

From the Office of the Minister

COMMITTEE AND MEMBERS' SERVICES			
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Our Ref: DETI COR 255/2009

Mr Liam Steele
Head of Committee and Members' Services
Belfast City Council
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29 May 2009

Dear Mr Steele

Thank you for your letter of 10th April, to which the Office of the First and Deputy First Minister has asked me to reply, in consultation with the Minister for Employment and Learning.

Firstly, let me again reiterate that the job losses announced in the last few weeks by Bombardier, Nortel, FG Wilson, Hughes Christensen and Visteon are a matter of great regret and my thoughts continue to be with the employees and families affected.

Coming so close together, these announcements served to underline the impact of the global recession on Northern Ireland and to illustrate just how much market conditions have worsened in recent months. Unfortunately, in the majority of these cases, redundancies have been a necessary evil, and have been made in order to protect the long term interests, and employment potential, of major local operations.

What is important now is that we continue to do whatever is possible to both protect our manufacturing business base and ensure that, when market conditions improve, Northern Ireland businesses are well placed to capitalise rapidly on any upturn.

As you have rightly suggested, collaboration between Ministerial colleagues is a necessity, and I have been working closely with the Minister for Employment and Learning (DEL), Sir Reg Empey, to consider whether any new policies and schemes could be introduced within the powers and resources available to the Executive. This work is focused on the provision of practical support and advice as well as implementing training and re-skilling programmes and assistance.

Sir Reg has advised that DEL already provides a range of services to those who are unemployed or facing redundancy. For example, their Careers Service provides an impartial all-age Careers Information, Advice and Guidance service, delivered by professionally qualified Careers Advisers who are based in JobCentres, Jobs and Benefits Offices and Careers Offices throughout Northern Ireland. Redundancy Counseling is one of the services offered by the Careers Service and can be arranged to suit the needs of the Employer and /or Employee(s).

Where redundancies are announced, DEL's Employment Service brings together a range of other agencies, including, where appropriate, the Social Security Agency, Her Majesty's Revenue and Customs, the Careers Service, the local Further Education College or Training Provider etc to provide a Redundancy Clinic on the employer's premises. Advice is provided on alternative employment opportunities, including self-employment, training and up-skilling, social security benefits, and on career options. An individual who is made redundant may have early entry to the DEL main adult return to work provision, 'Steps to Work'.

Agreed protocols also exist for engagement between Invest NI and DEL in the event of redundancies being announced by an Invest NI client. In the Nortel Networks case, for example, officials from Invest NI and DEL met in advance of the announcement to share information and to prepare a quick response to events at Monkstown. This resulted in arrangements being put in place for officials from DEL to be on site at Nortel's Monkstown campus to provide a "redundancies clinic" service for the staff affected.

DEL also has responsibility for Employment Rights. Under the Employment Rights (NI) Order 1996, employers proposing to dismiss between 20 and 99 employees must begin a consultation process with employee representatives at least 30 days before redundancy notices take effect. While the law is silent on the length of consultation, it must be genuine and include ways of avoiding the redundancy situation or dismissals, reducing the number of dismissals involved and mitigating the effects of the dismissals. Employees are entitled to a statutory or contractual notice period which takes effect from the date consultation is complete.

Employees who do not feel they have been properly consulted or received adequate notice may make a complaint to an Industrial Tribunal, which may make a protective award of up to 90 days' pay.

In circumstances where collective redundancies occur at a company which is in Administration, DEL will agree with the Administrator what those redundancy and insolvency entitlements should be and make the payments to the redundant workers on receipt and verification of relevant claim forms.

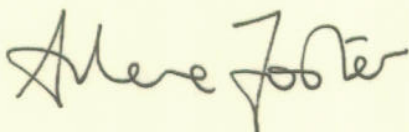
Of the companies mentioned in your letter, only two are in Administration, namely Visteon and Nortel. In both cases the administrators have complied with the Employment Rights legislation requiring them to notify the Department (DEL) of their intention to make employees redundant.

Sir Reg has also indicated that he is giving active consideration to a pilot proposal which will assist those people placed on short time working, in the manufacturing sector, to gain qualifications whilst receiving a training allowance. It is proposed that the training allowance will be paid for the period of time that they are on short term working and in training.

At an operational level, officials in my Department continue to work closely with our colleagues in the Department for Employment and Learning to identify new measures that will help to alleviate the current pressures being felt by many companies across Northern Ireland. On 26th May, for example, I announced the launch of a £15 million Short Term Aid Scheme. This has been developed by Invest NI to assist companies in the manufacturing and tradeable services sectors that, although fundamentally viable, are experiencing short term difficulties due to the global economic downturn. This scheme can provide up to 500,000 euro of grant support (approximately £445,000 at current exchange rates) to help eligible businesses retain key staff while they plan or restructure for the future by investing in key areas such as sales, marketing, management, finance, training and human resources.

Although there is no easy fix, and the measures being taken will take time to have effect, please be assured that we continue to work jointly to do all that we can to help our businesses, both large and small, deal with the effects of the recession and to prepare fully for the eventual economic upturn.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Arlene Foster', written in a cursive style.

ARLENE FOSTER MLA
Minister of Enterprise, Trade and Investment

