

North Lanarkshire Council- Report

Enterprise & Growth Committee

approval noting

Ref LMCM/PK/EW

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Healthcare Environmental Services - Update

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Executive Summary

Health Environmental Services Limited, based in Shotts, has around 400 staff in the UK with 150 based in Scotland. The company has stopped trading and informed all staff of this in a letter dated 27 December 2018 and titled 'Notice of Redundancy'. While the background to the company ceasing trading, without going into formal administration, its current financial position and the status of the clinical waste that has not yet been disposed of has been the subject of a great deal of attention within the media this is not the focus of this report.

This report is focused on providing members with information on the response provided by North Lanarkshire Council and partners in the immediate aftermath and future support planned.

There has been direct contact with Scottish Enterprise (SE) to understand what relationship exists with Healthcare Environmental Services Ltd. and what support has/is being offered to the company through its current trading difficulties. A representative from the SE Company Growth team confirms that SE is in communication with HES Ltd.'s Managing Director and has been since October 2018.

Recommendations

It is recommended that the Enterprise and Growth Committee consider and note the content of this report.

Supporting Documents

Council business plan to 2020

Priority: Improve economic opportunities and outcomes (provide employment support to reduce unemployment and underemployment); Action 2: Understand the differing needs of communities and take action to reduce economic inequality.

1. Background

- 1.1 Healthcare Environmental Services Limited has been based in Shotts for 23 years and has grown to become one of the main contractors with NHS Scotland and NHS England in relation to the disposal of clinical waste. However, in September and October 2018 the Environment Agency in England and SEPA (Scottish Environmental Protection Agency) in Scotland issued enforcement notices related to the storage of clinical waste. The company subsequently lost its contracts with NHS Trusts in England and with NHS Scotland. NHS Scotland then put into place contingency measures which will see another private firm collect the clinical waste until the new contractor, Spanish firm Tradebe, takes over in April, 2019. In the letter of 27 December 2018 staff were informed that they would not be paid their final salary.
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2. Report

- 2.1 In response to redundancies the usual response is to begin the PACE (Partnership Action for Continued Employment) process. Led by Skills Development Scotland this brings together the relevant Council services, Job Centre Plus, Citizens Advice, colleges and training providers. This provides free and impartial advice and support to employees at risk of redundancy and ideally is delivered via workplace events prior to the end date of employment.
- 2.2 In the period between Christmas and New Year and as an immediate response outside of the PACE process, an event was organised by Shotts Community Council and the Salvation Army to provide advice and support to those affected by the events on 3rd and 4th of January 2019. In the run up to the event relevant services within the Council were informed of the event and their attendance organised. These included the Council's Financial Inclusion team, Employability team and staff from Routes to Work Ltd.
- 2.3 The event on 3rd January was a busy event with around 80 people attending, mainly North Lanarkshire residents from across the area. In addition to Council staff there were representatives of Job Centre Plus, Skills Development Scotland, Recruitment Agencies, and a Salvation Army Employability worker. A wide range of support was therefore available including:
- Financial Inclusion team were briefing individuals on their service and the support that is available
 - Employability team were giving information on the support that the Council can provide via registration on its employability programmes such as support with job search, CVs, certified training and support in securing future employment. Also, information on how to access Council jobs via Myjobscotland was provided. Routes to Work were taking details to set up individual appointments.
 - DWP were advising on claiming benefits as well as providing information on current job opportunities.
 - Recruitment agencies were signing up employees for their current vacancies
 - Salvation Army was providing IT support via free access to their laptops and Wi-Fi as well as distributing bags of food.

The same support was available on the second day of the event, however less than 10 people attended that day.

- 2.4 The feedback from many of the people attending was that they had expected information on how they could access the money they are owed from the company as well as dismay that, because the company did not have an administrator appointed, they had not been issued with a redundancy number which is needed to claim their back pay and redundancy payments from the Redundancy Payments Service. The issue of claiming their back pay and possible redundancy payments is therefore a complex matter for individual staff and their representatives.
- 2.5 The secondary issue was new employment, the majority who were dealt with either had already received a start date for a new job, had joined an agency, or had a clear idea of their next move. Given their recent work experience and skills many of those employed will be able to find employment particularly in logistics or driving and there are opportunities in those sectors in the short to medium term. However, information on the Council's employability support was provided to all and a number signed up to Prospects.
- 2.6 In order to ensure that all staff affected are supported an engagement campaign has been launched via North Lanarkshire's Working social media and linked to the Community Council and Salvation Army to ensure all former employees are aware of the support available to them from partners in conjunction with the Council's own communications team. Another event aimed at providing support and information on potential future opportunities, including representatives from the Council's own recruitment team, is planned for the last week in January 2019. Further information on uptake and support delivered will be provided when available.

3. Equality and Diversity

3.1 Fairer Scotland

Assessment not required.

3.2 Equality Impact Assessment

Assessment not required.

4. Implications

4.1 Financial Impact

None.

4.2 HR/Policy/Legislative Impact

There are no HR/ Policy or legislative impacts.

4.3 Environmental Impact

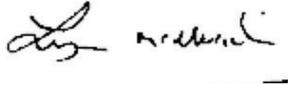
No environmental impacts.

4.4 Risk Impact

None.

5. Measures of success

- 5.1 Former Healthcare Environmental Services employees in North Lanarkshire are supported into continued employment.
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Lizanne McMurrich
Head of Communities