

Memorandum of Understanding

between

JOBCENTRE PLUS

and

R3, the insolvency trade body

and

THE INSOLVENCY SERVICE

18 May 2011



Aim and Purpose of the partnership

The aim of the partnership is to bring together colleagues from the three organisations to share intelligence and knowledge with the ultimate aim being to improve the service to employers and individuals during very difficult times.

This Memorandum and Operational Delivery Plan outlines how Insolvency Practitioners dealing with struggling businesses will work with Jobcentre Plus (JCP) and The Insolvency Service's Redundancy Payments Service (RPS) to alert them to potential redundancies. This will enable JCP to act quickly and discreetly to support individuals affected by redundancy by giving them rapid access to information and services that will help them identify new job opportunities, secure access to training or access working age benefits and enable RPS to process claims for redundancy and associated payments as quickly as possible.

Working in this way, the organisations involved will be able to provide help to people who have lost their jobs, helping them into new roles or training courses and ensuring they receive the benefits they are due as quickly as possible.

Jobcentre Plus Objective

The existing Jobcentre Plus Rapid Response Service has been enhanced to meet the scale and pace of redundancies brought about by the economic downturn. This service is rapid in its response to redundancy situations and is pro-active and flexible in the support it can offer to help people move quickly into work.

Jobcentre Plus is committed to making direct contact with every private and public sector employer making redundancies, offering Rapid Response support where there are 20 or more employees being made redundant. In situations where Jobcentre Plus are aware of losses of less than 20 individuals, then every effort will be made to offer support to employees.

R3 Objective

As the leading trade body for Insolvency Practitioners, R3 encourage their members to inform Jobcentre Plus as soon as they think that redundancies are to be made, to help to ensure that people facing redundancy are offered the greatest level of support possible.

The Insolvency Service Objective

The Insolvency Service's Redundancy Payments Service is committed to paying those employees made redundant in an insolvency situation as quickly as possible. To that end it will liaise closely, and share relevant information, with both Jobcentre Plus and Insolvency Practitioners to ensure that claims are paid in accordance with published targets.

Furthermore, The Insolvency Service (IS) will use its detailed knowledge of the insolvency regime and influence with Insolvency Practitioners to help Jobcentre Plus achieve its aims and objectives.

Memorandum of Understanding Agreement Principles and Measures of Success

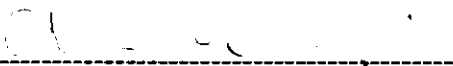
The principles that underpin the Memorandum of Understanding are that all stakeholders within the partnership will benefit from the arrangement. Annex 1 details the agreed principles and the measures of success to which each organisation has agreed. In addition, the series of measurable objectives that have been agreed by the partnership forms an operational delivery plan to underpin this Memorandum of Understanding. These will be reviewed regularly under separate arrangements on a quarterly basis. Regular updates will be provided to stakeholders.

A copy of the operational delivery document is enclosed in Annex 2 for information only.


Enhancing and extending the Memorandum of Understanding

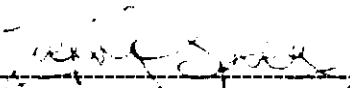
The Memorandum has been in place since October 2009 when it was signed by all three parties (R3, JCP and the IS), Phil Wilson MP, and the Ministers for Employment, and Business and Regulatory Reform. Significant progress has been made since then, but it is now time to enhance the Memorandum so that engagement between all three partners intensifies, which, in turn, should increase the proportion of individuals affected positively by the Memorandum's operation.

Signatories:

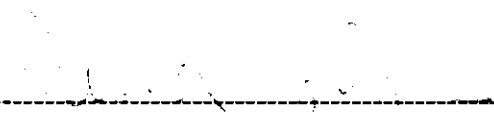

----- Dated: 18/5/2011
Chris Grayling, Minister of State for Employment


----- Dated: 18/5/2011
Edward Davey, Minister for Employment Relations, Consumer and Postal Affairs


----- Dated: 18/5/2011
Phil Wilson, MP for Sedgefield


----- Dated: 18 May 2011
Stephen Speed for the Insolvency Service


----- Dated: 18/5/2011
Frances Coulson for R3


----- Dated: 18/5/2011
Darra Singh for Jobcentre Plus

Annex 1:

Memorandum of Understanding Agreement Principles

It is envisaged that with a closer working relationship, Jobcentre Plus (JCP), R3 and The Insolvency Service will be able to actively support Insolvency Practitioners by:

- Having experts on hand to answer questions;
- Releasing the pressures on Insolvency Practitioners as partners, being onsite to manage specific employee queries;
- Offering an end to end seamless and rounded service between partner organisations;
- Offering suitable contacts at the appropriate time;
- Looking to secure off site premises to deliver information or specialist advice sessions where appropriate;
- Helping reduce the anxiety and uncertainty felt by employees impacted by redundancy;
- Acting as a single point of contact for national and localised situations where Jobcentre Plus will seek to engage with their local partners and organisations;
- Assuring Insolvency Practitioners of JCP's ability to work commercially in confidence;
- Emphasising the importance of commitment to supporting affected individuals through RRS for individual and societal benefits;
- Enhancing the Jobcentre Plus/Insolvency Service image;
- Co-ordinated national and Group responses;
- Brokering and cementing relationships at local levels.

Measures of Success for the Partnership

- Strengthening the R3 relationship with Government particularly JCP and The Insolvency Service nationally;
- Developing of R3-JCP group and local relationships, through meetings and presentations from JCP at R3 events;
- Increasing the number of IPs engaged nationally, at group level and locally at senior level with JCP to develop and promote a joint strategy;
- Increasing the proportion of companies affected by insolvency related redundancies accessing support through the partnership approach at all levels;
- Involvement of wider stakeholder organisations including Trade Unions as well as those co-opted into specific situations by the MoU partners;

- Increasing the visibility of IPs at Group JCP / stakeholder network forums to provide business insight, whilst gaining local intelligence, trends and initiatives thus enabling them to work in partnership with these networks on “local” issues;
- Identifying potential opportunities for jobs now or as recovery starts – new leads for Jobcentre Plus to develop;
- All partners sharing information to highlight trends in growth and decline of insolvency numbers and associated payments and support;
- Identify good practice to be shared around IPs and Jobcentre Plus/wider Government;
- Identifying and communicate examples where the joined up approach has enabled a quicker and more effective response;
- Developing a better understanding of the working practices and success measures of all partners.

Annex 2:

Operational Delivery Document

Owners R3
The Insolvency Service
Jobcentre Plus

Review period Quarterly and to update Ministers as necessary

Success will be visible through the routine sharing of best practice between the three organisations, thus enabling Jobcentre Plus and Administrators to design the most appropriate delivery plan for each situation. In delivering this approach all partners will mitigate the impact of redundancy, managing the uncertainty faced by individuals.

The following details the measurable objectives to which each organisation has agreed:

The Insolvency Service

- Liaise with and share relevant information with both JCP and R3 about insolvency case/claim numbers to aid better understanding of insolvency trends so improving strategic decision making regarding resources and improving service to redundant employees.
- Liaise with and share relevant information with both JCP and Insolvency Practitioners to ensure employees claims are paid as soon as possible and within the stated published targets.
- Attend all meetings with JCP/R3/IS/Phil Wilson/Ministers as appropriate
- Provide knowledge of the insolvency regime and use influence with Insolvency Practitioners to assist JCP in achieving its aims and objectives.

R3

R3 Head Office engagement

- Disseminate requests for action to R3 members and communicate the objectives of the Memorandum to R3 members via articles in R3 members' magazine, RECOVERY and regular updates to members through the R3 members' bulletin.
- Produce a pamphlet that is disseminated to R3 members highlighting the benefits of working with JCP and outlining the successes of the Memorandum.
- Dedicate a section of the R3 website to promoting the Memorandum to R3 members.
- Explore possibilities for creating an 'online portal' for R3 members to contact JCP anonymously, with reference only to key information required by JCP.
- Share relevant research on insolvency trends with partner organisations.
- Communicate the objectives of the strategy to outside organisations as appropriate.
- Attend all meetings with JCP/IS/ Phil Wilson/Ministers as appropriate.

Regional R3 support/engagement

- Establish R3/JCP relationship at a Group level through a programme of meetings.
 - Commit to meetings between R3 regional chair and JCP representatives in all 10 R3 regions at least twice per year.
 - Presentations on the objectives of the scheme to R3 members at a regional level where practicable.
- Establish 'Memorandum of Understanding champions' on each R3 regional committee, responsible for building close links with Group JCP representatives and promoting the Memorandum to local members and external audiences.

Tracking progress

- Use the R3 members' survey, to track engagement of members on a twice yearly basis including:
 - The number of R3 members who responded positively to requests for action;

- The number of R3 members who have not responded positively, identifying reasons why;
- Requests for positive case-studies.
- Share information on the reasons for financial struggles within ailing companies in both public and private sectors.

Jobcentre Plus

National

- Act as single point of contact for all national situations and disseminate requests for action throughout JCP where districts and / or groups will agree approaches that best suit the need.
- Communicate the objectives of the strategy to our colleagues.
- To work with the larger administrator companies and offer a strategic relationship at partner level to promote joint working practices.
- Regular updates to colleagues through strategic review meetings and briefing notes to operational delivery colleagues.
- Communicate the objectives of the strategy to outside organisations as appropriate.
- Attend all meetings with R3/IS/ Phil Wilson/Ministers as appropriate.
- Facilitate the establishment of R3/JCP relationships at a national level through a programme of meetings.
- Commit to meetings between R3 regional representatives and JCP representatives in all 10 R3 regions/7 Jobcentre Plus groups and facilitate an approach for Northern Ireland.
- Increase local engagement to secure meaningful and fruitful relationships
- Work with IPs and companies directly to secure information on situations.
- Facilitating R3/IPs' visits to JCP management meetings to build understanding.
- Increase knowledge of partner organisations business by visits to the Insolvency Service including on site visits with IPs and R3.

Group Rapid Response support/engagement

- Act as single point of contact for Group/ local situations and disseminate requests through JCP.
- Communicate the objectives of the strategy to our colleagues.
- Commit to working with R3 MoU regional champions to embed the principles of the Memorandum throughout both organisations.
- Commit to meetings between R3 regional representatives locally to build relationships and provide insight into JCP services and practice.
- Presentations on the objectives of the scheme to R3 members at a

regional level.

- Communicate the objectives of the strategy to outside organisations as appropriate.
- React positively to requests for information and support from IPs
- Embed the national/group vision by proactive engagement with operational delivery colleagues.
- Facilitate IPs' engagement in group/district level strategic networks to enhance the service to employees affected by redundancy and struggling businesses.

Tracking progress

- Track redundancy situations where JCP has responded positively to requests for action;
- Track redundancy situations where JCP may not have responded positively and identify reasons why;
- Request positive case-studies, where relevant;
- Report on how the national strategy is reflected at group level;
- Use intelligence gathered from all partners to inform decision making and future plans;
- Track IP engagement and notification to inform embedding activities.