

Written evidence submitted by Fife Council (DIS0009)

Scottish Affairs Committee - Response to consultation on Defence in Scotland Submission by Fife Council

Author: Gordon Mole, Head of Business & Employability

Fife Council is pleased to provide information to support the Scottish Affairs Committee's review of Defence in Scotland.

This consultation response will focus on two key defence establishments in Fife, MOD Leuchars Station and MOD Caledonia, although it is recognised that the defence footprint in Fife extends to a range of facilities and establishments, such as reserve and cadet units, and a well established and nationally and internationally important supply chain.

Background

MOD Caledonia is located within the South & West Fife area committee area. Data from the January 2021 economic profile compiled by Fife Council shows that public administration and defence employment accounts for 1,000 jobs in this area, equivalent to 8.3% of all such jobs in Fife. Public Administration and Defence accounts for £823 million of GVA in Fife, the second highest sector after manufacturing, which includes manufacturing for the defence sector¹

South & West Fife has a higher proportion of high skilled and technician jobs than the Fife and Scottish averages.

In December 2020, aerospace and defence company, Babcock, announced it had awarded a £31.5 million contract to Robertson Construction for the development of a new Assembly Hall at its Rosyth site. The construction of the facility, which will initially be used for the Type 31 general purpose frigate programme and provides a modern, all-weather facility designed to assemble two vessels side by side, will initially support around 100 jobs in Scotland and a further 100 jobs throughout the UK.

Working with partners from Edinburgh & South East Scotland city region, including the Universities of Edinburgh and Strathclyde, Fife College, Scottish Enterprise and Fife Council, investment is being realised in the Arrol-Gibb Innovation Campus at Babcock's Rosyth site. This will trial advanced technology applications that will support major manufacturing programmes, including the Type 31.

The recent completion of the Royal Navy's Queen Elizabeth class aircraft carrier programme, delivered by the Aircraft Carrier Alliance, demonstrated a need for accommodation suitable for specialist contractors, contract management staff and in latter stages the crew of the two Queen Elizabeth class vessels for mobilisation, training and testing. Given the delivery of the Type 31 frigate at Rosyth,

¹ Skills Development Scotland, Regional Skills Assessment, July 2021

consideration should continue to be given to retain some level of accommodation flexibility of provision at Rosyth for the commissioning of these warships.

The impacts of this are noted in the next section below, however it is considered that if the MOD is reducing its estate footprint at Rosyth, through the reduction of its 2,500 lodger units, consideration must be given to the future opportunities for alternate residential and employment uses, in line with local needs, assessed jointly with the local authority.

What impacts are the UK's changing defence priorities having on investment, employment and communities in Scotland?
--

The reorganisation of the defence estate, including the planned closure of MOD Caledonia, presents both challenges and opportunities. MOD sites in Fife are well integrated with their communities, and closure and change to facilities will bring pressures to bear on established local supply chains which require to be quantified and assessed in detail. Following the publication of the Ministry of Defence Strategy, *A Better Defence Estate* in November 2016, the Council wrote to the Parliamentary Under Secretary of State for Defence to request a reversal of the decision to close MOD Caledonia and to better understand the plans for expansion of Army units at MOD Leuchars between 2022 and 2032.

In response, the Defence Infrastructure Organisation (DIO) noted the following:

[The] announcement includes the department's intent to dispose of MOD Caledonia located within your district. I can confirm that it is not, however, the Department's intention to close the site before 2022. I can assure you that the Military Units at the site will be reprovided for. The current intention is that they will move to Edinburgh.

The Ministry of Defence will continue the process of detailed planning and necessary engagement with the stakeholders concerned including officials in your organisation.

You will be aware that the department has made a desk level assessment of the potential number of houses plus other uses that may be built on the site only and MOD officials will work with you in order to confirm this figure. We would appreciate your support as we go through that process.

Further, in December 2016, Keith Brown, MSP, then Cabinet Secretary for Economy, Jobs and Fair Work and Scottish Government officials met with Fife Council along with other Council Leaders from areas affected by the announcement. Following this meeting, Mr Brown wrote to the UK Parliamentary Under-Secretary of State for Defence Mark Lancaster MP seeking establishment of a working group bringing together the Scottish Government, MOD and affected local authorities in Scotland to examine proposals and discuss next steps. A response from Mr Lancaster was received stating that he did not believe that a working group would be an efficient

way to engage due to the associated lead time, but assured Mr Brown that “the Department would continue to work closely with Scottish Government officials and individual local authorities to determine the impact of any of these decisions on local communities”. Mr Brown followed up this response with a further letter in January 2017 asking that the proposal to meet with the local authorities and Scottish Government collectively be reconsidered.

Since this time, the Council has engaged with the DIO on its intended uses for MOD Rosyth. This includes opportunities arising at the Fleet Grounds portion of the Caledonia site to support the development of a new High School to serve South & West Fife. The Council’s Fife Employment Land Strategy (FELS) will be refreshed in 2022 and support the development of a new Local Development Plan (FIFEPlan) for spatial planning. It is deemed essential therefore that the DIO engages with the Council on its plans for retention, disposal or any other arrangement for the site.

As members of the Committee will be aware, the UK Government is intending to roll out its approach to Freeports in Scotland following the announcement of initial Freeport sites in England last year. A Firth of Forth freeport approach, including the ports of Grangemouth, Rosyth and Leith, together with Edinburgh Airport, has been developed through Forth Ports, as the primary landowner, and the site at MOD Caledonia could form part of this development for Scotland. Fife Council continues to engage with UK Government and Scottish Government, in the development of its Greenports model, for sites which will support innovation and sustainable growth, and further engagement with DIO on such matters are required.

It is noted that UK Government has committed to the release of sites that the MOD no longer needs providing opportunities for commercial use, resulting in regeneration, business growth and job creation. Any specific site constraints such as land decontamination and reclamation work will be identified as part of the future assessments of the site that will take place prior to disposal so that potential buyers are aware of any such issues.

How have recent military infrastructure investments affected employment and communities in Scotland?

Following the MOD review, *A Better Defence Estate*, in 2016, which confirmed the transition of MOD Leuchars from an RAF facility to Leuchars Station, a multi-unit British Army facility, which retains an operational capability for the RAF. In the 2016 review, the MOD sought to increase the number and range of Army units stationed at Leuchars on an increasing basis.

Fife Council welcomes this longer term commitment to Leuchars, North East Fife and the wider region. It is recognised that as a result of this change, there are likely to be some increases in demographic change, for example the average age of personnel based at Leuchars is estimated to be in line with the estimate that army personnel are generally younger than RAF with 56% under age of 30 compared to 41% for the RAF²;

² EKOS, 2013: Strategic Defence and security Review: Final Report to Fife Council

Likewise, the changes to demographics at Leuchars Station have seen some effect on the school population linked to serving MOD personnel, as set out in Table One, below. This national data collection exercise covers all 168 schools in Fife, and indicates that numbers of children of serving personnel have reduced from approximately 600 on 2010 to 435 today. These numbers are caveated in that they are self declared. However, at the same time, numbers of children of MOD veterans has grown over the same period, indicating more veterans are returning to and settling in Fife after leaving the Armed Forces.

Fife Council schools work closely with military welfare offices to ensure that the children of service families are well supported when they move in or out of Fife. The well established links with the two MOD bases is reinforced through the Firmbase approach.

Local Authority: Fife Council									TOTALS:			
<i>Information gathered from within the SEEMiS system, or alternate (if applicable)</i>												
Sector	Armed Forces Family	Regular	Regular and Reserve	Regular and Veteran	Reserve	Reserve and Veteran	Veteran	Do not identify			Grand Total: Armed Forces	Total Number: All Pupils in each sector
Early Years		*		*	*		*					
Primary		318	9	9	62	10	343	19			770	770
Secondary		117	*	*	39	*	235	123			527	527
Special												
Total		435			101		578	142			1,297	1,297

Table One: **ADES – DATA Collection Exercise- SEEMiS – Armed Forces Indicator tab** (as of 1st October 2021)

- Should the UK Government offer any additional support to individuals and communities affected?**

Fife Council is committed to providing fair and accessible services to all members of our community. This includes members/reservists of the armed forces and their families.

This commitment was reinforced through the Council having signed up to the **Armed Forces Covenant**. This is in addition to the Community Covenant that, as part of the Fife Partnership, we made a pledge to in 2011.

The principles of this support extend to ensuring that the needs of serving personnel, and an increasing number of veterans in Fife, through strong partnership linkages, including an elected member Armed Forces Champion, himself a former serving officer.

Fife Council works closely not only with Forces support organisations and military welfare offices, but through linkages to the third sector to provide specific support in access to finance, welfare support, employability programmes which recognise veterans and their transferable skills, including the Scottish Government's No One Left Behind programme, the Council's Fife Job Contract and through partnering arrangements with the Department for Work and Pensions.

Fife Council is of the view that addressing the needs of personnel and veterans is best delivered through these partnership arrangements at a local level, in line with the principles set out in the Local Outcome Improvement Plan, the Plan4Fife, with a focus on local people and place leadership. The Council would therefore encourage UK Government to channel support activity through existing local provision.

Where there is a risk of redundancies arising from base closures, the Council would request that MOD works with the established Partnership Action for Continuing Employment (PACE) process, led by Skills Development Scotland, with sufficient time to deliver upskilling and reskilling for personnel and contractors affected by such closures. Many Fife firms welcome the transferable skills offered by former serving personnel, including major employers such as Amazon, who have a significant presence in Fife, utilising the Career Transition Partnership to recruit to operational and senior permanent roles.

October 2021