

Councillor Adrian Mahoney

WELCOME

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Building for Growth



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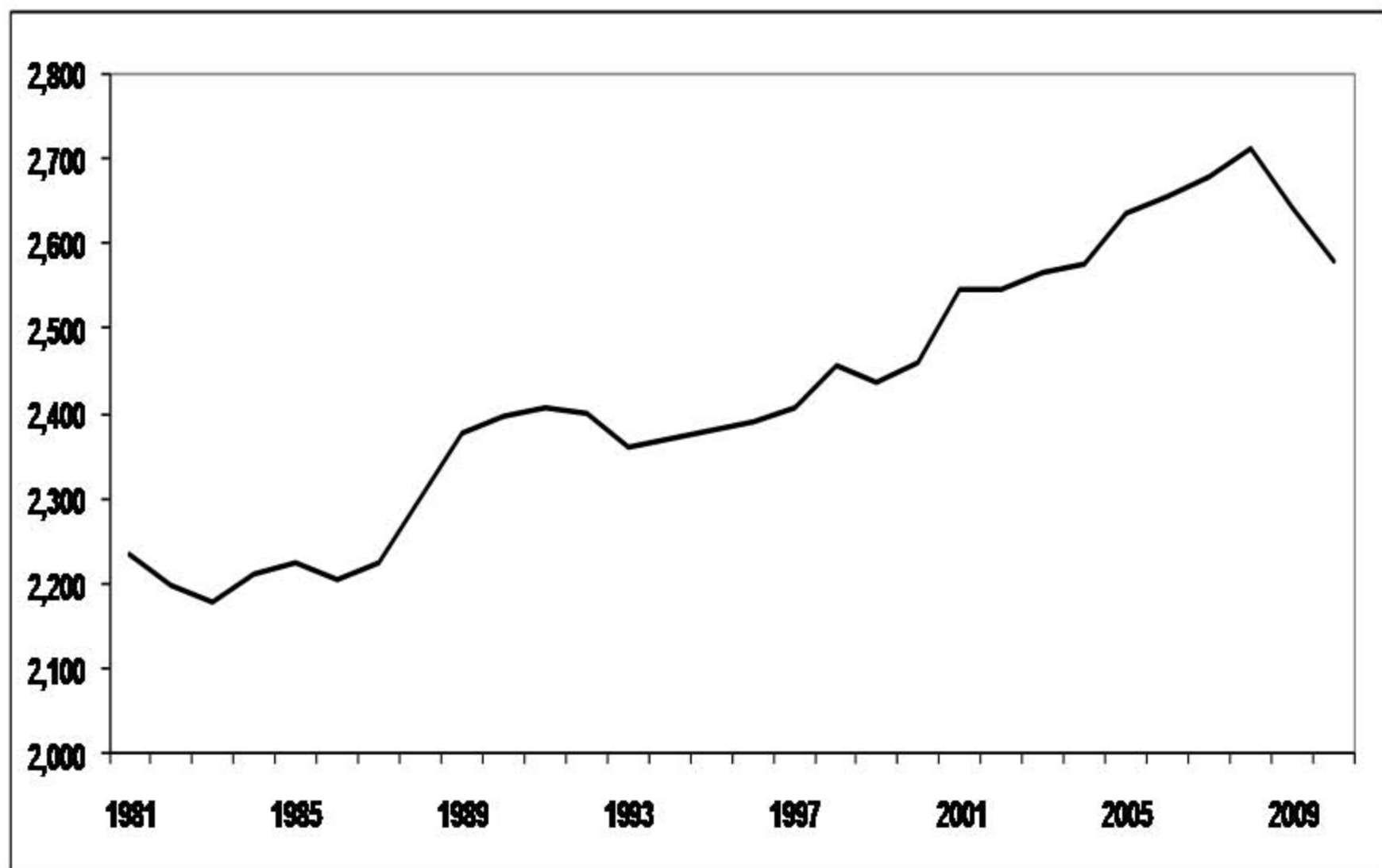
BUILDING FOR GROWTH: BACKING FALKIRK'S FUTURE

REALISING POTENTIAL OF OUR YOUNG PEOPLE

24TH AUGUST 2011



- 1. We were used to steady growth for nearly 20 years (SEE CHART)**
- 2. Now no one really knows where economy goes next in terms of type and timing of recovery (SEE CHART)**
 - 'bumping along bottom' most likely for next few years**
- 3. Measures to reduce public sector funding gap all lower growth rates in short to medium term.**
 - Cuts only now kicking in with a vengeance**
 - Scottish Government budget will not reach 2009/10 levels again until 2025/26**
- 4. Scottish/UK economy now largely dependent on export-led growth**



1. V Shaped



2. Double Dip



3. Bumping Along



5. **Even if economy does recover, impacts on employment potentially modest for some time:**
 - **Until labour hoarding in current recession unwinds**
 - **Growth gets above 2.0-2.5% per annum (productivity factor)**

6. **Will remain extremely tough for those outside labour market – young people and others trying to get into labour markets**

- 1. Young generally fare badly because outside labour market trying to get in**
 - Employers cut back on recruitment due to reduced demand
 - Employees sit tight leading to many fewer turnover vacancies
- 2. Young people suffer most damage from unemployment**
 - Increases probability of future unemployment
 - Reduces long-term earning power
- 3. Long-standing concerns about 'lost generation' in labour market terms**
 - Big issue in 1930s
 - Again in late 1970s/early 1980s
- 4. Big issues for employers and economy if stock of skills gets depleted**

- 1. Often hard to tell impacts at early stage as previous recessions show 'disguised unemployment'**
 - More stay on longer at school
 - More go to college and university

- 2. Since start of recession:**
 - Nearly 100% increase in 18-24s claiming unemployment benefits in Falkirk - increase above Scottish average (SEE CHART)
 - Currently around 1450 – highest level for 20 years – not counting hundreds of 16/17s not in education, training or employment
 - Unemployment rate is 10.7% for young people in Falkirk compared to 4.6% overall

- 3. Bear in mind currently around two thirds of Scottish 16-19s work in only 4 sectors**
- **Hotels and restaurants**
 - **Wholesale and retail**
 - **Other community, social and personal services**
 - **Construction**
- So job prospects heavily dependent on prospects for their sector**

		July 2008	July 2011	% Change
Scotland	18-19	8,575	15,445	80.1
	20-24	15,420	29,590	91.9
Falkirk	18-19	265	520	96.2
	20-24	465	915	96.8

- 1. Most young unemployed people just want a job – or an experience that can lead directly to a job**
 - Employers can provide this
 - Need private sector employers to support strongly due to cuts in public sector
- 2. Lots of government ‘schemes’ in past failed to deliver on this**
 - Employers need to challenge useless government schemes
- 3. Many employers do not recruit young people, particularly if unemployed. Employers who do need to testify to their value to the business.**
 - Employer persuading employer, more effective than government agencies
- 4. Around 3,500 businesses in Falkirk area - if 10% took on 1 young person would cut youth unemployment by 25%**

- 1. Recruitment and training young people needs to work for employers on the bottom line**
- 2. In uncertain economic conditions, employers rightly cautious about recruiting and training – and indeed in investing more generally**
- 3. However, business benefits are there to be had from investment in skills. For example, research shows that**
 - Productivity gains 5 times wages growth from training investment**
 - Apprenticeship training particularly valuable for employee, economy – and the businesses**
 - On balance, investment in skills increases employee retention**
 - Employers providing workforce training more attractive to people looking for work**

- 1. Public sector bodies must do more to support the economic recovery – and this means doing things that add value for businesses**
 - **Joined up approach by public sector bodies around supporting employers**
 - **Designing interventions that fit business needs**
 - **Making financial and other supports easy to access for businesses**
- 2. Public sector needs to practise what it preaches**
 - **Falkirk Council fantastic track record in recruiting apprentices and helping more disadvantaged young people get a start in labour market**
- 3. Falkirk Council's Backing Falkirk's Future launched today**
 - **Tailored support and financial incentives (training costs and recruitment grants) for employers to stimulate additional entry level traineeships**
 - **Focused on current and emerging recruitment needs of employers**

- 4. Falkirk Council's efforts are a model other parts of Scotland would do well to follow**

- 5. At Scottish level, Skills Development Scotland (SDS) offer a range of support for recruitment and training**
 - Modern Apprenticeships – 25,000 starts for each year**
 - Employer Recruitment Initiative (ERI)**
 - Flexible Training Opportunities**
 - Graduate Placement Programme****SDS launching Scottish Apprenticeship week on 5 September**

- 6. But other stuff we/public sector need to do:**
 - Favour business recruiting and training young people through public sector procurement**
 - Cutting back lot of 'red tape'**
 - Focus more on funding education and skills that help meet needs of economy**

- 7. Public and private sector often have a 'go' at each other - but now is time to act in concert to**
- Provide employment and training opportunities for our young people**
 - Build up our stock of skills to enhance business competitiveness to aid recovery**
- We need to make this happen! We can make this happen!**

Allied International Peter Duncan

 backing
Falkirk's
future
Recruit, Retain & Train



Falkirk Council

Paul's Quality Butchers

Paul Conway

backing
Falkirk's
future
Recruit, Retain & Train



Redeem

Curt Hopkins



Councillor Craig Martin

Closing Remarks