

## COMMERCIALLY SENSITIVE

### AEROSPACE RESPONSE GROUP

22 June 2020 – 14:30 - 16:30

#### Attendees:

Scottish Government / Scottish Enterprise / Skills Development Scotland	
Jamie Hepburn MSP	Minister for Business, Fair Work and Skills
Richard Rollison	Deputy Director, SG
Linda Hanna	Managing Director, SE
William Scott	Key Sector Manager - Engineering, SDS
Employers	
Spirit AeroSystems	Nicola Spence, Program Director
GE Caledonian	Iain Rodger, Managing Director
Woodward	Andy Marshall, Site Manager
Wyman Gordon	Anthony Dimmer, Managing Director
Belcan	Steve Kilpatrick, Managing Director
Standard Aero	Nigel Amphlett, Govt Business Executive
Glenalmond Group	Jamie Mincher, Managing Director
Collins Aerospace	Andy Hodge, General Manager
Trade Associations	
Scottish Engineering	Paul Sheerin, Chief Executive Officer
ADS Scotland	Warrick Malcolm, Director ADS Scotland Stuart Gallacher, Chair, ADS Scotland
Trades Unions	
STUC	Cat Boyd, National Officer, PCS
Unite	Kenny Jordan
Prospect	David Avery
GMB	Alan Ritchie
Local Government	
South Ayrshire Council	Theo Leijser, Service Lead for Economy and Regeneration
Renfrewshire Council	Sandra Black, Chief Executive

#### AGENDA

##### 1. **Welcome & Opening Remarks – Jamie Hepburn MSP, Minister for Business, Fair Work and Skills**

The Minister began by thanking everyone for agreeing to be part of the group and acknowledged the circumstances around Covid 19 that have had such a significant impact on the aerospace sector. He reaffirmed the Scottish Government's aim to work with the aerospace sector to help preserve the manufacturing and R&D capability and secure jobs where possible. The Minister had spoken to his UKG counterpart and has sought BEIS membership within the group going forward.

##### 2. **Group introductions and business specific impact of pandemic – All**

The group members introduced themselves, their involvement in the sector and how the COVID-19 pandemic is affecting their businesses and workforce. There was growing concern that the current climate is proving challenging to the sector globally and that this may cause irretrievable damage to the sector in Scotland.

##### 3. **Wider Covid-19 impact and ramifications for Scottish Aerospace – All**

There was a commonality of concerns from across the sector. Civil aerospace had been particularly impacted by the pandemic with members highlighting significant reductions in demand that has led to extensive use of the Job Retention Scheme. It was also reported that there had been a minimal impact on activity related to the defence sector with demand holding steady.

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There were discussions around sustaining the industry and skillsets so that the sector is able to respond positively once global demand has returned. Attendees agreed it was likely to be a 3-5 year time scale before recovery would return to pre-COVID levels of activity.

A lack of new start apprenticeships now will result in a shortage of skills in four years. It was highlighted that support had been set aside previously for employment of under 25s following the 2008 financial crash, and this was an idea being proposed by the Economic Advisory Group, led by Benny Higgins. There was also discussion about the movement of skills into other sectors for a temporary basis as well as consideration of alternative market opportunities that the sector could explore such as aircraft decommissioning. It was recognised that any movement of skills would have to take due consideration of certification and licensing requirements. Group members were keen to share their experiences and best practice in diversification activities to support others.

It was highlighted that the group should look at how to maximise the use of existing funding mechanisms such as the city and growth deals, Aerospace Technology Institute (ATI), National Aerospace Technology Exploitation Programme (NATEP) and other opportunities such as those provided through the enterprise agencies and the National Manufacturing Institute Scotland (NMIS) in order to minimise the impact on the sector and secure longer term R&D opportunities.

There was consensus that a joined-up approach across the Devolved Administrations would also be beneficial.

There was a need to consider how Scotland remains a globally competitive location for aerospace manufacturing, particularly in the context of parent companies assessing their operations across a global footprint.

It was highlighted that the global nature of the pandemic was impacting upon supply chains. An understanding of supply chains and the potential opportunities for on-shoring activity would be useful and could help maintain skills as well as provide security and certainty of supply.

It was emphasised across the group that a return to global air travel would be a significant boost for the sector.

#### **4. Options open to Scottish aerospace (companies and supply chain) – Discussion, All**

There were wide-ranging discussions covering a number of potential ideas in order to tackle some of the challenges raised earlier in the meeting. These ideas have been grouped into the following high level themes:

- Pan-UK level activity
- People and skills
- R&D and Innovation activity
- Stronger supply chains
- Market opportunities and diversification

Mr Hepburn promised to reflect upon the discussions of the day and circulate a readout from the meeting to the group.

The next meeting has been scheduled for 14:30 – 16:30 Monday 6<sup>th</sup> July.