

To: Airdrie Area Committee	Subject: Boots Plc Redundancies	
From: DIRECTOR OF PLANNING AND ENVIRONMENT		
Date: 7 th March 2003	Ref:	

1. Purpose of Report

- 1.1 The purpose of this report is to update committee on developments following the announcement by Boots Plc to close its manufacturing facility at Motherwell St, Airdrie.

2. Background

- 2.1 Boots Plc have a long association with the Airdrie community, with the factory at Airdrie works opening in 1949. The manufacturing facility requires the use of 50 acres of land. The company also owns an additional 100 acres, which is not currently used. Employment within the factory has always been large-scale with the initial number of 600 employees growing to a present number of 1,000.
- 2.2 In November 2002 Boots Plc announced a £100million cost reduction programme leading to a review of its European manufacture of beauty and cosmetic products. The review concluded that it could rationalise its manufacturing operations. The company announced on the 4th February 2003 of its intention to close its facility at Airdrie over a two-year timespan.

3. Current Employee Position

- 3.1 Approximately 1,000 individuals are employed within the Boots factory at Airdrie works. 740 are full-time permanent staff, 180 are Boots temporary staff and a further 100 are Manpower temporary staff.
- 80% of workforce are considered to be local to Airdrie area
 - 32% of staff have worked within the Boots Factory for over 10 years
 - 17% of staff have worked within the Boots Factory for over 20 years
 - 12% of staff are currently eligible for early retirement
- 3.2 Boots management has asserted that no redundancies will be made within nine months from the date of announcement and that every permanent staff member will have the opportunity to be considered for redeployment within the company by relocating. Production is expected to continue over the next two years.

4.0 Meetings

- 4.1 A meeting requested by the Chief Executive, Gavin Whitefield, with Boots Factory Manager Richard Carter, to discuss the implications of closure announcement took place on 14th February 2003. Councillor McCabe, Councillor Logue and David Porch (Director of

Planning & Environment) also attended the meeting. Councillor McCabe advised that North Lanarkshire Council was not prepared to accept the inevitability of closure without further

consideration and will await the outcome of discussions between the company and Scottish Executive ministers. The main points from the meeting are outlined below.

- 4.1.1 Boots management advised that Coutts an employment consultancy has been contracted to assist employees with future employment options. Councillor McCabe offered redundancy support through the Partnership Action for Continued Employment (PACE).

The company has no predetermined future plan for the site. Boots management asserted that no reasonable propositions for the site would be discounted and that they are prepared to consider making a contribution to the establishment of a regeneration fund for the future for area.

- 4.2 The Director of Planning & Environment met with officials from the Scottish Executive and Boots management on Friday 21st of February, to discuss regeneration plans for the area in light of the Boots closure. The main conclusions from the meeting are outlined below.

- 4.2.1 A need exists to increase assistance through Scottish Direct Investment/Scottish Enterprise Lanarkshire with the marketing of the business and/or the site and buildings.

- 4.2.2 Consideration should be given for Regional Selective Assistance to support new businesses in the area.

- 4.2.3 A need exists to develop a regeneration plan for the Airdrie/Coatbridge area.

- 4.3 A meeting of the Pace partnership was held on the 26th February. PACE partners are ready to assist those facing the threat of redundancy. However, negotiations are continuing between the trade unions representing the workforce (USDAW and AMICUS) and management at the factory. Consequently any intervention by PACE will only take place once a resolution to negotiations has occurred.

- 4.4 The Director of Planning & Environment met with Helen Liddell MP, Secretary of State for Scotland and UK parliamentary representative for Airdrie and Shotts, to discuss North Lanarkshire Council's response to the closure announcement. An update consistent with that above was presented. The Secretary for State expressed the need for the establishment of an intervention taskforce as an effective response to the impending closure.

5.0 Economic Impact

- 5.1 Estimates of the 'knock-on' effect of the 1,000 job losses range from an additional 200 jobs (Scottish Executive Estimate) to 900 (Scottish Enterprise Lanarkshire Estimate). The Policy & Economic Development service within the department of Planning & Environment also commissioned a worse case scenario 'knock on' calculation from the Strathclyde Labour Market Intelligence Service (SLIMS). The SLIMS forecasts derived from a Cambridge Econometric Local Economic Forecasting Model estimate an additional 1,398 job losses over the closure period (2003-05). This figure was issued to the Glasgow Evening Times who printed a feature on the Boots closure on their front-page on the 18th February 2003.

6.0 Forthcoming Developments

- 6.1 Council Leader, James McCabe, the Chief Executive and the Director of Planning & Environment will be meeting Enterprise Minister Iain Gray on Monday 10th March to discuss a range of interventions required following the closure announcement. The Policy & Economic Development service are producing a discussion document for this meeting outlining the need for the Scottish Executive to commit additional resources to the area. This document is intended to form the basis of any future regeneration plans for the Airdrie and Coatbridge areas.



David M. Porch
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For further information please contact David McLay on 01236 616 282.

Briefing Report: for Councillor Sullivan

Briefing Paper by: Maureen McConachie

Policy and Economic Development Services in Airdrie

Introduction

This short briefing paper has been prepared to describe the Policy and Economic Development Services in Airdrie.

Summary of the Services

- Routes to Work

Routes to Work Ltd is the new jobs access Community intermediary organisation operating principally in the Social Inclusion Partnership areas within North Lanarkshire. The organisation facilitates access to services and support for those individuals who are most excluded from the labour market. The client group is primarily made up of non-new deal clients and are the most difficult to place, long term unemployed.

Routes to Work Ltd activity will be delivered locally within Airdrie, as follows: -

- Plains youth project community education centre
- Plains community centre
- Youth United, Main Street, Airdrie
- Victoria community education centre, Whinhall
- Chapelhall Library, Chapelhall
- Ex-PLUS offices, Petersburn
- Thrashbush Pavillion, Thrashbush

Access to all of these sites has been agreed. Activity will commence over the next two weeks or various times according to how quickly RTW staff can gain access. This schedule will change over the next few weeks/months.

The Action Teams

The Lanarkshire Action Team for jobs is a separate initiative managed by Job Centre Plus. Building on the success of New Deal, Action Teams offer a voluntary service and aims to help jobless clients, particularly those who do not already use the job centre services.

Assistance includes Travel to Work, employer subsidies and individual training needs.

The Action Teams coverage in the Airdrie area is currently in the Chapelside Community Education Centre in Ward 42.

European Support

To facilitate the role of Routes to Work Ltd a special "Skills for Growth" application and an Employer Intermediary Resource has been recently submitted to the Strathclyde European Partnership. In addition an application has been made for ESF resources for a new initiative called North Lanarkshire Build IT.

1. Skills for Growth

An application has been made to the European Social Fund to create a sector specific training programme for SIP residents across North Lanarkshire linked to key sectors. The training will be in the following 6 areas: Call Centres, Retail, Plant Operations, General Construction Maintenance, Care and Administration. The training will be for 180 SIP residents and will provide prevocational and vocational skills, work experience, and a package of bespoke support measures (e.g. provision of protective clothing, assistance towards travel and childcare costs, and in-work support including wage subsidies where appropriate). The training will lead to industry recognised qualifications and be delivered on average within 10 weeks. The total cost of the project is £446,788 and the funding package includes funding from NLC, North Lanarkshire SIP, SEL (Training for Work) and the European Social Fund (£201,054). A decision from the European Social Fund is expected by 3 July 2003.

2. Employer Intermediary Resource

An application has been made to the European Regional Development Fund to provide an additional employer liaison resource to the North Lanarkshire Community Organisation-Routes to Work Ltd. The post will be based within Routes to Work and will liaise with local employers and local business support services. The post will seek to ensure that intelligence regarding the recruitment and skills requirements of employers is fed back into Routes to Work to inform the development of assistance to for unemployed individuals to meet the needs of employers. This will assist in maximising the job outcomes of Routes to Work and lead to the development of a pool of labour that matched local employers needs. The focus of the post will be on maximising job outcomes for SIP residents. The total cost of the project is £78,445 and the funding package includes funding from NLC, Scottish Enterprise Lanarkshire and the European Regional Development Fund (£27,456). A decision from the European Regional Development Fund is expected by 3 July 2003.

3. North Lanarkshire Build IT

An application has been made to the European Social Fund to create an IT skills project for SIP residents. The training will provide 36 unemployed SIP residents with prevocational training and IT skills related to PC construction and use of software packages. Following successful completion of the training, the participants would retain their PC kit thus increasing the numbers of PCs and digital inclusion both within the home and within the SIPs. Training will be delivered in partnership with Coatbridge and Motherwell colleges. The total cost of the project is £446,788 and the funding package includes funding from Motherwell North SIP, NLC, Coatbridge College, Motherwell College, SEL (Training for Work) and the European Social Fund (£48,814). A decision from the European Social Fund is expected by 3 July 2003.

4. Women's Placement Programme

The Women's Placement Programme is a unique programme mixing training, delivered in the local community, with work experience, and is aimed at assisting long-term unemployed women back into work or further education. The programme is delivered at child-times and provides childcare, travel and subsistence to beneficiaries. The programme includes STEPS to Excellence confidence building and an Introduction to Management certificate. The Council have been awarded European Social Fund money to assist them and North Motherwell SIP to run four new programmes between April 2003 and March 2004. Currently the Department has approval to establish four new WPP projects and it is proposed that one of these will be in Airdrie.

5. Lanarkshire Key Fund

The Lanarkshire Key Fund is a grants scheme run in partnership between North Lanarkshire Council, South Lanarkshire Council, Scottish Enterprise Lanarkshire and the European Regional Development Fund. It awards grants up to £30,000 under three categories- Employment and Training, Community Capacity and Developing the Social Economy. In Airdrie it has awarded funding to Youth United for a multi-media Training and Development worker.

6. Training Assistance Grant (TAG)

TAG aims to boost the employment prospects of local people who are out of work by enabling them to be trained in skills required by local employers.

TAG is a grant of up to £650 toward the cost of a short-term training in demand with local employers as long as it is linked to a definite job offer.

Any NLC resident unemployed for 3 months or more can apply. People made recently redundant or under threat of redundancy can apply without having to wait the three-month qualifying period.

During the year 2002-2003 23 people from Airdrie have applied for the grant and 17 of these applicants have secured an award. Of the 17, 16 were male and 1 was female.

7. Partnership Action for Continued Employment (PACE)

PACE is a Scottish Executive initiative promoted by the department for Enterprise and lifelong learning which attempts to standardise and co-ordinate redundancy support in Scotland. The Lanarkshire PACE response team comprises all the major agencies i.e.; SEL, Careers Scotland, Job Centre Plus and North & South Lanarkshire Councils.

Through this organisation redundancy support is targeted directly to the affected workforce either on site in the company premises or outwith if this cannot be arranged.

Support through PACE provides workers with advice information and practical help in Jobs Access, Training availability, Welfare Benefits and Money advice, Career choices etc.

8. Better Homes – Stronger Communities

(Petersburn and Craigneuk – Airdrie)

BHSC is currently supporting a number of groups in Petersburn and Craigneuk in Airdrie: These include the Petersburn and Craigneuk Community Forum (PCCF), the New Petersburn Partnership (NPP) and Tenants and Residents of Uist Place (TROUP).

Petersburn and Craigneuk Community Forum are the umbrella organisations for Petersburn and Craigneuk area offering support and advice to voluntary groups. PCCF have recently secured a grant from North Lanarkshire Social Inclusion Partnership to hold two community consultation events which will positively target individuals and groups who wish to come together to address the issues affecting this geographical area. These events will be taking place towards the end of April beginning of May 2003 in Airdrie Football Stadium. At this event BHSC will have the opportunity to market its service: offering support and assistance to tenant based housing organisations in Craigneuk.

Petersburn and Craigneuk Community Forum have also been awarded a grant from the Lanarkshire Key Fund to enable them to open a much needed food co-op in the Four Isles Community Centre in Petersburn for the residents in both these areas.

BHSC is also involved in the New Petersburn Park initiative with Linkwide.

Routes to Inclusion Partnership

- Routes to Inclusion Partnership agreed to focus an element of new training activity acknowledged Growth Sectors: Health, Care, Retail, Call Centre and Construction. In conjunction with SEL, PEDS are leading on developing more opportunities within NLC and initially the following employers have been targeted:
 - Social Work (Home Support Workers)
 - Maintenance Property Care (Administration, call centre)
 - Amey Roads (Road worker)
 - Saltire Facilities Management (Administration, call centre)
- The basis of the project is to provide unemployed people with a range of pre vocational and vocational training that will enable them to take up these opportunities. Part of the programme can include work placement with the employer.
- The training that individuals receive is to be customised for each employer in order that it is focused on their own recruitment needs and timescales. In return we ask that employers grant an interview to trainees as appropriate.
- If the trainee is not able to gain employment with the employer, then we actively seek to place the newly trained client with a suitable company.