

Minutes of a Meeting of the Economic Development Overview and Scrutiny Committee held on 6 June 2006

Present: Councillor Mick Jones (Chair)
" Anne Forwood (Vice Chair)
" Peter Barnes
" Gordon Collett
" Michael Doody
" Marion Haywood
" Pat Henry
" Katherine King
" John Ross
" Ian Smith

Also Present: Councillor Chris Saint (Portfolio holder for Economic Development), Councillor Alan Farnell (Portfolio holder for Policy and Governance) and Councillor Heather Timms.

Officers: Andy Cowan, Head of Planning, Waste and Environment, Environment and Economy Directorate.
John Deegan, Strategic Director, Environment and Economy.
Katherine Grasby, Senior Solicitor, Performance and Development Directorate
Helen Flanagan, Access Co-ordinator, Regeneration, Policy and European Skills, Environment and Economy Directorate.
Jean Hardwick, Principal Committee Administrator, Chief Executive's Dept.
John Scouler, Head of Social and Economic Regeneration, Environment and Economy Directorate.
David S Williams, County Economic Development Officer, PTES.
Paul Williams, Scrutiny Officer, Performance and Development Directorate.
Mandy Walker, Group Manager, Regeneration, Policy and European Skills, Environment and Economy Directorate.

Also present: Roger Dowthwaite, Chair/Director of CSWP
Graham Hollowell, CSWP
Ian Spiers, Chair of Ryton Parish Council

1. General

(1) Apologies.

Apologies for absence were received from Councillors Ken Browne, Eithne Goode, Bernard Kirton and Philip Morris-Jones.

(2) Members' Disclosure of Personal and Prejudicial Interests.

Declarations of personal, non prejudicial interest were received from Members by virtue of them serving as district/borough councillor as follows –

Stratford-on-Avon District Council – Councillor Peter Barnes

Warwick District Council – Councillors Michael Doody and Eithne Goode
Nuneaton and Bedworth District Council – Councillors Pat Henry and John Ross

Rugby Borough Council – Councillor Gordon Collettl

2. Public Question Time

None.

3. The Proposed Closure of the Peugeot Assembly Plant at Ryton-on-Dunsmore

The Committee considered the report of the Strategic Director of Environment and Economy.

This special meeting of the Committee was held to scrutinise the implications of the redundancies and any potential closure of the Peugeot plant at Ryton-on-Dunsmore and to report its finding back to Cabinet.

The Chair said that the Committee was being asked to consider what the County Council could do to help ameliorate the problems at the Ryton-on-Dunsmore plant. He asked Members to confine their debate to employment issues and leave the discussion on the future of the Peugeot site to another meeting.

Councillor Alan Farnell welcomed the meeting and Coventry, Solihull and Warwickshire Partnership (CSWP) taking the lead in co-ordinating a response and offering support to the employees who were facing redundancy. This was a very important issue for the people of Warwickshire and Coventry and, in particular, for the large proportion of employees who lived in the north of the county and who would be looking for jobs. He was also concerned about the impact the closure would have on the supply chain and support businesses. He urged the Committee to keep the issue on the on its agenda and review the position again in six months time.

Graham Hollowell outlined the development and action taken by the Peugeot Partnership (see Appendix C of the report for terms of reference and composition) since it first met in April 2006. The Partnership had established four themed groups, which met weekly, and covered the following areas –

- Jobs and Training
- Suppliers
- Community Impact
- Image and communication

He reported that by the 10 July 2006 Peugeot would reduce the current two shifts to one shift, making 600-650 employees redundant by that date. The remainder of the employees would be made redundant by mid 2007. Of the current workforce 42% of the men were in their 40's and 25% in their 50's. Of these employees 50% had been employed for between 10-20 years and 8% employed for over 2 years. This was a long-established workforce of whom 94% were male. Geographically, Nuneaton and Bedworth would sustain the biggest impact of redundancies. In Coventry, the biggest impact would be in Binley, Willenhall and Upper and Lower Stoke.

The Union had pursued strike action to preserve one shift but this had been rejected. The results of a ballot of the workforce had been announced earlier that day and the result declared rejected industrial action (on a 75% return, 640 voting in favour of strike action and 870 against).

A Resource Centre had been set up inside the Peugeot Plant with the Job Centre Plus, organised by Jane Malbasa, and the Learning Skills Council, to provide training and identify job vacancies.

During discussion the following comments were noted relating to –

(a) Efforts made to Retain work at the Ryton-on-Dunsmore Plant

- The Trade Union had put together a business case to run one track at the Plant but that had been rejected by Peugeot Management;
- The Government had made an offer to Peugeot of £14m in 2004 to produce the 207 at Ryton but this offer had been rejected. The Peugeot 206 was to be replaced by the 207 and there were no plans to build this model at Ryton. The decision to close the Plant was a corporate decision and was irrevocable

(b) Supply Services/supporting businesses

- Peugeot had provided the name of two of its main suppliers; one of which employed 120 workers (making seats and dashboards), and of these 41 would be made redundant. The second supplier was located at Banbury and would not be affected.

- A further list of smaller suppliers had also been provided and these were currently being identified.

(c) Concerns regarding the proposed timescale for closing the Plant.

Members raised concern about the proposal timescale and suggested that the Committee should review the position at Peugeot Plant after August 2006 and not wait for six months. This was based on rumours and concerns that once the July redundancies had taken place this would lead to the total closure being brought forward from the anticipated July 2007.

(d) Additional Support Initiatives at the Peugeot Plant

David S Williams reported on additional initiatives that were happening at the Peugeot Plant, which included –

- Local Employment Growth Initiative – currently applied in Coventry – which supported local enterprise (this only applied to areas of high deprivation but perhaps could be applied to people made redundant in Warwickshire).
- Coventry and Warwickshire Investment Trust – set up for New Enterprises (made available for redundancy)
- Extension of the Assisted Area Status – which could include Ryton Plant.

Roger Hollowell added that AWM and Partners were involved in the above initiatives and had contributed £100,000 early support for the workers. With regard to the Assisted Area Status consultation was taking place about including the Ryton site.

(e) Future of the site

Councillor Chris Saint said that there was a need for long-term planning for the site, which he hoped would still be employment based. He asked the Committee to support a future meeting between the County Council, Ryton Parish Council and Rugby Borough Council regarding options for future use of the site.

Ian Spiers, Chairman of Ryton Parish Council said that, whilst the Parish Council was sorry to see Peugeot leave, it had learned to live with it. With regard to the future of the site, he referred to it being gridlocked, the only access being by the A442 and considered that the desired use would be small employment/factory units or leisure facilities. The Villagers would like early direction/resolution about the future use of the site and would not want a development for high-level housing or a waste unit.

In conclusion, Members welcomed the initiatives that had been taken by the Peugeot Partnership, recorded their concerns about a possibility of the Plant closure happening sooner than July 2007 and the need for an early meeting of the Committee to review the situation if this earlier closure appeared to be likely.

Members also considered that, whilst accepting that the site was in the ownership of the Peugeot Company, there was need for direction about the future use of the site and that future discussions on this should include the County Council, Rugby District Council and Ryton Parish Council.

Resolved that the

- (1) Cabinet be informed of the outcome of the discussions of the Overview and Scrutiny Committee;
- (2) Committee revisits this subject, as soon as possible, to review progress (September or early October, 2006).
- (3) Officers and the CWSP be thanked for the work they have put in place to provide support for Peugeot employees facing redundancy.

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Chair of the Committee

The Committee rose at 3:20 p.m.