

NORTH LANARKSHIRE COUNCIL

REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: REDUNDANCY SUPPORT PROVISION
From: DIRECTOR OF PLANNING & ENVIRONMENT		
Date: 8 June 2000	Ref: SF/REP.680	

1. Purpose of Report

- 1.1 To update the Committee on the work undertaken by Council departments in the provision of redundancy support to affected workforces throughout North Lanarkshire.

2. Introduction

- 2.1 Members will recall that the Council has adopted a protocol that sets out this Council's approach to dealing with redundancy situations through the actions of the Social Work and Planning and Environment Departments.

3. Current Situation

- 3.1 In the period since March 2000 when redundancy support work was last reported to Committee 9th March 2000 one other large scale redundancy has been notified to the Economic Development Unit.
- 3.2 This redundancy occurred at the TDG Logistics PLC distribution and engineering depot in Wardpark Industrial Estate, Cumbernauld. The company declared 67 people redundant. The majority were heavy goods vehicle drivers but the number also included vehicle engineering staff and administrative staff.
- 3.3 This was a very difficult redundancy to deal with in support terms for a variety of reasons:
- a) Both the Council and Employment Services received very late notification about the redundancy.
 - b) The company had not concluded consultations and negotiations with the workforce and their union representatives with only a matter of days left to the redundancy deadline.
 - c) There was confusing information about the numbers involved and about the possibility of transfer to other company sites.
 - d) A large proportion of the workforce were resident outside the North Lanarkshire Council geographical boundary eg Glasgow and Falkirk. Therefore apart from advice and referral to support services in their area there was little else we could do for them.
- 3.4 Council staff were only able to organise two group support sessions for the workforce. Unfortunately due to poor organisation within the company these were poorly attended. Individual advice sessions were also on offer to the workforce if required.

- 3.5 Employment Service staff from Cumbernauld Job Centre attempted to organise a Job Shop at the company depot for the last few days prior to the redundancy termination date. Again, unfortunately confusion at the plant about who was being made redundant led to this service being poorly attended and being withdrawn.
- 3.6 Council staff and Employment Service staff will continue to provide support for the redundant workforce of TDG Logistics as and when it is required.
- 3.7 In conclusion, it would be fair to say that for all the reasons above this was not an example of a good redundancy support provision.

4. Update on previously reported redundancy situations

4.1 Synopsis of NLC involvement and support provided

4.1.1 HMP Longriggend Young Offenders Institutions - Airdrie

Group support and advice session, followed by individual advice sessions were held for staff leaving the service. This support was provided within the institution on February 22nd.

Individual officers have since contacted the Economic Development Unit for follow up advice on training and business start up.

4.1.2 Organon Laboratories Ltd - Newhouse

Group support sessions were held for the Organon workforce on March 6th at the plant. The Council participated in these sessions in partnership with Employment Service staff and staff from the Benefits Agency. Follow-up sessions were held on March 13th for individual advice requests.

As a result of these support sessions North Lanarkshire Council were able to organise and fund group training programmes in information technology at a basic level for members of the workforce. The success of this venture has led to more detailed training needs analysis being conducted and, as a result the same group will progress to a more advanced Information Technology training programme within the next few weeks.

These training programmes are being provided by Motherwell College and funded through the Training Assistance Grant. Completion will enable the trainees to pursue alternative jobs in clerical/administration or indeed the call centre industry.

The organisation of this provision would not have been possible without the active involvement of staff from Petersburn and Craigneuk Initiative. Their participation was invaluable in this redundancy situation as NLC staff resources have been stretched to the limit with the current redundancy support workload.

The cost of this training programme for Organon workers is approximately £2000 and will be met by the North Lanarkshire Council TAG programme

4.1.3 Volex Powercard PLC - Cumbernauld

As reported to the Economic Development Committee on March 9th 2000 Volex Powercard employed approximately 70 workers in their production facility in Cumbernauld. The closure of this production facility resulted in 62 redundancies, predominately female, the vast majority of whom live in the Cumbernauld and Kilsyth area. Volex Powercard PLC are retaining a stores/distribution facility on site which will provide employment for about 10 of the existing workforce.

When notified the Economic Development Unit immediately activated the Council protocol. Working with our external partners (Employment Service, Cumbernauld Job Centre) we were able to secure the co-operation of the company and the trade union representing the workforce to provide the following support on site over a period 5 weeks:

- Group awareness/advice session
- Jobshop provided by Job Center staff on a daily basis
- CV construction/counselling/advice on job access
- Training needs analysis
- Welfare Benefit advice - group and individual sessions
- Mortgage protection advice/debt counselling
- Group Training

Pre Access Course for Women Changing Direction

Six 2½ hour sessions for 33 members of the workforce.

Subject areas - life review, presentation skills, interview techniques, constraints, options and choices, positive attitudes, ongoing guidance.

Information Technology Training

Two separate programmes as follows:

- a) Introduction to computer Applications - Six 2½ hrs evening sessions for 10 trainees - Beginners level
- b) Information Technology Applications - Six 2½ hr evening training sessions for 10 trainees - higher experienced level.

Further programmes are being planned for both groups which will be arranged on the same basis and which will take them to the next skills stage.

- Individual Training Assistant Grant (TAG) programmes

2 Female trainees - Heavy Goods Vehicle Class II (HGV)

1 Female trainee - Forklift Truck Driving Certification

2 Male trainees - Forklift Truck Driving Certification

1 Male trainee - Mechanical/Electronic Engineering programme at Cumbernauld College

1 Male trainee - Electronic/Software Engineering programme at Cumbernauld College

The total cost of group and individual training programmes amounted to £11,000. This was provided through the North Lanarkshire Council Training Assistance Grant (TAG) Programme. Volex Powercard PLC have agreed to contribute £2000 toward the cost of training. Cumbernauld Area Enterprise provided the use of their Information Technology facility for all IT programmes.

Participating organisations in the Volex Powercard support provision were :

North Lanarkshire Council - Economic Development Unit - Social Work Strategy Section - Cumbernauld Social Work area team and Cumbernauld Money Advice.

Employment Services - Cumbernauld Job Centre - Kilsyth Programme Centre

Cumbernauld Area Enterprise - Business advice - IT facility

Frances Hunter Consultancy - Womens Development Programmes

Petersburn and Craigneuk Initiative - Support with training organisations

Peter Currie Training Limited - IT Training

Arrangements are in place for an evaluation process. This will commence with a meeting of all participating organisations, the company and representatives of the redundant workforce. The meeting will examine the level and quality of the support provision. Attempt to gain information about the current employment status of those affected by the redundancy, learn from any mistakes in organisation and devise some form of future tracking of the affected workforce.

4.1.4 DAK Simpson Ltd and Philips PLC

North Lanarkshire Council have had no involvement in either of these redundancies to date. As both companies are located in South Lanarkshire it is that local authority, in partnership with other agencies, which will provide any support to the affected workforces. We will though, if called upon, offer full support to any redundant worker who is resident in North Lanarkshire. This very much depends on information being made available to us by our colleagues in South Lanarkshire.

4.1.5 Corus Construction and Industrial Business)Formerly British Steel Dalzell and Clydebridge Works)

Group advice sessions and individual advice sessions have been held for the affected workforce. These were organised by the Employment Service and held on site on 13th April. North Lanarkshire Council participated in collaboration with Motherwell Job Centre and Benefit Agency Staff. In addition to these initial support sessions a further two day training needs analysis sessions was organised by North Lanarkshire Council resulting in a demand/need for Interview Skills training and I.T. Skills training. This training has now been implemented for the workforce. The Council participation was supported by staff from Petersburn and Craigneuk Initiative.

As there is still a full consultation period of 13 weeks in operation at the plant we have offered our services on an ongoing basis to meet any demand. As members will be aware the Economic Development Committee requested that an update on the situation within the plants be sought from Corus Construction and Industrial Business. A reply to the Director of Administration is attached for the attention of the Economic Development Committee.

4.1.6 Levi Strauss PLC

Members will recall that this company had closed their Whitburn Plant and announced redundancies at their Bellshill operation.

Acting with our partners we had provided support for the Bellshill workforce on site and after redundancy.

Support at the Whitburn plant was being provided by a taskforce organised by West Lothian agencies. Lanarkshire were/are represented by Employment Services within this taskforce. The support provided by this taskforce was being phased down and moved offsite. Members will recall from a previous report out attempts to organise additional support for North Lanarkshire residents of the redundant workforce at Whitburn we had written to the Lanarkshire representative organisation suggesting the need for a planning meeting to discuss what, if any, additional support we could provide. Unfortunately to date we have not received a reply.

5. **Additional Developments**

5.1 Partnership Action for Continuing Employment (PACE)

5.1.1 The final document produced through this Scottish Executive Consultation is now available and has been distributed to the Council Chief Executive's Department and other participating Council departments. Members are asked to note the attached addendum, which reproduces the Executive Summary of the P.A.C.E. report for members' information.

5.1.2. The accompanying letter from Henry McLeish MSP, Minister for Enterprise and Lifelong Learning refers to the importance of the initiative and its attempt to "Establish a framework for a strategic redundancy response plan which would ensure we all work together to provide a coherent and consistent approach (to support) across Scotland".

5.1.3 The letter further asks participating organisations to provide details of arrangements for their local area support organisation. In particular it asks for:

- (i) **Confirmation of establishment of local Response Teams**
- (ii) **List of members**
- (iii) **Names individuals who will liaise with the Scottish Executive**
- (iii) **Copy of Protocol Agreement**

5.1.4 This information has been requested by the 1st of June 2000. In order to comply with the Ministers request a meeting of the major Lanarkshire agencies - North and South Lanarkshire Councils, Scottish Enterprise Lanarkshire, The Employment Service, The Benefits Agency - has been arranged for May 12th 2000 at Employment Service District Headquarters in Hamilton. It is expected that this meeting will enable progress to be made in the organisation of a co-ordinated Lanarkshire response to redundancy and in line with the PACE report suggested framework.

6. Conclusion

- 6.1 There is no doubt that redundancy and closures continue to blight the economy of Lanarkshire. Manufacturing industry appears to be bearing the brunt of these setbacks.
- 6.2 In general the support being provided by North Lanarkshire Council as part of a partnership approach is welcome and necessary.
- 6.3 The provision of this support though is time consuming, impacts on resources and, as can be seen by the Volex Powercard PLC provision, can be financially costly.
- 6.4 The publication of the PACE report therefore should be viewed (with the comments in para 6 - 3 borne in mind) as a welcome contribution to the development of a co-ordinated support service throughout Lanarkshire.
- 6.5 North Lanarkshire Council will work in partnership with the main agencies in Lanarkshire towards the establishment of a Lanarkshire response to P.A.C.E. This formal, co-ordinated Lanarkshire response should lead to a more effective and efficient use of the resources of each agency.

7. Recommendations

- 7.1 It is recommended that the Economic Development Committee:
- (i) Note the content of this report
 - (ii) Agrees with the views expressed in the concluding paragraphs (6-1, 6-2, 6-3, 6-4 and 6-5).
 - (iii) Awaits a further report on the outcome of the PACE Lanarkshire discussions.



David M. Porch
Director of Planning and Environment

For further information please contact Steven Fox, Economic Policy Officer, Tel: 01236 616270
Date of Report: 3 May 2000

EXECUTIVE SUMMARY

Based on extensive research and consultation to identify and distil best practice, this document seeks to provide a national framework to support local public sector agencies in creating and maintaining effective and flexible mechanisms for identifying and responding to potential redundancy situations.

The development and implementation of plans to support a swift and effective response to any such situation at a local level is critical to this process.

The key factor identified in examples of best practice was the early establishment of a Local Response Team, with empowered representation from appropriate key agencies. This would include the local enterprise company (LEC), the local authority, the 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, should have responsibility for the following:

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

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

- Developing a partnership strategy from the Local Contingency Plan and implementing it swiftly when significant job losses become inevitable.
- Ensuring that effective communication is taking place within and between each agency and with the company, trade unions, local community, the Scottish Executive and the 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 involved in redeployment activity, across all agencies
- Ensuring that there is ongoing monitoring and evaluation of both the partnership practices and processes and the outcomes of specific responses.

Extensive consultation with the local partners and the private sector has contributed to the production of this national framework. Central to the approach is the belief that through effective partnership working and ongoing monitoring and evaluation, together we can ensure continuous employment in dealing with the threat and/or impact of job losses in Scotland.



Mr O'Hagan
 Director of Administration
 North Lanarkshire Council
 PO Box 14
 Civic Centre
 Motherwell
 ML1 1TW

8 May 2000

Corus Construction & Industrial
 Steel House
 Redcar
 Teesside TS10 5QW

T +44 (0)1642 404040
 T 01642 404238 (Direct)
 F 01642 404284 (Direct)
 Glyn.Wheeler@corusgroup.com

Glyn Wheeler
 Managing Director

Re: Possible Future Redundancies - Dazell and Clydebridge Works

Dear Mr O'Hagan

Thank you for your letter of 19 April regarding future redundancies at Dalzell & Clydebridge.

Since the shift reduction announcement and associated 60 redundancies back in March of this year, I regret to inform you that the business outlook continues to deteriorate as a result of the continuing strength of Sterling and an unprecedented decline in orders from the core customers of the Scottish Plate plants, primarily in the offshore Energy industry and in Shipbuilding.

Whilst no Business can continue indefinitely in such an environment we, nevertheless, hope to weather the storm and in the short term will take production pauses or stop weeks in an effort to align our manned capacity to the order book.

Of the previously announced reductions, I am pleased to confirm that we have been able to find volunteers and so have avoided any enforced redundancies, at least for the present.

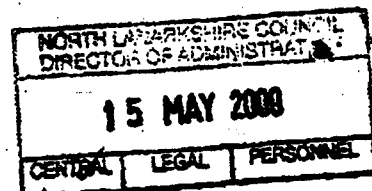
In addition we continue to counsel those affected and through the aid of an outplacement agency, seek alternative opportunities with other companies.

I hope this brief update is helpful in your discussions, consistent as it is with correspondence between Corus and interested politicians.

Yours sincerely

Glyn Wheeler, Managing Director

Corus UK Limited
 Registered in England No. 2280000
 Registered Office 16 Great Marlborough Street
 London, W1V 2BS



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SCOTTISH EXECUTIVE

Minister for Enterprise & Lifelong Learning
Henry McLeish MSP

NORTH ABERDEEN COUNCIL
EMPLOYMENT UNIT
- 3 MAR 2000

Meridian Court
5 Cadogan Street
Glasgow G2 6AT

Telephone: 0131-556 8400
scottish.ministers@scotland.gov.uk

29 February 2000

Dear Colleague

I am delighted to enclose a copy/copies of the Partnership Action for Continuing Employment (PACE) document, to which your organisation contributed. The publication of this document marks the end of a long process of consultation with all interested parties from both the public and the private sectors and I am grateful for your contribution.

As you know, research into the current inter-agency response to company difficulties was undertaken following my announcement in Parliament on 29 September 1999 on the establishment of a rapid response initiative. Our original aims were to identify the lead roles of the local agencies; to ascertain how best they could work in partnership; and to establish a framework for a strategic redundancy response plan which would ensure we all work together to provide a coherent and consistent approach across Scotland.

The ultimate aim of PACE is to put in place a strategic national framework which will enable an improved public sector partnership approach to company difficulties at all stages, including but not exclusively in the event of closure. We are all aware of the importance of all key agencies working together to ensure a coherent and consistent approach to potential and actual job loss and closure announcements across Scotland. Whilst it is obvious that each local situation is unique and will require a tailored response and range of interventions, I believe that a national framework, endorsed by all strategic partners across Scotland, will provide the best starting point to assist companies. There is no doubt that the establishment of early effective relations between public agencies and companies can potentially help to overcome trading difficulties and mitigate potential redundancies.

I am grateful, therefore, to all those who contributed to the production of PACE - it is clear that this is an issue close to all our hearts. It is important, therefore, that this momentum is sustained and the key conclusions of PACE are implemented quickly. To facilitate this process, I have identified what should be achieved within the next three months.

I want to ensure that the guidelines outlined in this framework are adopted as quickly as possible by all local agencies - that way we will continue to share best practice across Scotland. One of the key conclusions of PACE is that contingency planning is all-important. The best practice examples indicate that the early establishment of local response teams is a prerequisite to ensure a quick and effective response to individual redundancy situations. I would be grateful, therefore, if you could

provide the following details to Christine McKay, 4th floor Meridian Court, 5 Cadogan Street Glasgow, G2 6 AT (e-mail: christine.mckay@scotland.gov.uk) by 1 June 2000:

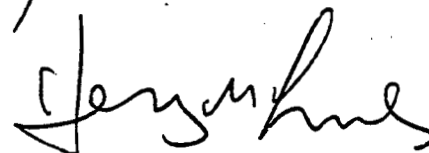
1. Confirmation of establishment of Local Response Teams
2. List of members
3. Named individual who will liaise with the Scottish Executive
4. Copy of protocol agreement

It is important that the commitment to work together continues, therefore monitoring and evaluating the effectiveness of the Local Response Teams and local contingency plans must be carried out. Ongoing monitoring of local labour market intelligence should be set in train and information on potential large scale redundancies, or those of particular importance to a locality, should be notified immediately to the Scottish Executive.

PACE will be subject to regular review, which will ensure that there are clear and appropriate channels for all areas and agencies to maintain a local and national dialogue. Through effective partnership working and ongoing monitoring and evaluation we can work together to enable continuous improvement in our dealings with companies in difficulty. Ensuring that good practise is developed through the effective sharing of experience, products and tools with other areas is also important. To facilitate this process, I would like the Local Response Team to give thought to the identification of a named individual in each area who has responsibility for gathering and disseminating information on best practice. My officials intend to establish a PACE electronic notice board where views, queries, information and examples of best practice can be easily exchanged. We will be in touch shortly to confirm the details. And I would be happy to take on board any additional suggestions you may have.

Thank you once again for your contribution to PACE. I look forward to your continuing support and commitment to the PACE concept. It is a credit to true partnership working that the document represents the views of all the partners engaged in the process. We shall be in touch in the near future with details on our proposals for the continued development of best practice in support of companies.

I would be grateful if you would disseminate the PACE document widely. Additional copies are available and it can also be accessed through the Scottish Executive website.

Yours


HENRY McLEISH