Glasgow: the context, challenges and responses

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Head of Economic Development, Glasgow City Council
The Context
Chart 1: Employment Levels Over Time (1996 = 100)

Source: Annual Employment Survey; Annual Business Inquiry and Business Register and Employment Survey
Note: Time series breaks between 1997 and 1998; and 2007 and 2008
Table 1: Glasgow DWP Out of Work Benefit claimants, 2006-2013

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2013</th>
<th>Change 2006-2013</th>
<th>% Change 2006-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>JSA</td>
<td>15,690</td>
<td>24,080</td>
<td>+8,390</td>
<td>+54</td>
</tr>
<tr>
<td>IB/ESA</td>
<td>57,920</td>
<td>50,740</td>
<td>-7,810</td>
<td>-12</td>
</tr>
<tr>
<td>Lone Parent</td>
<td>13,930</td>
<td>6,930</td>
<td>-7,000</td>
<td>-50</td>
</tr>
<tr>
<td>Other</td>
<td>2,680</td>
<td>1,930</td>
<td>-750</td>
<td>-28</td>
</tr>
<tr>
<td>Total</td>
<td>90,220</td>
<td>83,680</td>
<td>-6,540</td>
<td>-7</td>
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</tbody>
</table>

Source: DWP WPLS
• Glasgow’s employment rate suffered over the most recent recession - falling by 5.8% in comparison to a Scottish fall of 2.9%, and a UK fall of 1.5% over the same time period.

• Similarly, Glasgow’s youth unemployment rate suffered significantly – increasing by 11.5% more than the UK average, and 10.3% more than the Scottish average.
Glasgow City Council - Context

Underemployment rate for selected Scottish cities and Scotland, 2004-2012

Source: Annual Population Survey

Underemployed as a percentage of all in employment aged 16+

- Scotland
- Aberdeen
- Edinburgh
- Dundee
- Glasgow

2004: 6.0%
2005: 6.6%
2006: 6.0%
2007: 5.7%
2008: 6.1%
2009: 8.8%
2010: 11.8%
2011: 11.6%
2012: 12.2%

www.glasgow.gov.uk
YOUTH EMPLOYMENT

• Post-recession, Glasgow’s youth employment rate had a higher recovery than the UK and Scottish averages.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glasgow</td>
<td>34.0</td>
<td>41.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Scotland</td>
<td>53.2</td>
<td>52.6</td>
<td>-0.6</td>
</tr>
<tr>
<td>UK</td>
<td>49.7</td>
<td>49.8</td>
<td>0.1</td>
</tr>
</tbody>
</table>

• Similarly, the overall employment figure has increased by 3.6% in the last year (Scotland +0.4%, UK +0.7%).
Glasgow’s youth unemployment level fell by 7.9% between 2012 and 2013 – a full 7.8% more than the Scottish average, and 7.1% more than the UK equivalent.

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<th>2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glasgow</td>
<td>32.4</td>
<td>24.5</td>
<td>- 7.9</td>
</tr>
<tr>
<td>Scotland</td>
<td>20.7</td>
<td>20.6</td>
<td>-0.1</td>
</tr>
<tr>
<td>UK</td>
<td>20.9</td>
<td>20.1</td>
<td>-0.8</td>
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</tbody>
</table>
Glasgow Economic Leadership Key Sectors

- **Tourism & Events**
- **Engineering, Design & Manufacturing**
- **Financial & Business Services**
- **Life Sciences**
- **Low Carbon Industries**
- **Higher and Further Education**
Oxford Economics Research

Glasgow sectors expected to grow through to 2017.

- Administration and support service: +11,000 jobs.
- Professional, scientific and technical service: +9,000 jobs.
- Retail: +4,000 jobs.
- Accommodation and food: +2,000 jobs.

Occupations where employment is projected to grow by 2017.

- Associate professionals: +5,000 jobs.
- Managers and senior officials: +4,500 jobs.
- Professionals: +2,500 jobs.
- Care and leisure: +2,000 jobs
The context

- Employment lower than Scottish average but moving in right direction
- Significant fall in youth unemployment between 2012 and 2013
- Glasgow still has higher proportion of Scottish jobs than in 1995
- Commonwealth Games has helped protect Glasgow from worst of recession
- City Deal can bolster city’s economy over next 20 years
- Underemployment growing issue in city – need to develop policy responses to this
- GEL sectors key to growing the economy, but need to look at key sectors for local labour market
The Challenge
The groups most likely to be affected by in work poverty have been identified as

• 16 – 24 year olds
• those with no qualifications
• lone parents
• disabled people (long term sick)
• women
• Lowest paying sectors are retail, care, hospitality, catering and admin and secretarial.
• 16% of employees in the city have no qualification
• Employers are less inclined to invest in training for these employees than those who already hold qualifications
• More likely to affect those workplaces with fewer than 50 employees – over 90% of companies in Glasgow
The Response
• Glasgow Living Wage – first in Scotland, launched in 2009 with 150 employers

• Glasgow Guarantee – tied to Glasgow Living Wage. Jobs must be sustainable (18 months+)

• Single Outcome Agreement

• Glasgow Works Strategy

• Financial advice – greater integration with employability

• Credit Union support

• Action on Pay Day Lending

• City Deal
Glasgow Living Wage

- Launched in 2009 by the Leader of the Council
- 150 employers, employing over 50,000 people
- Cost £1.2 million - £7 an hour in 2009, £7.65 in 2014
- Lifted salary of 581 lowest paid employees by up to £1100 a year
- Innovative solution
- 94% of those affected were women
- However, by 2014 this had dropped to 130 employers
- Can’t enforce
- Challenge to bring employers along
Glasgow Guarantee

• Worth £8million per year
• Commonwealth Apprentice Initiative – focus on school leavers
• 50% wage subsidy for employers for 1 year
• Commonwealth Jobs Fund – 18-24 and 50+
• Commonwealth Graduate Fund – unemployed/underemployed
• Commonwealth Youth Fund – 16-19 year olds
• 5000 young people into work or apprenticeships since 2009
• Posts tied to Glasgow Living Wage and must be additional
SINGLE OUTCOME AGREEMENT

Targeted, co-ordinated assistance including:

• monetary advice and budgeting assistance
• employability support services
• child care support
• housing advice
• signposting (e.g. Credit Unions).
GLASGOW WORKS STRATEGY REFRESH

- People .... in work....at risk

- Young people, defined as the under 25s.

- Workless people more distant from the labour market
DEVELOPING RESPONSES

• New European Structural Fund Programmes
• More focus on Stage 5 activity
• Recent City Deal pilot
• Sector focused employer led interventions
• £300k programme
Glasgow City Council – Our response

What can we do?

• Working with employers – properly incentivise
• Promotion of financial advice
• Childcare!
• Living Wage – contracts?
• Need tangible solutions
Glasgow City Council – What can we do?

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www.glasgow.gov.uk