



The Scottish Training Federation

Press Release – For Immediate Release

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EMPLOYABILITY FUND CUTS RESULT IN BUSINESS CLOSURES

Businesses will close – and opportunities for young people seeking work will be significantly reduced – following cuts to the Scottish Government Employability Fund, according to a survey conducted by the Scottish Training Federation (STF).

The number of places allocated to the Employability Fund – which provides young people with skills and training to help them find employment – has been reduced from 15,085 to 9,000 in the current year. This represents a budget reduction of around £13m.

The STF survey of businesses currently delivering the Employability Fund highlights that:

- 25% will be forced to close this year
- 67% will reduce staff numbers
- 38% expect fewer opportunities for young people in rural areas
- 42% expect fewer opportunities for young people who require additional support.

Blantyre-based ITEC Integrations will be particularly affected by the changes. The company has delivered a range of Government Funded training programmes in Lanarkshire for more than 30 years – including the Employability Fund for the last three years – but has now been forced to review its future business operations after receiving no places.

Managing Director of ITEC Integrations, Bill Houldsworth, said: ‘The Employability Fund programme works well for both employers and for young people bridging the gap to employment’.

‘We have consistently received excellent feedback about our quality and performance in delivering the Employability Fund from Skills Development Scotland. Despite this, because of the reduction in the budget, we have been informed that we will not be offered a contract this year.’

‘Put simply, our business is now at risk’

‘We have had to absorb large reductions in the funding available for Modern Apprenticeships over the last five years. The added loss of Employability Fund places leaves me gravely concerned about the continued operation of the business.’



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STF Chief Executive, Stuart McKenna, said: 'This survey shows the stark results of the cuts to the Employability Fund – businesses closing – and less support for young people who need help to get a job.' 'These cuts were introduced at very short notice and without consultation – and several of our members have already been forced to close down.'

'With many young people using the Employability Fund as a stepping stone to a Modern Apprenticeship, there is a real fear that the number of Modern Apprentices being recruited may decrease.'

ENDS.

Media Contact: Lynsay Bryce, Xtra-Mile.com 0131 339 9461

Notes to Editors:

1: The Scottish Training Federation (STF) represents over 130 training providers operating in the field of work based training across Scotland. STF members comprise a broad mix of independent training providers, group training associations, colleges and local authority training departments – and cover a wide range of occupational areas. The majority of STF members are involved in the delivery of government funded training including Modern Apprenticeships and Employability Fund programmes in Scotland.

2: For further information on the Scottish Training Federation visit www.stf.org.uk