

ECONOMY AND FAIR WORK COMMITTEE

**7th Meeting, 2023 (Session 6), Wednesday
8 March 2023**

Just Transition for the Grangemouth area

Note by the Clerk

Background

1. There is currently a target of 2045 for Scotland to cut greenhouse gas emissions to net-zero. Industry is the second highest carbon emitting sector in Scotland after transport and the Scottish Government aims to reduce emissions by around a third by 2030.
2. The transition to net zero is known as a “just transition”. The Just Transition Commission has defined this as where—

“Governments design policies in a way that ensures the benefits of climate change action are shared widely, while the costs do not unfairly burden those least able to pay, or whose livelihoods are directly or indirectly at risk as the economy shifts and changes.”
3. At its meeting on 14 December 2022, the Committee agreed to undertake an inquiry exploring policy to support a Just Transition with an initial focus on the Grangemouth area. The first evidence session of the inquiry was held on 22 February 2023.

Remit

4. The agreed remit for this inquiry is to consider how we can support, incentivise and de-risk this transition in a way that benefits businesses and people.
5. Key areas that the Committee expects to explore are:
 - what planning and engagement has started for the transition to net zero;
 - economic and employment benefits of a net zero transition;
 - the skills that we’ll need to support the transition over the next two decades;
 - how can we measure the transition; and

- how can we ensure the learning from the Grangemouth; transition supports the wider transition across Scottish industry.

Call for Views

6. The Committee [launched a call for views](#) on 20 December which closed on 14 February.
7. **Written responses** [can be found here](#).

Witnesses

8. The purpose of the evidence session today is to consider how the different levels of government (UK, Scottish and local government) are working together with the local community to deliver a just transition for the Grangemouth area. The session will also consider how community buy-in to, and ownership of, this transition can be encouraged.
9. The Committee will hear from—
 - Malcolm Bennie, Director of Place Services, Falkirk Council;
 - Adam Gillies, Community Councillor, Grangemouth Community Council;
 - Diarmaid Lawlor, Associate Director, Place, Scottish Futures Trust
10. A response to the Committee's call for views was received from [Grangemouth Community Council](#), this is included at **Annexe A**.

**Economy and Fair Work Committee Clerks
3 March 2023**

Response to the Committee's call for views:**Grangemouth (incl. Skinflats) Community Council**

In general terms the concept of a Just Transition is aimed at meeting the government's targets on climate change in a way that delivers positive outcomes for communities, businesses, and individuals. The measure of success will be that for all concerned wellbeing is maintained/improved and that we end up with a healthier, fairer, greener Scotland.

From a Grangemouth perspective it is perhaps worth exploring a bit of the communities' history.

As a community Grangemouth has been a long time host to a range of industries that encompassed Ship Building, Timber importing and processing, Oil Refining and Processing, Chemicals Processing, Port Operations. All of these activities provided work for local residents in the main. The town prospered by provision of services to those locally employed people and in support of the larger businesses.

The local authority benefited from its status as a small Burgh and the revenue raised from both business and domestic rates arising from the expanding industry and community. That all changed in the 19 seventies with the implementation of the Local government Scotland Act 1973 and the creation of Central Region headquartered in Stirling and Falkirk District Council (now referred to as Falkirk Council) headquartered in the town of Falkirk. The revenue streams that had benefited Grangemouth exclusively were now diverted to the wider Central Region. Not surprisingly this resulted in a diminished return to Grangemouth as the host community from these now nationally important industries. The Scotland Act of 1998 and Devolution saw further distribution of the benefits accruing from hosting major industry within the community of Grangemouth as the revenue was now returned to the Scottish Government for redistribution across the country.

So now to the present day and we see how those historic changes have manifested themselves in Grangemouth. We now have a community in near terminal decline with numerous areas of deprivation and poverty, high levels of unemployment, poor health profiles and low skilled population. For specific figures we refer you to Scottish Index of Multiple Deprivation report.

We also have a local authority with a £67M blackhole to fill who are withdrawing basic services needed to support those most in need within our community. How can this be when we are located up close and personal to the largest wealth creating industrial complex in the county?

The Grangemouth Cluster is a significant contributor to the Scottish Economy and sharing the accruing benefits is fair but what cannot be shared are the negative environmental impacts arising from the various operations surrounding the community. The nature of the operations also inhibits local development due to the constraints of the Hazard Consultation Zones associated with the industry.

History has not treated Grangemouth well.

So what needs to be done to achieve a Fairer, Greener, Safer, Healthier Grangemouth?

What local economic and employment benefits should the community expect from a transition to net zero?

First of all there needs to be an acceptance by decision makers that the community of Grangemouth ie those resident within the FK3 postcode need to be seen as a priority group. Currently many of those employed within the current local industry commute into and out of Grangemouth on a daily basis, referred to locally as DDOs (Drive In Drive Out).

We have no wish to deprive the DDOs of a living but there has to be measures taken to mitigate their impact.

Green public transport offer including a rail station, use to be incentivised by implementing workplace parking levy.

Skills training for unemployed FK3 residents and appraisal of local schools' curriculum to focus on future anticipated skillsets.

What engagement has there been between the public sector, industry and local communities in planning for the transition to net zero?

Consultations in various forms have been ongoing for some time:

- Grangemouth Flood Prevention Scheme
- Community Links Report (Your Place Your Views) Community Action Plan
- Falkirk/Grangemouth Growth Deal including Greener Grangemouth Project
- Grangemouth Future Industry Board

The Grangemouth Flood Prevention Scheme has probably been the one that has engaged the population most. Regular online and hard copy newsletters, meet the team events, website, information boards located in proximity to development locations, public events displaying proposed options.

Community Links Report was a good example of a get out and meet the community engagement that drilled down to all levels within the community. It also formed a basis for the creation of the Community Action Plan.

Community Action Plan was more of a collaboration between Falkirk Council and Grangemouth including Skinflats Community Council as a result of Covid constraints but driven by the outcomes from the Community Links Report. There was also an online launch event backed up by attendance at an open air Community Event to raise awareness of Community Groups.

The Falkirk/Grangemouth Growth Deal has received publicity but we suspect not a great deal of understanding as yet within the wider community. The Community Council has been involved but for many it is seen as not something they can influence and the perceived benefits are not yet manifest.

Grangemouth Future Industry Board again the Community Council is aware and had early engagement to press the case that the community needed be given due consideration.

What is the level of understanding of what skills will be in demand in the Grangemouth cluster to support the transition to net zero?

From a community perspective in the absence of any specific industries/businesses identified as likely to take up residence in Grangemouth the answer to the question is "None".

Is industry confident that it has access to the skills and the labour needed to meet the demands of the next two decades, and if not, what are the concerns?

From the Community Council perspective we would suspect not.

As stated earlier there is an identified lack of skills within the FK3 community to meet current industrial demand far less any future industry requirements and that needs to be urgently addressed.

We are aware as part of our discussions with Falkirk Council officers in relation to the Falkirk/Grangemouth Growth Deal that work is underway with Forth Valley College to establish courses that will be relevant to the future needs of the local industry.

What support has there been for innovation such as demonstrator projects. What are the other opportunities that Grangemouth could take advantage of?

Celtic Renewables have established a demonstrator plant to produce biofuel from the by-products of the Scotch Whisky industry however it is our understanding that if proven viable the potential growth will be adjacent to existing Distillery sites out-with Grangemouth.

We are not currently aware of any other innovation projects within the Grangemouth Cluster but clearly there is scope given the clearing of redundant processing plant within the Ineos Site. It was our understanding based on Ineos's 20/20 Vision statement that they proposed to encourage external organisations to establish operations on utility serviced plots within their site.

Recent publicity relating to the creation of a Forth based Green-port will clearly open the door to further development within the Grangemouth environs.

How can we measure whether the transition in the Grangemouth area is achieved in a 'just' way – what data should be collected to measure this?

In the long term reference to the Scottish Index of Multiple Deprivation should provide empirical evidence of improvement.

Sustained environmental emissions reduction across all sectors (industrial, transport, business).

Town Centre Regeneration.

Radical approach to the existing imbalance in available housing stock to reduce the high levels of transience within the community.

Improved community cohesion.

How can innovation in the Grangemouth area support the transition to net zero across Scottish industry?

The principle innovation has to be around the relationship between the wealth generators and the residents of the communities in which they operate.

Providing job opportunities has in the past been seen as the route to addressing social ills and issues of wellbeing. It's a good place to start but is it enough?

There needs to be a realisation that the community hosting operations has to be at the forefront of benefits accruing. One need only look to communities that host wind turbines and the community funds created to compensate them for the imposition of a perceived environmental impact. An impact significantly less than that experienced by Grangemouth residents for decades.

Consideration also needs to be given to a review of the currently defined Hazard Consultation Zones. Safely shrinking these zones can open the door to more socially acceptable development and maybe even scope for more home building. Homes that could encourage people to move into and stay in the community to take up the envisaged job opportunities, reduce transience, reduce traffic emissions, improve community cohesion.

How can policy makers ensure that local supply chains benefit from the transition to net zero in the Grangemouth area, and across Scotland?

It is difficult to see how policy makers can develop a policy that would effectively and reasonably require major organisations to source materials and services from purely local sources.

The question would be better put to industry along the lines of:

“How are you going to materially contribute to the wellbeing of the community for the duration of your operations within the community?”

Their response could manifest itself as a guarantee to employ an agreed percentage of FK3 postcode residents either directly or indirectly via local suppliers.