

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: ALEXANDRA WORKWEAR FACTORY CLOSURE
From: DIRECTOR OF PLANNING & DEVELOPMENT		
Date: 4 August 1997	Ref: MMcC/EH/REP.276	

1 Purpose of Report

- 1.1 This report seeks to inform the Committee of the activity of Council Departments in relation to the closure of Alexandra Workwear, Coatbridge.

2 Introduction

- 2.1 Following the announcement by the company of the closure of its plant at Coatbridge a letter offering the support of North Lanarkshire Council departments was sent by the Convener of Economic Development Committee to the Financial Director of the company offering a range of assistance in respect of their closure decision. The company did not respond to this initial correspondence, therefore, the Economic Development Manager contacted the Production Director of the Coatbridge plant to offer the most appropriate level of assistance to the company and the workforce faced with redundancy. A number of meetings took place which included : - (i) a meeting between the the Convener and Vice Convener of Economic Development Committee, Officers from the Economic Development Unit, Social Work Department and Representatives from the Trade Union at the Plant to discuss the range of assistance required by those people facing redundancy; and (ii) a series of meetings with the Director and Management of the Coatbridge plant and Representatives from the Economic Development Unit and Social Work Department.

3 Level of Redundancy

- 3.1 The initial meeting with the Production Director outlined the company's intention to merge both Lanarkshire factories, the plant in Coatbridge and the plant in Bothwell to provide a single manufacturing facility within Lanarkshire. The company claimed that this rationalisation came about in response to the need to reduce manufacturing costs by moving manufacturing overseas in order to remain competitive in the global market place.
- 3.2 The call for voluntary redundancy was oversubscribed and all staff applying for redundancy were given a one to one interview before a decision was reached on the 294 redundancies that were being sought. In total 79 jobs were transferred from the Coatbridge plant to the plant at Bothwell and these people continue to work with the company. Of the 294 redundancies required by the company 250 people volunteered and were accepted for redundancy from the Coatbridge plant. Following the announcement of redundancy Alexandra Workwear were approached by a number of local Lanarkshire companies seeking machinists, and the company indicated that a significant number of their staff had taken up positions with these companies.

4 Assistance Given

- 4.1 Council officials in meeting with the companies outlined the level of assistance that could be provided by the Employment & Redundancy Support Unit from the Social Work Department and the Economic Development Unit. Reference was made to the model that had been adopted previously in other closures including Cummins and Marshalls.
- 4.2 The Management of the Coatbridge plant agreed access to the workforce during lunch times and after 5.30p.m. any evening or on a Friday when the plant was closed. From Tuesday 1st July 1997 North Lanarkshire Council staff established an on-site presence within the plant. Officers were present daily from 12.00 noon to 14.00 hours, covering the shift lunch breaks and ensuring that the workforce had access to a redundancy pack and opportunity to seek advice on individual concerns.
- 4.3 Issues raised included queries as to pension rights, mortgage and loan protection, welfare benefits and maternity rights.
- 4.4 Individuals intending returning to education required advice and information on courses, training opportunities and funding options. For a considerable number the actual rights to Job Seekers Allowance required clarification and the actual mechanics of registering as unemployed was an alien experience. Knowledge of the rules of Job Seekers Allowance and the Job Seeker Agreement was generally very low.
- 4.5 Whilst every effort was made to dispel the myths and misinformation, it was generally concluded the previously employed method of information sessions with individual follow-up was a more effective means of delivering the necessary knowledge in mass redundancy situations.
- 4.6 In the Uddingston plant, from where around fifty workers were being made redundant, four abbreviated information sessions were delivered, covering all the shifts and ensuring those affected had a redundancy pack.
- 4.7 Individuals also voiced concern as to a definite initial drop in earnings during the period required to master new techniques and skills. It is anticipated that many more issues will be raised via the Employment & Redundancy Support freephone number upon the expiry of the period of paid annual leave.

5 Recommendation

Committee is asked to note the contents of this report.


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 Director of Planning and Development

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