure and liabilities, after liabilities have been settled, will be returned to each Funding Partner in proportion to their contribution in that financial year.

If there is a deficit of income over expenditure and liabilities, then all Funding Partners will contribute equally towards any shortfall left by the termination of the Agreement. Liabilities will include all redundancy payments and costs associated with redundancies incurred by KCC in respect of all MVCP staff employed by KCC. Termination liabilities would also include unpaid rent and payback for long standing funded projects unable to be completed. Currently, these latter two are not applicable[1].

Whilst not-for-profit, where possible, MVCP allocates additional funds to reserves and these reserves would counter, to a certain extent, the cost of termination. The reserve figure changes annually, and redundancy payments can be affected by multiple factors such as redeployment, effective date, service, age and pension. As such, it is difficult for MVCP to state a specific moment real redundancy figure for the team and thus to calculate the required contribution to any shortfall.

A redundancy calculator tool is available for KCC Managers and, based on the current salary, date of birth and KCC start date of each member of MVCP staff the overall team total redundancy payment is likely to not exceed £22K[2]. This figure is currently covered in full by MVCPs reserve fund which equals £88K[3] and so, together with sale of assets etc, no shortfall would occur.

Whilst limited, MVCP also have physical assets such as vehicles, agricultural machinery and tools which can be sold to additionally counter termination costs.

In summary, whilst a hypothetical termination cost and a real time redundancy and termination figure is difficult to quantify, MVCP currently have sufficient reserves which should cover the costs of an unlikely termination. Whilst it's essential to write this shortfall expense liability into the MOA, the likely impact to members is negligible.

1. As of July 2022
2. As of July 2022.
3. End of financial year 21/22