

## NORTH LANARKSHIRE COUNCIL

## REPORT

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| To: ECONOMIC DEVELOPMENT COMMITTEE       | Subject: PARTNERSHIP ACTION<br>FOR CONTINUING EMPLOYMENT (PACE) |  |
| From: DIRECTOR OF PLANNING & ENVIRONMENT |   |  |
| Date: 27 JANUARY 2000                    | Ref: JT/REP651  |  |

1. **Introduction**

- 1.1 This report is submitted to the Economic Development Committee in order to advise members of the Council's response, provided jointly by the Director of Planning and Environment and the Director of Social Work, to a report conducted by the Scottish Executive entitled "Partnership Action for Continuing Employment" (PACE).

2. **Background**

- 2.1 On-going changes in the global economy offer significant challenges and opportunities to companies for developing and sustaining their capacity for competitiveness in local, national and international markets. Many companies have effectively adapted and even flourished in responses to these challenges, with the result that the overall number of jobs in Scotland continues to grow.

- 2.2 However, not all companies have been able to respond positively, with a number experiencing difficulty and subsequent redundancy situations. As a result, there are few parts of the country that have not suffered from some recent, significant job losses in competitive terms, primarily, although not exclusively, in the manufacturing sector.

- 2.3 The establishment of a protocol/Local Plan/Formal Agreement is one of the most important elements in any strategy dealing with companies facing a redundancy situation. A detailed and agreed protocol, albeit flexible enough to take account of individual organisational requirements is the basis for informed, efficient and effective response. North Lanarkshire Council identified this priority very early in its development of a response strategy and formulated an internal protocol which has guided the corporate response to redundancy support.

- 2.4 While the Scottish Executive has recognised that local agreements such as that operated within North Lanarkshire, are crucial to a strategic response no formal national response exists at present in the area of redundancy support. The Scottish Executive has conducted a report on the current situation that exists within Scotland and as part of this process North Lanarkshire Council was consulted.

3.0 **Scottish Executive – Partnership Action for Continuing Employment**

- 3.1 In November 1999 Henry McLeish, Minister for Life Long Learning and Enterprise indicated that a Rapid Response Initiative would be instigated with a view to developing a strategy to respond to company redundancies within Scotland. A series of workshops and consultations were carried out in order to determine existing practice within Scotland to identify and distil best practice. The report entitled Partnership Action for Continuing Employment was produced providing a national framework to support local public sector agencies in ensuring that they have effective and flexible mechanisms in place for identifying and responding to potential redundancy situations.

- 3.2 The Council was asked to respond to this framework document, the Executive Summary of which is attached as Appendix 1 to this report.
- 3.3 The Director of Planning and Environment and the Director of Social Work considered the Scottish Executive document and this is attached as Appendix 2 . In general the Council welcomed the opportunity to contribute to the current debate on redundancy support and specifically identified the following points for consideration by the Scottish Executive.
- ◆ Protocol/Local Plan/Formal Agreement – this may be seen as one of the most important elements in any strategy dealing with this type of work. A detailed and agreed protocol/Local Plan, albeit flexible enough to take account of individual organisational requirements is the basis for informed, efficient and effective response. North Lanarkshire Council identified this priority very early in its development of a response strategy, and formulated an internal protocol which has guided the corporate response to redundancy support.
  - ◆ Ensuring best practice/best value and avoiding duplication of effort – the sharing of information and learning from the experience of local and national partners will help to ensure best practice, best value and will avoid duplication, whilst targeting resources in the most effective and efficient manner.
  - ◆ Organising and implementing support provision – the Council agrees with the need to have a responsive partnership which can react specifically upon initial notification of company difficulties. The Council fully supports the view that as complete a support package as possible needs to be implemented where company difficulties result in inevitable substantial job losses. The Council also agreed that the local community should be involved in any process, where possible, as large scale redundancies inevitably impact upon the local economy, leading to social exclusion.

#### 4.0 Conclusion

- 4.1 It is anticipated that the Scottish Executive framework report will lead to a national strategy to address the issues surrounding company difficulties leading to possible large scale redundancies.
- 4.2 The Council will continue to evolve the existing internal protocol agreement with external partners in order that a North Lanarkshire/Lanarkshire strategic response to large scale redundancies can be implemented as soon as possible.

#### 5.0 Recommendations

- 5.1 It is recommended that the Committee note;
- (i) the content of this report;
  - (ii) homologate the response prepared on behalf of the Council by the Director of Planning and Environment and the Director of Social Work to the Scottish Executive framework document.



**David M Porch**  
**Director of Planning and Environment**

Date of Report: 5<sup>th</sup> January 2000

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# **PARTNERSHIP ACTION FOR CONTINUING EMPLOYMENT**

### 3. EXECUTIVE SUMMARY

Based on extensive research and consultation to identify and distil best practice, this document provides a national framework to support local public sector agencies in ensuring that they have effective and flexible mechanisms in place for identifying and responding to potential redundancy situations.

Critical to this process is the development and implementation of local plans to support swift and effective local response to potential redundancy situations.

The key factor identified was the early establishment of a *Local Response Team* with empowered representation from appropriate key agencies including the local enterprise company, the local authority, Employment Service and others relevant to local circumstances. This Local Response Team should be identified as a matter of course, and as a form of precautionary planning have responsibility for the following:-

- Analysing labour market intelligence and environmental scanning to identify companies who may experience difficulty.
- Agreeing protocol and implementing processes for approaching these companies, and wherever possible or appropriate, working with them to mitigate difficulty and avoid job losses.
- Developing an Outline Local Plan covering the key issues for consideration, the key role that each partner can play and the tools they can apply. This can then effectively be customised and developed into a strategy specific to the needs of each potential or confirmed redundancy situation.
- Ensuring that these partnership strategies are formally agreed with clear objectives, responsibilities, targets and time frames.
- Ensuring best practice is adapted and duplication of effort is avoided through sharing and learning from the experience of other areas.

And in the event of a redundancy situation arising have responsibility for:

- Developing and swiftly implementing a partnership strategy from the Outline Plan when significant job losses become inevitable.
- Ensuring there is effective communication within and between each agency and with the company, local community and media where redundancies are anticipated or confirmed.
- Identifying and applying appropriate intervention products and tools.
- Ensuring that these partnership strategies are formally agreed with clear objectives, responsibilities, targets and time frames.
- Ensuring that there is effective and centralised tracking of individuals across all agencies involved in re-deployment activity.

- Ensuring that there is on-going monitoring and evaluation of both the partnership practices and processes, and the outcomes of specific responses.

Extensive consultation with the local partners and with the private sector has contributed to the production of this national framework. Through effective partnership working and ongoing monitoring and evaluation, we can work together to ensure continuous improvement in our approach to dealing with companies in difficulty.

Partnership Action for Continuing Employment Paper:

Joint Response from:  
North Lanarkshire Council  
Department of Social Work  
(Strategy Section)

Appendix 2

**COPY**

and  
Department of Planning and Environment  
(Economic Development Unit)

The paper is a welcome addition to the debate surrounding local and national responses to redundancies and how such responses are organised. The Council welcomes the initiative taken by the Scottish Executive to initiate a full discussion on this important subject.

The Council was pleased to be able to play its part in the debate and the contents of this document contain the considered views on the paper and the issues addressed therein.

### 1. Analysis

North Lanarkshire Council agrees with the suggestion that that is essential to have as much labour market intelligence and environmental scanning as possible, to enable local partnerships to identify companies which may be experiencing difficulties and respond to same with the intention of minimising these difficulties. In our opinion there is a need for a greater degree of pro-active work in this field. To this end it is essential that local partners engage in open and honest collection and dissemination of information and analysis. It is accepted that commercial sensitivity may on occasions mean that this may not be wholly possible, however this could be accomplished within a close and restricted partnership. In our experience this does not always occur. In our experience high priority needs to be given to early intelligence, this being the key to successful intervention.

### 2. Protocol/Local Plan/Formal Agreement

This may be seen as one of the most important elements in any strategy dealing with this type of work. A detailed and agreed protocol/Local Plan, albeit flexible enough to take account of individual organisational requirements, is the basis for informed, efficient and effective response. North Lanarkshire Council identified this priority very early in its development of a response strategy, and formulated an internal protocol/Local Plan which has guided the corporate response to redundancy support. The Council has endeavoured to develop a protocol/Local Plan which would guide the wider partnership in North Lanarkshire. The differing natures of the partners are recognised and this has led to delays in implementing a protocol/Local Plan on which all partners could agree totally and formally, and which would provide clear objectives, responsibilities and time frames. While formal agreements may need to be confirmed at higher management/Local Representative level it is imperative that the implementation of support strategies be organised at a managerial level which will ensure effective response.

### 3. Ensuring Best Practice/Best Value/Avoiding Duplication of Effort

North Lanarkshire Council agrees that the sharing of information and learning from the experience of local and national partners will help to ensure best practice, best value and will avoid duplication, whilst targeting resources in the most effective and efficient manner. Toward this end the North Lanarkshire Council participating departments have drawn on the groundwork laid by, and experience of, previous Local Authority structures. Adapting this early work has enabled us to provide an effective Council response in most redundancy situations, where early intelligence provided us with an adequate lead-in time. (See attached paper on Assi-Doman support provision)

### 4. Organising and implementing support provision.

The Council agrees with the need to have a responsive partnership which can react speedily upon initial notification of company difficulties. Where such difficulties result in inevitable substantial job loss through redundancy, the Council fully supports the view that as complete a support package as possible needs to be implemented.

This means that the appropriate intervention products and tools are identified and that each member of the partnership is aware of their responsibilities within the response strategy. It is therefore essential that, as previously stated, an informing/guiding protocol/local plan is in place and formally agreed by all involved. We welcome the statement that, the local community should be involved in this process where possible, as large scale redundancies inevitably impact upon the local economy, leading to social exclusion.

The Council considers that it is essential to have a centralised tracking system within the partnership which in the longer term may mitigate the potential for long-term unemployment which ultimately leads to social exclusion. Agreement would have to be reached between the partners regarding responsibility for siting, development costs and ongoing revenue implications of such a system.

The existence of such an effective tracking system would help to ensure ongoing evaluation and monitoring of practices, processes and outcomes of specific responses.

### Conclusion.

The idea of a coherent strategy to address the issues surrounding company difficulties leading to possible large scale redundancies is welcomed. Some organisations have been to the forefront in attempting to construct such strategies at local level, however difficulties have sometimes been encountered due to the differing structures and remits of some members of partnerships. This initiative from the Scottish Executive arising from its recognition of an uneven response across Scotland can only lead to a more uniform, co-ordinated, effective and efficient response.

The Scottish Executive may need to take cognisance of budget implications arising from implementation of the strategies outlined in their report. This could be allied to the possible difficulties encountered in accessing and utilising European funding programmes for such initiatives, examples of this may include securing the necessary match-funding and fully

utilising any European funds made available in a particular area in any particular European funding period.

Whilst the document in its present form is welcomed, as it addresses many of the main issues which North Lanarkshire Council has been attempting to address since its inception, it is hoped that the final draft will reflect the points raised in this response paper.

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Signed for and on behalf of North Lanarkshire Council:

  
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Director of Social Work

  
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David Porch  
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Date: 9 December 1999