

EAST AYRSHIRE COUNCIL

CABINET - 19 AUGUST 2009

“KEEP JOHNNIE WALKER IN KILMARNOCK” CAMPAIGN

Report by Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

- 1.1** To advise the Cabinet of the progress on the campaign and to seek approval for the provision of additional funding to continue with campaign activity over the 90 day consultation period in respect of Diageo's proposed closure of their Johnnie Walker Kilmarnock Packaging Plant.

2. BACKGROUND

- 2.1** On 1 July 2009, Diageo announced their proposal to close their Johnnie Walker Kilmarnock Packaging Plant over a two year period, with the loss of approximately 700 jobs by the end of 2011, and to contract-out to third party logistics company, Malcolm Group, their Johnnie Walker, Hurlford Consolidation Warehouse resulting in 64 despatch warehouse jobs at Hurlford being transferred under TUPE Regulations and with Diageo exiting the site in early 2010.
- 2.2** In response to these announcements, the Council established an all-party Working Group including representatives from Trade Unions and the local business community. It has been agreed to coincide with the 90 day consultation period which commenced on 1 July 2009, to carry out a local campaign over this period co-ordinated by the Council. To date, a wide range of events and activities have been implemented and the campaign has secured over the first 36 days of the campaign, (at the time of writing of this report) significant national and international publicity for the campaign. Details of the activities and events are given in the appendix to this report but given that the period for consultation continues until 29 September 2009 and in order to sustain the campaign, additional funding will be required to support future initiatives.

3. FINANCIAL PROPOSALS

- 3.1** The Cabinet at its meeting on 8 July 2009 agreed to approve the allocation of £50,000 from the General Fund Balances in respect of the “Keep Johnnie Walker in Kilmarnock” Campaign. That sum has been fully committed.
- 3.2** Given the need for a sustained campaign, additional funding of £50,000 is sought. However, having considered the nature of the campaign to date and the activities involved, for example, the rally held on 26 July 2009, it is considered that funding from the Kilmarnock Common Good Fund could be utilised to fund a range of elements associated with the campaign. Accordingly, it is suggested that an allocation be made from the General Fund

Balances in the sum of £25,000, from which ringfenced budget expenditure can be authorised in accordance with the Council's usual accounting practices. In addition it is also proposed that an allocation of £25,000 be made available from the Kilmarnock Common Good Fund.

- 3.3** Authority has been delegated to the Head of Democratic Services to progress the campaign together with authority to spend approved expenditure. It is proposed that this remit to the Head of Democratic Services continue in terms of the new funding but that in regard to the funding from the Common Good Fund, that such funding be implemented in consultation with the Executive Head of Finance and Asset Management or the Financial Controller. In terms of overall reporting, the Executive Head of Finance and Asset Management will report to Cabinet in accordance with normal practice on the expenditure against budget headings.
- 3.4** In addition, a review of the total expenditure on the campaign will be carried out to ascertain if other elements of the campaign expenditure can be attributed appropriately to the Kilmarnock Common Good Fund and a report on such proposals and any identified expenditure will be submitted to the Cabinet for approval prior to any transfer of additional funding from the Kilmarnock Common Good Fund to the General Fund Balances (other than the £25,000 identified within this report).
- 3.5** The balances of the Kilmarnock Common Good Fund as at 31 March 2009 are £0.221m comprised of capital £0.153m and revenue £0.068m.

4. LEGAL/POLICY IMPLICATIONS

- 4.1** The funds from the Kilmarnock Common Good Fund can be applied for any purpose that is considered to be in the interest of the community so long as it is considered to be a proper and honest act of administration and is not contrary to legislative provisions. It is the view of Officers that the "Keep Johnnie Walker in Kilmarnock" Campaign is an appropriate activity in respect of which funding can be utilised from the Common Good Fund.

5. RECOMMENDATIONS

- 5.1** It is recommended that the Cabinet
- (i) approves the allocation of £25,000 from the General Fund Balances and £25,000 from the Kilmarnock Common Good Fund in respect of the "Keep Johnnie Walker in Kilmarnock" Campaign;
 - (ii) agrees that the authority remitted to the Head of Democratic Services to expend approved finance continue but that in respect of funding allocated against the Kilmarnock Common Good Fund, that he liaise with the Executive Head of Finance and Asset Management or the Financial Controller as appropriate; and

- (iii) agrees that the Head of Democratic Services reviews the total expenditure on the campaign to ascertain if other elements of the campaign expenditure can be attributed to the Kilmarnock Common Good Fund and submit a report to a future meeting of Cabinet in respect of any proposals in that regard.

Elizabeth Morton
Depute Chief Executive/Executive Director of Corporate Support

5 August 2009
BW/SC

LIST OF BACKGROUND PAPERS - NIL

Any person wishing further information on this report please contact Bill Walkinshaw, Head of Democratic Services on Tel No 01563 576135.

Implementation Officer: Bill Walkinshaw, Head of Democratic Services

APPENDIX

“KEEP JOHNNIE WALKER IN KILMARNOCK” CAMPAIGN SELECTION OF ACTIVITIES/EVENTS

British Open, Turnberry

Hire and positioning of campaign A frame adjacent to A77 (five days x 40,000 motorists per day)

Campaign presentational material within tented village

Presence within tented village

Publicity Material

Various banners including street banners, road sign posts.

Railway station banner.

Car stickers

Council vehicle campaign stickers

General campaign badges and stickers

Main A frame campaign advertisement (located on Johnnie Walker vehicle)

Headquarter flag

Mail Franking Logos

Campaign Advertising

Various key note campaign messages from cross-party spokesman in the national newspapers

Rally - 26 July 2009

Artistes costs

Entertainment costs

Stage costs

Filming/recording costs

Licensing performance rights

Placards/flags

Traffic Management Arrangements

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