

**FOI 202100230472: CORRESPONDENCE BETWEEN THE SCOTTISH GOVERNMENT AND PLADIS IN DATE ORDER – PART 2**

**LETTER 17 – PLADIS TO SG – 14 JULY 2021**



FOI - 202100230472  
- SG and pladis - Let

**LETTER 18 – SG TO PLADIS – 25 JULY 2021**



FOI - 202100230472  
- SG and pladis - Let

**LETTER 19 – SG TO PLADIS – 5 AUGUST 2021**



FOI - 202100230472  
- SG and pladis - Let

**LETTER 20 – PLADIS TO SG – 10 AUGUST 2021**



FOI - 202100230472  
- SG and pladis - Let

**LETTER 21 – SG TO PLADIS – 12 AUGUST 2021**



FOI - 202100230472  
- SG and pladis - Let



Cabinet Secretary for Finance and the Economy  
Scottish Parliament  
Edinburgh  
EH99 1SP

14 July 2021

Dear Cabinet Secretary,

Thank you for your letter of 8 July.

We have shared a great deal of information with the employee consultation group in recent weeks. This is to enable them to understand our business rationale for proposing the closure of Tollcross and also to inform the development of their own proposals. Jim Cuthbert, Factory General Manager at Tollcross, is leading the consultation for pladis and has an open offer to representatives to submit requests for additional information (to which he will respond in a timely manner), to enable them to formulate the alternative proposal to be discussed on 27 July.

If further information is needed to help aid the consultation, I am confident that Jim will respond quickly and appropriately to requests made through the formal consultation process. Indeed, we received the most recent requests for additional information on 10 July and Jim responded within two working days.

I understand that the Action Group is considering all options for support and are continuing to work closely with employee and trade union representatives who are present in the consultation. These representatives will be best placed to inform you of their thinking on an alternative proposal.

Unfortunately, I must continue to decline your invitation to join the full Action Group meeting on 15<sup>th</sup> July. We are at an important stage in the formal consultation process and I do not want to impede or confuse progress for either my team or the employee representatives. I would reiterate that both myself and the management team remain open to considering all alternative proposals that are presented through the formal consultation process.

Yours sincerely

David Murray  
**Managing Director, pladis UK&I**

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25 July 2021

Dear David,

Thank you for your letter of 14 July outlining that Jim Cuthbert, Factory General Manager at Tollcross would be the appropriate person to approach for information. I understand that the Trade Unions have approached Mr Cuthbert and received much of the information they were seeking.

As you are aware, the Trade Unions, along with Scottish Enterprise, are preparing to present their final proposal to Pladis at the consultation meeting on Tuesday 27 July. I am writing to encourage you to attend this meeting. The proposal is one that I think merits serious consideration from senior management at Pladis. You have emphasised that the consultation will be a meaningful one. If this is to be a meaningful exercise and, given that the unions have engaged professional advice to assist in developing the counter-proposal, I believe that it is critical for you as a key decision maker to be engaged in the conversation

I know that you, along with Salman Amin, are due to speak to the First Minister next week while I am on leave. I look forward to receiving a read-out of that meeting on my return.

Yours sincerely,



**KATE FORBES**



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5 August 2021

Thank you for taking the time to meet with me, the Deputy First Minister and Councillor Aitken on 29 July to discuss the proposed closure of the Tollcross site. We noted on the call that the counter proposal was tabled by Trade Unions with the support of the Action Group on 27 July.

The counter proposal offers an opportunity to develop a state of the art site in Glasgow that would address the overcapacity and cost per tonne issues cited as central considerations to the decision taken by Pladis to enter into consultation over closure of the Tollcross site.

As you are aware, this proposal has the full support of the Scottish Government and the wider Scottish public sector and I would like to reiterate the importance of giving this proposal thorough and genuine consideration. I was pleased to note your commitment to doing so during our meeting.

I understand that discussions on the counter proposal have now commenced and that Pladis have challenged a number of points in the proposal such as the size of the facility and the costs involved. Such challenges are, of course, expected during such a process and I would urge open engagement from your team at Pladis to understand all the technical and financial challenges they are citing.

As you will appreciate, it will take time, possibly some weeks, for those working on the proposal to make the necessary adjustments to address the points raised by Pladis in response. There is also a need for further information to be provided by Pladis to allow the proposal to be updated accordingly. Therefore, I would ask that you reiterate to your team the commitments given on our call to full transparency and to genuinely and carefully considering the counter proposal at a granular level, whilst allowing the necessary time for this.

In closing, I would be grateful if Pladis would commit to continuing constructive engagement by providing the updated information as requested by Trade Unions and the Action Group and to give sufficient time for the proposal to be recalibrated in line with the assurances you gave on our call. As I noted on our call, we can only undertake due diligence at the point that we have all the necessary information on an agreed proposal to then ascertain the package of public sector support that could potentially be available.

I would also urge Pladis to engage directly with the Action Group on these issues and I look forward to a future call to discuss the progress that has been made on the proposal.

Kind regards  
NRS

**NICOLA STURGEON**

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First Minister of Scotland  
Scottish Parliament  
Edinburgh  
EH99 1SP

10 August 2021

Dear First Minister,

Thank you for taking the time to meet with me on 29 July and for your subsequent letter dated 5 August.

I would like to reassure you we have been fully committed to the consultation process and have carefully examined the alternative proposal that has been presented by the employee representatives.

We acknowledge that the Action Group has invested significant time and energy into developing the alternative proposal. Our UK&I Managing Director, David Murray, and his team have fully reviewed and considered the details of the alternative proposal including meetings with Scottish Enterprise and Interpath. We have also had further discussions with employee and trade union representatives in the formal consultation.

The next consultation meeting is taking place today where the alternative proposal will be discussed again. While I would not want to pre-empt the outcome of the formal consultation meeting, in the spirit of transparency, I feel I should tell you that I am not optimistic. The alternative proposal does not currently meet our primary issue in the UK, which is significant over-capacity.

I am acutely aware of the impact of this proposal on our employees and the wider community in Glasgow. I would like to reassure you we would not have proposed the closure of Tollcross without fully exploring all potential options to address our capacity challenges.

Our priority continues to be our team in Tollcross, ensuring they get the support needed during this challenging process.

Yours sincerely

**Salman Amin**  
CEO, pladis Global



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12 August 2021

Thank you for your letter of 10 August in which you advise that David Murray and his team have fully reviewed and considered the details of the alternative proposal which was put to Pladis on 27 July.

I was extremely disappointed to learn that, on 11 August, Pladis announced the decision to proceed with closure of the Tollcross site with the loss of 468 jobs. This was despite assurances being given to attendees of the consultation meeting on 10 August that the company would continue to look at further iterations of the counter proposal.

The counter proposal that was presented to Pladis on 27 July was an excellent proposition to avoid the closure of the factory and retain these vital manufacturing jobs in Glasgow.

I note that you state that you feel the counter proposal does not address the primary issue of overcapacity. I also understand that a number of inaccuracies have been highlighted within the assumptions in the proposal.

I would point out that the Cabinet Secretary for Finance and Economy has written to Mr Murray on a number of occasions to request detailed information on the figures that led Pladis to consider the closure of the Tollcross site. As this information was not provided, the Action Group had no option but to make a number of assumptions.

I would again urge you to allow Trade Unions and public sector partners the necessary time to address these issues. I fully appreciate the responsibilities that Pladis has to its staff and why you are therefore seeking to proceed with the next steps in the consultation process however there is nothing precluding you from continuing to engage on other proposals concurrently.

There has been a perception by some that Pladis have been simply going through the motions in terms of the consultation process and I would urge you to work with Trade Unions and the other members of the Action Group to turn this perception around by working with them on the proposal in an open and constructive manner.

I would also again ask Pladis to engage directly with the Action Group on these issues. The next meeting is scheduled for 20 August and it would be most helpful if Mr Murray were able to attend and discuss these matters in person.

I was extremely disappointed following  
an constructive meeting - and your  
assurances - to read yesterday's announcement.

**NICOLA STURGEON**

I hope we can get  
a process of genuine  
engagement back a  
head.

SA Wole  
NS