Case Study

Diageo

Over the past six years, Diageo has invested £430 million in distilling, packaging and warehousing in Fife.

“The Invest in Fife team at Fife Council has developed a strong relationship with Diageo, taking the time to understand its business needs and helping the organisation achieve its long term goals by adopting the right approach and working quickly with colleagues across the local authority to deliver projects on time.”

Richard Bedford, Operations Director-East

Background

Diageo, one of the world’s leading premium drinks businesses, is responsible for producing nearly 50 million cases of leading brands of Scotch whisky, white spirits and over 6 million cases of ready-to-drink brands every year. Trading in 180 markets around the world, Diageo’s portfolio of brands includes: Johnnie Walker, Smirnoff, Tanqueray gin and Guinness.

In recent years, the drinks giant has invested over £100 million at its Cameronbridge Distillery in Fife, and now produces 480 million bottles of Scotch whisky and white spirits annually. Committed to sustainability, the company, in partnership with Dalkia, is constructing a state-of-the-art bio energy facility which will generate 80 per cent of the distillery’s electricity and 98 per cent of its steam. This investment has created the biggest distillery in Scotland.

The company has also invested £86 million at its Leven packaging facility opening a new bottling hall. The site employs around 1,100 people and produces 24 million cases of Scotch whisky and white spirits each year. Attached to the bottling hall is a £5.2 million luxury packaging area for Diageo’s widening range of Scotch whiskies.

Announced in 2012, Diageo’s latest investment at Cluny Warehousing, Kirkcaldy, complements increased production at its Cameronbridge Distillery and will see more than 276,000 sqm of bonded warehouses built over the next seven years for the maturation of Scotch whisky.

Fife means business.
Project Details: Cluny Warehousing, Kirkcaldy.

- £200 million investment
- Biggest bonded warehouse in Europe
- The range of facilities include:
  - 46 maturation warehouses - each holds 60,000 casks
  - Cask filling and blending facilities
  - Associated infrastructure and tanks
  - Formation of car and lorry parks
  - Access roadway
  - 40 permanent jobs will be created on site, taking the total employed by Diageo in Fife to over 1,300

Why was Fife chosen?

- Land available for development; a large site with over 550 acres of land was required for the project and no other site of this size was suitable in central Scotland
- The site offers close proximity to its Cameron Bridge Distillery, (9 miles) and its Leven packaging hall, (10 miles).
- Close proximity to A92 – with good motorway access
- Quality and commitment of local workforce

How the Invest in Fife Team helped

Given the importance of Diageo as a major employer and investor, Fife Council allocated a senior officer as relationship manager for the company.

From the outset of the project, regular meetings were established with the company to resolve any issues gaining regulatory approvals. These meetings allowed issues to be identified at an early stage and a timetable for processing statutory approvals was put in place.

As part of the planning process, Invest in Fife organised stakeholder briefings and also liaised with relevant regulatory bodies including, SEPA, SNH and HSE.

Diageo has confirmed that this process has given the company considerable confidence in its ability to deliver the investment project on time and within budget, and has helped them secure funding commitment from the company's board for project delivery.

The future

Diageo continues to flourish in this vibrant, growing sector and is set to invest £1 billion over the next five years increasing Scotch whisky production in Scotland.