



## MAKING REDUNDANCY WORK

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**PACE Conference report: 8 March 2016**  
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# CONTENTS

<b>1. Introduction</b>	<b>3</b>
<b>2. Conference Presentations</b>	<b>4</b>
<b>3. Question Time Panel Session</b>	<b>8</b>
<b>4. Workshops Sessions</b>	<b>10</b>
<b>5. Key Messages from the Conference</b>	<b>14</b>

# 1. Introduction

## Background

Partnership Action for Continuing Employment (PACE) is the Scottish Government's initiative for responding to redundancy situations. The PACE Partnership, which includes the Scottish Government, Skills Development Scotland (SDS), Department for Work and Pensions (DWP) and 18 other partners<sup>1</sup>, responds to redundancy situations by providing skills development and employability support to minimise the time people affected are out of work.

## Structure of the Conference

This was the 4th PACE Conference organised by the Scottish Government. The conference was chaired by Robin Crawford, Board Member of SDS, the lead delivery agency for PACE. He introduced keynote speeches from:

- Fergus Ewing MSP, Minister for Business, Energy, and Tourism.
- Dr Martin Taulbut, Public Health Information Manager, NHS Scotland.
- Kev House, The Art of Brilliance.
- Eleri Lewis, ReAct Programme, Welsh Government.
- David Menzies, Director of Insolvency, Institute of Chartered Accountants of Scotland (ICAS).
- Simon Fuller, Acting Deputy Director, Office of the Chief Economic Adviser, Scottish Government.

The keynote speeches were followed by a panel session chaired by Alan McGregor, Professor of Economic Development and Director of the University of Glasgow Training and Employment Research Unit (TERU). The members of the panel were:

- Colin Borland, Head of External Affairs (Scotland), Federation of Small Businesses.
- Stephen Boyd, STUC Assistant Secretary.
- Shona Honeyman, Glasgow City Council.
- Gordon McGuinness, Depute Director Industries & Enterprise, Skills Development Scotland.
- Brian Wallace, Partnership Manager, Department for Work and Pensions.

The Conference concluded with workshop sessions that provided participants with the opportunity to debate and discuss how to improve PACE redundancy support. This report provides a summary of the Conference presentations and discussions.

<sup>1</sup> The PACE partners are: The Scottish Government, Skills Development Scotland, Department for Work and Pensions, Acas Scotland, Chartered Institute of Personnel and Development, Business Gateway, Citizens Advice Scotland, Colleges Scotland, Confederation of British Industry Scotland, Federation for Industry Sector Skills & Standards, Federation of Small Businesses Scotland, HM Revenue and Customs, Highlands and Islands Enterprise, Institute of Chartered Accountants in Scotland, Scottish Chambers of Commerce, Scottish Enterprise, Scottish Funding Council, Scottish Local Authorities Economic Development Group, Scottish Qualifications Authority, Scottish Trades Union Congress, Scottish Training Federation, and Universities Scotland.

## 2. Conference Presentations

### Introduction and Welcome: Robin Crawford

- The introductory presentation of the 4<sup>th</sup> PACE Conference highlighted that PACE remains a very important intervention due to continued changes and threats to the economy, particularly in some sectors.
- Redundancy has a traumatic effect on individuals and their families and PACE provides support, advice and hope to help people to get back to work.
- From an SDS perspective, PACE supports its Corporate Plan in helping employers to recruit the right people at the right time as well as helping individuals to develop their career management skills.
- The aims of the conference were to assess and consider:
  - The impact of redundancy on the individual with particular attention to the impact on mental health.
  - How to build resilience in support staff and employees under threat of redundancy.
  - Different approaches to delivering redundancy support, learning lessons from Wales.
  - The importance of partnership working.
  - The economic context in which PACE operates.
  - The future of PACE: how to make a good service even better.

### Good Work for All and Health in Scotland: Dr Martin Taulbut

- The presentation outlined the beneficial impact that good quality redundancy support, and being in employment more generally, has on the health of people.
- Key health characteristics of the Scottish population show:
  - Male and female life expectancy is lower than in comparable nations.
  - Life expectancy and number of years spent in good health are strongly associated with income and employment.
- There are also strong links between good work and health
  - At an individual level, health is improved by access to a good job, increased income and living standards, greater access to goods and services and being near the top of a hierarchy.
  - Moving from employment to unemployment increases the risk of death by 63% although moving back into work can reverse the impact; and the impact is stronger for men than women.
  - However the employment needs to be in 'good work' i.e. where jobs are adequately paid and offer the right balance between employee control over the job and the demands of the job.
  - The nature of economic growth also has potential to increase or ameliorate health inequalities and growth needs to be distributed evenly to improve health.

## Why Settle for Anything Less than Being Yourself, Brilliantly?

### Kev House

- The presentation considered the importance of everyone taking personal responsibility to achieve their full potential and, in doing so, leading by example.
- The importance of taking the time to slow down and reflect was highlighted so that we avoid burn out and damaging relationships inside and outside the workplace.
- Three questions were posed for discussion:
  - What three qualities describe you when you are at your best?
  - How often are you at your absolute best?
  - What is stopping you from your best self?
- The presentation acted as a personal development opportunity for attendees, as well as providing techniques for practitioners to use when working with people who have been made redundant.

## Redundancy Support in Wales: Eleri Lewis

- The presentation provided an overview of how the Welsh Government's national ReAct programme has developed since initially starting in 1999. It also reflected on the good practice elements within the ReAct programme.
- As an overview, the ReAct programme:
  - Has supported 26,000 people.
  - Offers support in relation to large and small scale redundancies.
  - Has around 76% of participants reporting they are in work six months after leaving the programme.
  - Has European Social Fund funding of £16.7m between 2015 and 2018.
- The support available includes:
  - A multi-disciplinary package of support to individuals including careers guidance, training needs analysis and identification of vocational training alongside a vocational training grant of up to £1,500 for trainees.
  - Support to employers including contributions to wages for 12 months as long as the job lasts for 12 months; and also job related training grants.
- Some of the factors identified as supporting the success of ReAct include:
  - Utilising good, local labour market intelligence from a range of sources (including DWP, Careers Wales and Wales TUC) to identify likely redundancies early.
  - Flexibility in the support that can be offered to individuals to allow them to provide a tailored solution for each individual.
  - Support offered to people who had been made redundant at an early stage when they remain close to the labour market i.e. not after six months unemployment.

## **PACE Engagement – an Insolvency Practitioner’s Perspective: David Menzies**

- The presentation considered the role of the Insolvency Practitioner (IP) in relation to employers and employees and what factors can facilitate or inhibit engagement with PACE.
- Of note, IPs do a lot of work to safeguard jobs before businesses reach a redundancy situation. In 2015, IPs saved 22,000 jobs across 900 businesses.
- IPs can intervene at an early stage or later when the business is closer to failing. Early intervention can increase the likelihood of a positive outcome.
- The factors that an IP will take into account before getting involved with a firm include the:
  - Legislative framework.
  - Engaging party (management or creditor).
  - Exit strategy (liquidation or sale).
  - Market assessment.
  - Business survival opportunities.
  - Merger/sale opportunities.
- If there is positive engagement from management (including in its willingness to work with PACE) this can free up the management to work with the IP on saving the business while PACE supports the employees.
- Factors which can inhibit engagement include legislative tension, lack of funding, management attitude, and action from customers, suppliers and employees.
- ICAS and the Scottish Government have produced a Memorandum of Understanding that outlines what ICAS can do to make the businesses they are working with aware of the PACE offer. This covers awareness raising activities, confidentiality agreements, relationship management, best practice guidance, data sharing, and the legislative tension around whether the needs of creditors or employees come first.

## **Ministerial Address: Fergus Ewing MSP**

- The Minister chairs the national PACE Partnership and he praised the work of PACE and the way that it provides practical, relevant and valuable help to individuals facing redundancy at national and local levels. The intangible benefits of PACE were highlighted including helping people come to terms with the shock of redundancy.
- All of the PACE partners make critical contributions to the delivery of PACE. The partnership approach means that the response can be tailored to the specific factors to be addressed in each redundancy situation, which can be unique to the particular company. The fact that PACE has 21 partners, together with the Scottish Government, who can be engaged must continue to provide the tailored and flexible approach which has been characteristic of the delivery.
- Partners can also come together in taskforces in cases where a large redundancy situation has wider implications for the local economy. In these contexts partners need to work together in a focused way. Involvement of the business in these taskforces is very important.
- Early notice of a potential closure is a key advantage in PACE interventions.
- The challenge now lies in what more we collectively can do. What practical options are possible for PACE to do more and to do things better?

**State of the Economy: Simon Fuller**

- The presentation considered the opportunities and challenges in the economy, focusing on recent economic performance, the labour market and the future outlook.
- While the economy has been resilient, below the surface there are some real challenges for the labour market and some sectors. These include:
  - Following the deep recession in 2008-09, there has been recovery and economic growth with the key drivers being the service sector and construction (largely related to government infrastructure investments). The manufacturing sector has grown much more slowly due to the Euro crisis and the decline in oil and gas output. There will be a challenge with maintaining growth with planned reduced investment in construction.
  - Commodity Prices have fallen since 2013 reflecting global factors. This has had a negative impact on producers, and particularly the oil and gas sector.
  - While there has been a decline in unemployment since 2012 in 2015 the rate of this decline started to slow due to the impact of the contraction of the oil and gas industry
  - There is also an issue about the quality of the jobs which have been created post recession – not all are full-time. While underemployment is declining it has not yet fully recovered to the lower levels of 2004-05.
  - There is also a mixed picture in terms of the impact of unemployment on different groups by age and gender with people in certain areas and younger people more likely to be unemployed.
  - Real wage growth has increased meaning there has been an increase in people's purchasing power, but is this due to low inflation or actual wage increases?

## 3. Question Time Panel Session

The context for the panel discussion was that while PACE is already an effective intervention, there are always ways to make improvements. In this light, *'How can PACE be made better?'*

- **Q. What One Thing Would Make PACE More Effective?**

The responses from the members of the panel were as follows:

- Increasing basic skills, especially in young people.
- Capturing better evidence about the impact of PACE and in particular in relation to the types of jobs people get after receiving support, e.g. what wages, in what sectors, etc.
- Developing an online offer to supplement the existing one-to-one support.
- Making local economies less reliant on large employers. There is a need to diversify the economic base with greater support for indigenous businesses.
- Ensure that the service offer is more consistent across Scotland - there is too much variation in the services offered and there should be a consistent standard of service.

In relation to the importance of PACE performance data, it was agreed that there should be more effort to capture the outcomes of PACE, and particularly the longer term impacts through tracking. Currently this is carried out through the PACE Client Experience Survey which is undertaken every two years. The last survey published in 2014 found that 72% of the people surveyed who had received PACE support had secured alternative employment within six months.

A further comment was made around discouraging the pushing of people into any job. There is a need to support people to explore their options first to help them decide what they really want to do next - this can lead to more positive outcomes in the longer term. Tailored support needs to remain part of PACE.

- **Q. Does PACE Encourage the Setting Up of Support Groups for Those Affected by Redundancy?**
  - This can vary depending on the particular redundancy situation and how organised the workforce is. Factors like how much union involvement there is or propensity to use social media can influence whether groups are formed.
  - It will also vary by the type of redundancy. Many redundancies happen in small businesses where support groups are not as viable. In these cases, practical help rather than peer support may be more relevant.
- **Q. Inconsistent Funding is Affecting Delivery, So Why is There No Consolidated Funding for PACE?**
  - It was agreed that there would be benefit in having a more consistent funding regime but forward planning for PACE is very difficult.
  - DWP Rapid Response funding can be used to overcome funding gaps.
  - The use of ESF could be revisited as it was used in the past. However it would be difficult to forecast the need for ESF and may unnecessarily tie up ESF monies that could be deployed elsewhere.
  - More use could be made of funds like the EU Global Jobs Fund which may be more appropriate for PACE.
- **Q. Can We Use the Skills and Experience Developed Through PACE to Create a 'Taskforce' to Support Our New Industries?**
  - There is a danger of picking winners and the 'next big thing'. Scotland's Economic Strategy therefore focuses more on creating the conditions to encourage more holistic growth rather than focusing on particular sectors and 'picking winners'.
  - Overall, there needs to be a balance between investing in embryonic industries and sectors, but also supporting all businesses as a whole.



- **Q. How Can We Overcome the Stigma Associated with Redundancy?**
  - Build individuals' skills so that they are more resilient and able to handle change.
  - However, one panel member questioned whether there is a stigma – particularly with more people having 'portfolio careers' and experiencing a lot more change in jobs than in previous generations.

## 4. Workshops Sessions

The workshop sessions encouraged conference participants to discuss what improvements and developments might make PACE a more effective service. The conference was split into four workshops and this section reports on the issues that were collectively raised across the workshops.

### Increase Awareness of PACE

The workshops suggested the need for PACE Partnerships to include or work more closely with the following:

- How do SMEs find out about PACE? A lot of small businesses will feel that this is only available to large high profile organisations – and so there is a need for better publicity to promote the PACE service to SMEs.
- However, it is important to recognise that people and businesses will most likely ‘look for’ PACE when they need redundancy support. A general awareness raising campaign may not be effective.
- A more proactive approach with media organisations is required – for example, for the media to include a standard line about PACE support if reporting on redundancies.
- Marketing of PACE should be reviewed – particularly the PACE acronym as it is not clear straightaway that PACE is a redundancy support service.
- Also need to make clear that:
  - PACE is an umbrella organisation that draws on the resources and expertise of many different partner organisations to respond to redundancy situations.
  - PACE is more than redundancy support with PACE partners able to help safeguard jobs as well as respond to redundancy situations.

### Improve PACE Online Presence

- Greater use could be made of digital tools to reach a wider audience, especially in smaller redundancy situations where there is perhaps not a PACE presentation.
- Digital media could also be used to help people further down the line – not everyone is ready for help at the point of being made redundant.
- Possible options would be:
  - Having a dedicated PACE website with all partner information available rather than hosting the [redundancyscotland.co.uk](http://redundancyscotland.co.uk) information on My World of Work.
  - PACE Facebook page.
  - PACE/Employability in Scotland app that would be accessible to everyone and could link to other websites/organisations.
- However, consideration needs to be given to those who either do not have access to online resources or are not confident in using IT systems. For example, many older customers are not computer literate and cannot use digital devices.

## Importance of Early Intervention

- Early notification of redundancies is vital to the success of a PACE intervention.
- Practitioners have found that in the wake of a large scale redundancy (e.g. TATA Steel and Longannet) they are often contacted by SMEs who are actively looking to recruit the redundant employees and find out about their skill sets. Earlier intervention can only improve the chance of matching skills to new employers, while there is a need to be aware of these small employers when organising jobs fairs.
- However, it is often difficult to get a PACE team in early contact with the workforce before the redundancies actually take place.
- The difficulty is likely because if a company is in trouble, the last thing they want is word getting out that PACE is involved as it makes the problem public. This is especially true where the company is one of the main employers in a town. There is no simple answer to this question and PACE is necessarily at the mercy of when the employer decides that they are ready for PACE to get involved.
- Options suggested were:
  - To continue raising awareness of PACE and emphasise the confidentiality of PACE service to employers.
  - Use of 'business health checks' to help identify and pre-empt possible redundancies before the business situation becomes critical. As part of this process, business support services conducting the 'business health check' can make employers aware of the support available through PACE.
  - Have a PACE contact within the workforce of a company facing redundancy, as is done in Denmark, which could lead to higher take-up of PACE services.

## Improve Training Support for Redundant Workers

- Accessing funding for training:
  - Accessing funding can sometimes be difficult as there are many potential sources of funding and it is hard for advisers to know which is available and which to refer to.
  - Identification of appropriate training for individuals facing redundancy and accessing funding – ReAct (Wales) seems to have a much simpler process.
  - Could consider setting up short-life funding groups for major redundancies with all partners round the table considering training requests and allocating funding. This would avoid customers being passed to one funding pot then another if the first one is unavailable. As an option, not enough advisers know about Rapid Response – although it was noted that Rapid Response should be the last port of call.
  - Enabling customers to source their own training courses (individual procurement) can empower the individual and motivate them to the next stage in their career, but there is a risk as training companies may not be legitimate.
  - In terms of sources of funding, suggestions were made around:
    - Local authorities using ESF monies.
    - Employability Fund Stage 4 funding, which is SDS-approved industry specific provision that should directly enable individuals to access sustained employment.
- Wider issues:
  - Important to suggest re-training in areas where there are identified current and/or future skills needs. This requires good quality labour market intelligence (LMI) i.e. to some level of detail. The Regional Skills Assessments and the insight of local recruitment agencies are useful here.
  - Often people who have been made redundant are not willing to travel to work elsewhere or for training.

## Greater Awareness of Impacts of Redundancy on Health and Mental Health

- People need time to process the fact that they have been made redundant before moving on to thinking about their next steps – it's similar to a grieving process.
- Initial health talks should be delivered – but by NHS or SDS, and not DWP.
- NHS should be a key partner as they can provide tools such as Cognitive Behaviour Therapy.
- **Mental health** is a huge issue in terms of the redundancy process and there is a need to better recognise individual needs of customers, in particular emotional/mental health needs, and then provide appropriate contacts.
- Options to enhance mental health support are:
  - PACE Advisers could potentially take up spotter/referrer training to help identify individuals who may require mental health support.
  - A mental health professional could attend the PACE presentation session that is held in the workplace.
  - Build stronger links with health/mental health organisations, as these are currently *ad hoc* in nature. Any formal arrangements would most likely have to be on a more local level as mental health organisations tend to be small operations. As an example DWP Jobcentre Plus in Lothian has established contact with health practitioners to discuss health/employment issues.
- Healthier Scotland is listed as a PACE Partner on the PACE Guide, and although there is a website, there is no phone number. Scope for adding in some kind of health/advice service to the guide with telephone numbers.
- Agencies involved in health are wider than just medical organisations, they can include Churches, Food Banks etc.
- Membership of Local Community Planning Groups includes health agencies – this may be a route for PACE to make contact.

## Role of Insolvency Practitioners

- IPs can be difficult to engage with until after employees have gone through the redundancy process.
- Smaller IPs may be less aware of PACE and therefore slow to notify workers of possible supports available to them.

## Improving Data Sharing Arrangements

- There are difficulties encountered with data protection and collecting names and data of people facing redundancies. To address this, is there the potential to build the sharing of data into a PACE Partnership Agreement? This could help partners track customers. Without this information, it is very difficult to track customers and give them the help and support they are entitled to.
- In the long-term, changes are needed to the Data Protection Act. There may be mechanisms within the Act to allow organisations to obtain this data for PACE.

## Changing Perceptions of Redundancy

- Redundancy is natural so there should not be a stigma attached to it.
- Can we encourage employers to get on board in local areas affected by redundancy and offer employment opportunities to people who are made redundant? Business Gateway in Fife had some levels of success with placing redundant Tullis Russell workers in businesses they worked with.
- However, in North East Scotland, there is a reluctance of non-oil and gas companies to take on people made redundant by the oil and gas sector as they believe that when the market picks back up again they will leave to return to the oil and gas sector.

## Other Points Raised

- For large-scale redundancies, it could be helpful to record a PACE Presentation and run it in the staff area/canteen on loop for those who were unable or unwilling to attend a PACE event.
- A considerable number of PACE clients are aged 50 and over and there is a need for materials and support specifically targeted at this group – including support around, or alternatives to, online materials.
- A job matching service as part of PACE would be useful.
- Employees should be encouraged to complete an in-work progression/development portfolio which would assist them in the event of redundancy.
- Many people need financial advice. Existing options include:
  - Pensionwise provided by Citizens Advice Bureau gives advice for free.
  - Union members may also have access to free financial advice.

## 5. Key Messages from the Conference

1. The 4th PACE Conference offered an opportunity to reflect on how PACE has continued to develop over time, as well as recognising its ongoing importance within Scotland's economic development and employability landscape.
2. The keynote presentations considered specific aspects of PACE, including how physical and mental health can be negatively affected by redundancy, while a positive personal outlook is critical when faced with a redundancy situation; what can be learned from the ReAct programme in Wales; the role played by Insolvency Practitioners during redundancy situations; and how the broader economy may impact on future redundancies.
3. The panel session and breakout workshops then considered how PACE redundancy support could be improved - with the main points of suggestion being:
  - Continuing to increase awareness of PACE and the range of supports PACE partners can provide. SMEs should be a key target here.
  - Developing a stronger online PACE presence that employers and individuals can access to complement the one-to-one support provided.
  - Working to identify and pre-empt redundancy situations as early as possible, so that employers and individuals can be supported before the redundancy situation becomes critical.
  - Ensuring greater consistency in PACE services across Scotland.
  - Improving training support for redundant workers, with access to funding a key issue in terms of enabling access to training courses.
  - Continuing to challenge the stigma associated with redundancy.
  - Widening awareness of the physical and mental health issues than can be brought about by redundancy, and ensuring there are the supports in place to help address these issues.
  - Developing more PACE materials and resources targeted at the over-50 client group.
  - Improving data sharing arrangements between PACE partners with the aim of better supporting those affected by redundancy.
  - Capturing better evidence on the impact of PACE services.