

## Closure of Fountain Brewery, Edinburgh

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### The City of Edinburgh Council

29 April 2004

#### Purpose of report

- 1 Following the report to Council on 19 February 2004, the purpose of this report is to highlight the progress in securing alternative employment for Scottish & Newcastle staff and to provide an update on the redevelopment of the site.

#### Main Report

##### Background

- 2 On 17 February 2004, Scottish & Newcastle executives announced the company's intention is to shut the Fountain Brewery at Fountainbridge in December 2004.
- 3 The brewery employs 170 staff and is understood to have offered staff retraining, redeployment within other parts of the Scottish & Newcastle group or a redundancy package.

##### Alternative Employment Opportunities

- 4 Partnership Action for Continuing Employment's (PACE) main aim is to minimise the economic impact of redundancies. It does this by:
  - a preventing loss of jobs where possible;
  - b ensuring alternative employment is found by those who seek it; and,
  - c providing an infrastructure that allows individuals to access support quickly.
- 5 The PACE main partners are Jobcentre Plus, the 4 Lothian Councils, Scottish Enterprise Edinburgh & Lothian, Inland Revenue and Careers Scotland.
- 6 PACE Teams provide a partnership approach to deal with redundancy situations. In Edinburgh and Lothian there is a PACE Strategy Team that normally responds to redundancy announcements by setting up a PACE Local Response Team (LRT).
- 7 The PACE LRT will work together with the employer to provide access, information and advice that compliment the company and any outplacement

service offerings. Resources are also provided to help market and match the workforce to appropriate opportunities, provide individual advice and guidance, and provide training opportunities in appropriate labour market skills.

- 8 The PACE team has held initial meetings with Scottish & Newcastle human resource managers. The team is working with the company to ensure the opportunities to redeploy staff are maximised. PACE packs have been provided for distribution to staff.
- 9 There are approximately 110 members of staff under threat of redundancy with an additional 60 under threat at the bottling plant. PACE had already been working with the company in regard to these 60 bottling plant workers. Of the workers under threat, 27% are in management positions, 18% are engineers and 55% are machinery operators.
- 10 Wrights Coutts Outplacement Consultants have been engaged by Scottish & Newcastle to aid with the redeployment of staff under threat of redundancy.
- 11 The company management have had one to one meetings with all the staff under threat to discuss options with them. They are actively trying to retrain staff and the following options are being looked into on a one to one basis:
  - a Re-locate to one of the other plants in the UK; or,
  - b Take up opportunities at one of the other Edinburgh based units, for example, headquarter offices at The Gyle; technical unit near the Scottish Parliament; headquarter offices at Ellersley Road or Bathgate Distribution Centre.
- 12 In addition, voluntary redundancy is being offered to all employees of Scottish & Newcastle and, if any staff members choose to take this up, these additional posts will be released to workers from Fountainbridge.
- 13 In the current labour market it is anticipated that the majority of staff will be easily redeployed, especially as re-training is being offered to all.
- 14 Furthermore, the Council can help in areas such as debt advice, access to employment programmes, housing advice, and access to Council job vacancies. The Jobcentre Plus team are fully aware of the services the Council can offer and of our support in this situation.

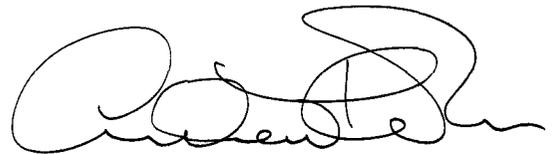
#### **Redevelopment of Site at Fountainbridge**

- 15 The Council is currently preparing a development brief for the Fountainbridge area, including land in Scottish & Newcastle's ownership. A comprehensive planning and design framework is required to maximise the major urban redevelopment potential of the area for the benefit of local residents and the city as a whole. In recognition of their key role as the major landowner in the area, the Council has agreed to work with Scottish & Newcastle and involve them in the preparation of the development brief.

- 16 As part of this process, the Council held a planning workshop on 2<sup>nd</sup> April 2004 to discuss the redevelopment of the Fountainbridge area. Over 60 participants attended, including local members, MSPs, local community representatives, heritage groups and potential developers.
- 17 The findings of the discussion groups at the workshop will assist the preparation of the draft Fountainbridge Development Brief which will be presented to the Council's Planning Committee in May or June 2004. Once the draft brief has been approved, it will be available for widespread public consultation before the Committee takes a final decision.
- 18 The development brief will be prepared within the context set by existing and emerging Structure and Local Plan documents and relevant national planning guidance. The demand for housing, particularly affordable housing, was raised as a key potential use at the workshop session and would also offer local employment opportunities. Consideration will be given to the demand for additional office development as well as the need to provide small-scale business space. The role of the canal in contributing to economic regeneration will be explored in detail. Other employment generating uses which may emerge include retail and leisure facilities.
- 19 The close proximity of the site to the expanding Exchange business district and associated developments offers excellent opportunities of employment for local residents and for staff made redundant from Scottish & Newcastle.

### **Recommendations**

- 20 The Council is recommended to:
  - a Note the content of the report;
  - b Note that a Fountainbridge Development Brief is currently being prepared, with associated consultation process to follow; and,
  - c Continue to work with partners in PACE to provide support for Scottish & Newcastle employees under threat of redundancy.



**Andrew M Holmes**  
Director of City Development

22.4.04,

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<b>Appendices</b>	None.
<b>Contact/Tel</b>	Suzanne Lockhart, Acting Senior Economic Development Officer – 0131 529 3141.
<b>Wards affected</b>	Ward 31: Fountainbridge.
<b>Background Papers</b>	None.