

EAST AYRSHIRE COUNCIL

CABINET – 8 JULY 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 decision of Diageo plc to enter into a 90 day consultation period in respect of their proposed closure of 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 out-contract to third party logistics company, Malcolm Group, their Johnnie Walker, Hurlford, consolidation warehouse, resulting in 64 dispatch warehouse jobs at Hurlford being transferred under TUPE regulations and with Diageo exiting the site in early 2010.

2. INTRODUCTION

- 2.1 In response to the announcements referred to above made on Wednesday 1st July 2009, in respect of which the Council had no notification, an all party working group has been established and the ‘Keep Johnnie Walker in Kilmarnock’ campaign will be launched officially in this week’s edition of the Kilmarnock Standard.
- 2.2 A significant number of events and a wide range of publicity is being planned. To date, the Leaders of the three political groups of the Council have had published in the editions of The Herald and The Scotsman on Saturday 4th July 2009, a letter condemning Diageo’s announcements and since then the media coverage has continued. In addition, a great deal of work has been undertaken in respect of the production of campaign posters, leaflets and preparations are well in hand for a march and rally – ‘Striding Forward Together’ – to be held on Sunday 26th July 2009.
- 2.3 Given that the period for consultation is 90 days, and runs from 1st July 2009, it will be important for the Council as the lead in the local campaign and a significant focal point in all of the work being undertaken at all levels of government to persuade Diageo to change its mind, to continue to maintain and, indeed, continue to raise the profile of this decision by Diageo which, if it is fulfilled, will have a devastating effect on Kilmarnock and the wider East Ayrshire area, bringing as it would our unemployment level from 5.7% to 6.9%, the highest in Scotland. To sustain the campaign will require continuing input of resources, both through the efforts of Members and officers and direct funding of external acquisitions such as staging, hiring of equipment, certain advertising costs, and so on. As the campaign develops, only then will it be entirely clear as to final costs.

3. FINANCIAL IMPLICATIONS

- 3.1 Given the need for a sustained campaign over a 90 day period, and the potential costs as outlined in this report, it is proposed that an allocation be made from General Fund balances in the sum of £50,000, from which ringfenced budget expenditure can be authorised in accordance with the Council's usual Accounting Practices. The Executive Head of Finance and Asset Management will report to Cabinet in accordance with normal practice on the expenditure against this budget heading.

4. LEGAL AND PERSONNEL IMPLICATIONS

- 4.1 There are no immediate legal or personnel implications.

5. RECOMMENDATION

- 5.1 It is recommended that Cabinet approves the allocation of £50,000 from General Fund balances in respect of the 'Keep Johnnie Walker in Kilmarnock' campaign.

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EM/JS

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BACKGROUND PAPERS

Nil

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