

## **Education Skills and Employability Board**

**15 June 2021**

### **Skills Support for Redundancy**

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<b>Is the paper exempt from the press and public?</b>	No
<b>Purpose of this report:</b>	Discussion
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	No – not a key decision

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**Director Approving Submission of the Report:**

Helen Kemp, Director of Business and Skills

**Report Author(s):**

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**Executive Summary:**

In preparation for the end of the Government's furlough scheme, Board members asked Sheffield City Region Mayoral Combined Authority (SCR MCA) officers to consider what provision is in place to provide skills support for people being made redundant in South Yorkshire in preparation for them finding new roles. This paper sets out the current offer and recommends further work to help us prepare for an increase in redundancies should that arise.

**What does this mean for businesses, people and places in South Yorkshire?**

Ensuring there is an effective and coordinated offer in place to help residents upskill / reskill if they face redundancy will help to minimise the length of time that they are unemployed and depending on benefits. It will also help them to progress into new work and potentially more valuable employment. Effective skills support also helps employers prepare their workforce for inevitable change, helping them maintain a more positive and constructive relationship.

## **Recommendations:**

The Board is invited to:

- Note the current mix of provision available;
- Note the learning from other areas;
- Approve further work by the MCA to lead some joint work with partners to develop a coherent offer (para 2.6)

## **Consideration by any other Board, Committee, Assurance or Advisory Panel**

None

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### **1. Background**

- 1.1 Although the pandemic does not appear to have a significant impact on redundancies to date, there have been some notable cases and there is a risk of further substantial increases as and when the furlough scheme comes to an end. South Yorkshire residents are particularly vulnerable because 1 in 3 people work in low paid jobs which have been disproportionately impacted either directly through business closures or indirectly because the pandemic has accelerated changes to the nature of businesses that were already in train.
- 1.2 In either case, people with lower skills levels and those who have not engaged in recent learning are likely to find it harder to secure new jobs meaning that their lives and those of their families could be blighted by longer spells of unemployment. This has an impact on the communities and places where those people live and on the businesses that serve them.
- 1.3 Ensuring access to skills provision which helps people build on their existing skills through re-skilling or upskilling so that they can pivot into a new job, ideally before they actually become unemployed is a priority. This is also important for businesses who want to offer roles to people with recent relevant experience even if not in exactly the same industry.
- 1.4 This paper sets out what is currently available to support employees who are faced with redundancy. It also identifies a number of gaps and recommends where we could do some more work to upgrade the service so that we are ready to deploy the right level of support should that become necessary.
- 1.5 The current support package is available to businesses with 15 or more employees. It comprises three elements with an underpinning redundancy notification process. Those elements are:
  - Department for Work and Pensions (DWP) funded Rapid Response to Redundancy – analysis of the workforce and the roles being made redundant, vacancy matching service, access to Flexible Support Funding to support vocational training
  - National Careers Service, delivered in South Yorkshire through Prospects – skills analysis, referral into training, CV writing and interview practice
  - Skills Support for Redundancy delivered by the Growth Company through an ESF funded contract – delivery of knowledge-based training eg basic skills.

- 1.6 The package is triggered once a business identifies a threat of redundancy and notifies DWP. Once the process is triggered, a Redundancy Team comprising people from each of the elements above will make contact with the employer and begin the process of understanding who is likely to be made redundant, what their roles are and how they can best be supported to find new work.
- 1.7 On an ongoing basis, the Redundancy Team work together to share intelligence on potential redundancies and this helps the Team to start gearing up support and identify new opportunities ahead of the formal redundancy process.

## **2. Key Issues**

- 2.1 The elements of support described here are common across the country. However, experience from other areas suggests that the effectiveness of support can be vastly different depending on how prepared an area is, how well the Redundancy Team works together and with other partners and how and when support is deployed.
- 2.2 We have looked at examples in Greater Manchester and Lancashire where significant improvements have been made to the service by putting energy and effort into the way that intelligence is gathered and used by the Redundancy Team and improving joint working between partners. Simply investing in regular contact as a team has helped improve understanding of where redundancies might arise, the speed and agility of communications and the understanding of respective roles thus providing a smoother and more coherent service for employers and employees.
- 2.3 In South Yorkshire, DWP, Prospects and the Growth Company share intelligence on potential redundancies. Effective links with local authority business and skills teams are critically important for up to date intelligence, but more needs to be done to develop those relationships across the area to support proactive rather than reactive working and to benefit from links to existing support such as the Advance programme . Building links between the Redundancy Team and the local authority-based RAP advisers and the MCA Growth Hub could also provide useful intelligence.
- 2.4 There is a gap in support for employees of organisations with fewer than 15 staff. Support from DWP's Rapid Response to Redundancy would not be triggered in in smaller organisations resulting in a risk that those redundancies may be under the skills and employment support radar with people left to find their own way through support offered by DWP once they have made a claim for benefits. Ideally, we want support in place earlier to avoid unemployment where possible.

- 2.5 There is a risk that due to the pressing need to help people avoid becoming unemployed which for many people will be a real priority, our support for people faced with the threat of redundancy becomes transactional rather than developmental. For many people, redundancy will be a part of life. Where possible, and subject to personal circumstances and priorities, redundancy could be a trigger for reskilling or upskilling that would help people to progress into work, in some cases through an apprenticeship, or at higher levels or in alternative sectors where opportunities may be more resilient to economic changes. This opportunity to 'pivot' into new roles, taking skills learnt previously and applying them in a different context has the potential to be really valuable in South Yorkshire. Not only is it valuable to individuals themselves, but also to the economy in terms of retention of valuable skills within the region.
- 2.6 Our recommendation is that Board members approve work to be led by MCA officers working collaboratively with local authorities and with the core members of the Redundancy Team to explore how to improve our preparedness for dealing with redundancy across the area. In particular, the work should consider;
- Intelligence gathering
  - Co-ordination and joint working in delivering support
  - Ways to secure better outcomes for individuals and employers who are coming through the process.
  - Understanding how the gap in support for employers with 15 or less employees can be stemmed.
- 2.7 Board members should also note that the ESF funded contract under which the Growth Company provides Skills Support for Redundancy will end in 2023 and it is likely that final recruits to skill provision would need to be enrolled during 2022. This means that we will have a gap in support. Our AEB funded provision will be available to fund some learners, but there will be a displacement effect if, for example, a big redundancy cohort took up provision and others who may have taken up learning are no longer able to access provision. The UK Shared Prosperity Fund may offer some additional support, but as a region we will need to be ready to make a case to prioritise skills support in the case of redundancies in line with the SEP and RAP.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1 (Recommended)**

South Yorkshire Task Force to consider how to improve our readiness for responding to redundancy situations and securing the best outcomes for individuals, employers and the economy.

#### **3.2 Option 1 Risks and Mitigations**

Failure to communicate and brief the full range of partners who could be involved would undermine the work.

#### **3.3 Option 2**

Do nothing additional and leave partners currently involved to resolve coherence in working. Fail to prepare a solid proposal for support to the UK shared Prosperity Fund or other fund that offers continuing support after ESF finishes.

### **3.4 Option 2 Risks and Mitigations**

We will be constantly behind the curve in terms of our readiness for instances of redundancy which may risk. We will have inadequate funding to support large cohorts of people with knowledge-based learning if they are made redundant.

### **3.5 Option 3**

Delegate the co-ordination task to another body, eg local authorities.

### **3.6 Option 3 Risks and Mitigations**

There is no guarantee that this option would provide any better coherence in provision than the current arrangement.

### **3.7 Recommended Option**

Option 1

## **4. Consultation on Proposal**

4.1 Not at this stage.

## **5. Timetable and Accountability for Implementing this Decision:**

5.1 Task force to be in place over the summer with a report back to the Board in September.

## **6. Financial and Procurement Implications and Advice**

6.1 The recommendation of Option 1 will be undertaken by existing members of the MCA – no additional budget requirements have been identified at this time. Further budget may be required at a future point after work has been commenced. This will need to be allocated from existing resource should alternative funding sources not be identified.

## **7. Legal Implications and Advice**

7.1 No legal implications arising from the contents of this report. SD.

## **8. Human Resources Implications and Advice**

8.1 None

## **9. Equality and Diversity Implications and Advice**

9.1 Proposals support provision for people at risk of redundancy and unemployment. Supports some of our most vulnerable people.

## **10. Climate Change Implications and Advice**

10.1 No climate implications at this stage.

**11. Information and Communication Technology Implications and Advice**

11.1 None

**12. Communications and Marketing Implications and Advice. Please also refer to consultation undertaken as per Section 4**

12.1 None

**List of Appendices Included**

None

**Background Papers:**

None