

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: RESPONSE TO LARGE SCALE REDUNDANCIES
From: DIRECTOR OF PLANNING & DEVELOPMENT		
Date: 26 November 1998	Ref: SF/REP.509	

1 Purpose

- 1.1 The purpose of this report is to update the committee on the response of North Lanarkshire Council to large scale redundancies since the establishment of the Council protocol for dealing with these problems, see Economic Development Committee report ref. SF/LC/REP.430 - June 1998.

2. Background

- 2.1 Since June of this year there has been a steady stream of announcements of redundancies by a number of North Lanarkshire based companies. In line with the established protocol we have attempted to provide a support package for the affected workforce in the companies involved as follows:

3. MacKinnon of Scotland Ltd

- 3.1 Announced in June 1998. Approximately 70 jobs affected in the company's Coatbridge plant with another 50 made redundant in their South Lanarkshire based factory.
- 3.2 After initial contact and discussion with the company management team and the trade union representing the workforce we were able to organise and arrange the council response, in conjunction with our partners in Employment Service and the Benefit Agency.
- 3.3 Advice and information sessions were conducted in July in the company's premises. Economic Development Unit co-ordinated both the Council involvement and that of our external partners. Arrangements were put in place for further advice and information on an individual basis through the appropriate area offices.

4. Lite-On Technology (UK).

- 4.1 In its announcement of September 10th the company decided to reduce its manufacturing base at its plant at Eurocentral near Mossend resulting in 132 redundancies. 10 workers are to be retained in a sales and after-care facility at the plant. the company also reiterated its long term commitment to its Lanarkshire base.
- 4.2 Given the very short time span between the redundancy announcement and the exit date for employees it was difficult to arrange a complete co-ordinated support package.
- 4.3 Nevertheless we were able to place officers from the Economic Development Unit and Social Work area teams in Lite-On for five days leading up to the final redundancy date. These officers were able to provide a broad range of support information and advice in various areas including employment/self-employment, training and Welfare Rights. Again follow up arrangements were put in place to allow individual one to one advice sessions.

5. **British Steel Sections, Plates and Commercial Steels**

5.1 The company announced in mid August its intention to rationalise its business and relocate this to Scunthorpe by end of December 1998. Although partial relocation of jobs would be available redundancies were still expected at its Motherwell plant. At the time of announcement 220 jobs were involved in this function at three separate plants, 59 of these jobs at Motherwell. This would reduce to 170 in total at Scunthorpe.

5.2 At the time of report the company and the trade union involved had not responded to our offer of support provision for the workforce at Motherwell. This despite a formal letter from the Leader's office followed by fax correspondence and telephone conversations. We will continue to monitor the situation.

6. **B.O.C. Distribution**

6.1 B.O.C. Ltd released a press statement in August announcing its intention to close its distribution plant at Plains, Airdrie.

6.2 There was an immediate response to this including a formal offer of support provision to both the company and the trade union. We were not asked to provide any support during the closure period. This was probably due to protracted negotiations between the company and the union on the structure of the redundancies.

6.3 Discussions with B.O.C. representatives and Trade Union officers at end of September/early November revealed that a large section of the company's drivers employed at Plains were transferred to the Cumbernauld operation, some found employment with Sainsbury Distribution Ltd, and more, again mainly drivers will be employed with a company called Blakes Chilled Distribution who have purchased the Plains site from B.O.C. Ltd.

6.4 We again made a formal offer of support provision in a fax transmission to B.O.C. personnel based at Aldershot. Subsequent telephone conversations have resulted in an agreement that the company will mailshot our offer of support to those of their ex-employees who remain unemployed, this currently stands at 4 out of the original 56 declared redundant.

7. **Omsco Ltd, Cumbernauld.**

7.1 Due to the very late notification of this redundancy our ability to respond as we would have wished was severely curtailed. Nevertheless we were able to provide support material to the workforce through our partners in the Cumbernauld Employment Service Job Centre with a commitment to ongoing support through the various council departmental offices.

8 **Assi Domain Ltd - Motherwell Bridge Holdings**

8.1 We are currently providing a support provision at these two plants in conjunction with our partners in the Employment Service and the Benefit Agency.

8.2 The situation at Motherwell Bridge has been complicated due to continued late notification of the redundancy dates by the company management team. This has caused problems in officer time allocation. Nevertheless we are continuing to provide a support provision. Approximately 100 of the workforce are likely to be affected.

8.3 The situation at Assi Domain Ltd Cumbernauld is more relaxed in relation to redundancy time frames. Approximately 85 workers are affected by the partial closure of the company's manufacturing base. We were involved very early in the process thus allowing for a co-ordinated approach to support involving a wide range of partners. We hope to use this as a best practice model and evaluate results.

9. **Tubular Industries - Thermashield Ltd**

9.1 At time of report we are making arrangements to provide a support service for 135 redundant workers at the Tubular Industries Plants at Clydesdale and Imperial works.

9.2 We are also in discussion with the management team involved in the management buy-out at Thermashield (Stepps) which saved 21 direct jobs and 10 indirect jobs.

9.3 Any support will probably take the form of a contribution to a funding package for new plant and equipment. This contribution is likely to come through the West of Scotland Business Loan scheme.

10 Conclusion

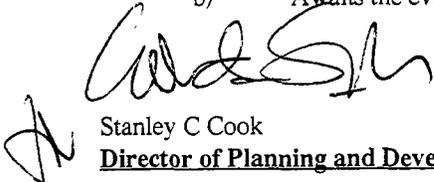
10.1 The recent round of redundancies has placed a high workload on the departments involved in the support provision, namely the Economic Development Unit and the Social Work Department.

10.2 We have nevertheless provided good quality support and will continue to do so.

11. Recommendations

11.1 This report therefore recommends that:

- a) The committee notes and agrees the reports content and,
- b) Awaits the evaluation of current work which will be the subject of a future report to committee.



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Director of Planning and Development

10 November 1998

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