

COMMERCIALLY SENSITIVE

AEROSPACE RESPONSE GROUP

6 July 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
Jim Hannigan	NMIS-MSA , SDS
Gordon McGuinness	Director, Industry and Enterprise, 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	Graeme Hughes, Operations Manager
Glenalmond Group	Jamie Mincher, Managing Director
Collins Aerospace	Andy Hodge, General Manager
Chevron	Neil Morris, Managing Director
Trade Associations	
Scottish Engineering	Paul Sheerin, Chief Executive Officer
ADS Scotland	Warrick Malcolm, Director ADS Scotland Stuart Gallacher, Chair, ADS Scotland
Academia / National Manufacturing Institute	
University of Strathclyde	Matt Maynard, Director Strategic Projects
NMIS	Sarah Jardine, Chief Operating Officer
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

Apologies:

Billy Scott, SDS

Nigel Amphlett, StandardAero

Cat Boyd, PCS

AGENDA

- 1. Welcome, Opening Remarks, Recap of last meeting – Jamie Hepburn MSP, Minister for Business, Fair Work and Skills**
 - The Minister thanked everyone for meeting for a second time and ran through the main points of the first meeting which had raised a number of common issues with relation to COVID and the impact it has had on the work force. Group members had followed up on this and this has shaped the proposed work themes for consideration and discussion today.
 - The note of the last meeting was agreed.
 - In response to a question from ADS the Minister indicated that, despite prompts, BEIS had not responded to his invitation for a representatives from BEIS to participate in the Group. He noted that SG officials participated in a weekly call with the BEIS counterparts and the other devolved Governments.

COMMERCIALLY SENSITIVE

2. Introduction to work themes

The Minister introduced the themed sub-groups that had been agreed and was pleased to note that co-leads from the public and private sector had been agreed for each and that in some cases initial work was already underway.

2.1 Pan – UK level activity

The Minister set out activity to date. An extension of the furlough scheme was identified at the previous meeting as a potential avenue of support and the Scottish Government have pressed UKG on this issue at both official and ministerial level, including a letter to Minister Zahawi at BEIS.

Separately, the First Minister held an aviation roundtable with airlines and airports to discuss issues associated with the COVID-related drop in demand for air travel.

The Minister also committed to working more closely with other UK nations since there are issues that overlap with counterparts in NI and Wales.

It was noted that, working with ADS UK and through the Aerospace Growth Partnership, ADS Scotland was also active on these issues and that, where appropriate, it was important for Scottish Government and ADS activity to be joined up. It was agreed that SG officials and ADS Scotland would meet to discuss joint working and action.

Acceleration of signing of the Ayrshire Growth Deal to stimulate local investment at Prestwick was also identified as a priority by Group members. SG were pressing this with UKG at official and Ministerial level to support deal signature.

Brexit was the final issue being identified and while the Scottish Government position regarding was clear, this is another factor that needs consideration in the near future.

2.2 People and Skills

Gordon McGuinness (SDS) updated the Group that the first subgroup meeting is expected to take place by the end of this week and to focus on:

- Looking at job loss within the sector.
- Looking at people leaving the sector.
- Access to support for retraining.
- Skills enhancement and preservation of skills. Key aspect of workers being furloughed.
- Apprenticeships and how to sustain these. There is still a good intent to keep these numbers up.
- Skills and Employee mapping

Apprenticeships are an area of concern, although it was noted that a number of employers on the Group were wary of creating a skills gap and still intended to take on apprenticeships.

Action: Draft scope of work to be circulated to the wider group. SG to share contact details of subgroup.

One area highlighted as a potential challenge for the Prestwick-based businesses is uncertainty around the sale of Prestwick airport, which is currently in SG ownership though operated on an arms lengths and commercial basis. It was agreed that SG officials would follow up on this with South Ayrshire Council.

2.3 R&D and Innovation Activity

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Matt Maynard set out the early objectives of this sub-group. The role of NMIS as being a lynchpin to building a strong case for Scotland as a high quality offering for R&D and that work would be undertaken closely with SE on this and what Scotland can offer for sustainable aviation.

The sub-group will be looking at both short-term high impact activity and more long-term options.

2.4 Stronger Supply Chains

Work theme leads are in the process of establishing an initial workshop. This will primarily consist of the future of the supply chains and what's in scope for Scotland. The Group agreed there was a need to look at how industry might work together on this, as well as ways and means of building the competitiveness of individual companies.

It was also identified that there is an opportunity to bring lower tier Scottish suppliers into the procurement journey working with larger Scottish manufacturers.

2.5 Market Opportunities and Diversifications

This sub-group is looking at, for example, exploring efforts around possible reshoring of work internally within companies as well as diversification opportunities.

Nicola Spence discussed the link between the innovation piece and on-shoring and pointed to work Spirit AeroSystems had undertaken. This was a major piece of rapid R&D work which brought more than 100 jobs to Prestwick. Thought needed to be brought toward how best to capitalise on work such as this for other parts of the sector.

South Ayrshire Council were working up a business case built around a decommissioning proposal and indicated that further support may be required from government to develop toward a full business case.

Action: Theo Leijser to share with Linda Hanna further information on outline business case for decommissioning.

It was asked if there has been anymore thought on defence projects. The Minister indicated that, whilst the Government did not support the manufacture of munitions, it recognises the importance of the defence sector in Scotland and the opportunities that the sector provides, noting particularly how defence work has supported the resilience of businesses that have been severely impacted through civil aerospace.

3. AOB

A question was asked regarding the recent report of the Advisory Group on Economic Recovery chaired by Benny Higgins and likely timeline for a response from the Scottish Government. The Minister explained work on the response was still underway but was anticipating receiving further advice on this by end of the month.

Information on potential equity support for businesses was requested.

Action: Scottish Enterprise would share with the Group equity funding opportunities already available. Chris McLean has provided a document and this was shared with the Group on 7th July.

The next meeting has been scheduled for 14:30 – 16:30 Tuesday 21 July.