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Clair Baker MSP
Economy and Fair Work Committee
The Scottish Parliament
Edinburgh
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22 September 2023

Dear Ms Baker,

I am writing to express my gratitude to the Economy and Fair Work Committee following the recent inquiry into a Just Transition at Grangemouth. This was an extremely timely enquiry given the Scottish Government is delivering a Just Transition plan for the Grangemouth Industrial Cluster, with additional commitments to this end – in the context of Grangemouth – reiterated by the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy in the Policy Prospectus *'Equality, opportunity, community: New leadership - A fresh start'*. The Committee's findings reinforce the importance of much of the activity already underway between the Scottish Government and our partners. I have considered carefully your report and set out below my reflections on its contents.

Just Transition

In line with the Committee's recommendations, and as featured prominently in my discussion with you during the Committee session on 26 April, our 2022 Programme for Government sets out a clear mandate to deliver a Just Transition Plan for the Grangemouth Industrial Cluster. Our 2023-24 Programme for Government reiterated this commitment. Development is already underway, with work recently initiated to begin mapping a comprehensive data baseline for the cluster, as well as the articulation of a shared, future vision for the complex. These two components comprise the first half of the full plan, and it is our goal to have delivered them by December 2023.

You will be aware that the Scottish Government launched a series of discussion papers on June 20 that were designed to support engagement on Just Transition in areas including [Transport](#), [Land Use and Agriculture](#), and [Built Environment and Construction](#). On 20 September 2023 we published a similar paper for the [Grangemouth Industrial Cluster](#), which will be of interest to the Committee and I hope provides further insight and clarity into our approach. This paper is an important step as we seek to work with industry, public services and importantly the local community to secure the transition of Grangemouth, ensuring it remains a critical component of the Scottish Economy in the years to come whilst also embracing the challenges of decarbonisation. Over the coming months, we will seek to engage with key stakeholders on the development of the Just Transition Plan with a particular emphasis on working with the local community to maximise the benefit for them.

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In these papers, and other publications, the Scottish Government has set out its own definition and interpretation of a Just Transition. We are committed to delivering a just transition that is co-designed by those who will be most impacted. It is my view that what this means for places such as Grangemouth will be shaped by the process of Just Transition Planning itself. In line with the principles of co-design, our collective effort to define a vision for the future should be an expression of this. We therefore agree with your recommendation that the vision for the cluster should establish a tangible view of what Just Transition will look like for the industry and people of Grangemouth, and the best ways to maximise benefit in this area.

In this vein, and in line with your further recommendations, I would like to reiterate that participation of all impacted stakeholders, such as community, industry and the workforce is a critical success factor to ensuring effective co-design of the plan. My officials have met with industry, Unions, workforce representatives and members of the Grangemouth community on numerous occasions, and this will continue throughout the process of our planning.

To assist in this effort, my officials are finalising the Community Participation Officer role that the Committee referenced in their report; it is envisioned that this role will provide a visible co-ordination function in the local area, with a view to streamlining public consultation, strengthening community participation, and supporting a lasting legacy that can help establish community-led initiatives that extend beyond the industrial cluster. It is our ambition that this role will help to address impacts of community 'over-consulting' which the Committee heard was a concern of local groups.

I am confident that the work being conducted will satisfy the Committee's request to involve the community more closely with the activities of GFIB, a matter which the Board is considering carefully. Given the proximity of this work to the Board's Just Transition workstream, we will continue to monitor the effectiveness, inclusivity and impact of this engagement.

Finally, the committee has addressed specific thematic considerations including skills and supply chain as being critical to achieving a Just Transition. The Scottish Government agrees with the Committee on the crucial role for skills and vibrant supply chains in the success of Scotland's overall Just Transition. We must ensure that the skills system can adapt with agility to this challenge which is why we have committed to publishing an update to our Climate Emergency Skills Action Plan (CESAP) by the end of this year so as to better reflect our economic and climate ambitions. Our forthcoming Energy Strategy and Just Transition Plan will also make clear the importance of a strong skills pipeline to support our journey to net zero and this will set out some key steps we will take in order to ensure that we have the right skills, in the right place and at the right time to help support our current and future net zero workforce. We remain committed to working with partners to identify necessary actions that support the realisation of our skills and supply chain pipelines, that maximise economic opportunities associated with our Just Transition to net-zero.

Grangemouth Future Industry Board (GFIB)

I appreciate the Committee inviting evidence from the GFIB as part of your assessment and wish to convey that the Board has been proactive in responding to several of the

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Committee's recommendations. Regarding a clarification of the GFIB's responsibilities, the Board has recently commissioned the services of Aspect – a strategic communications consultancy service – to work with the Board as it looks to restructure into an entity that has direct participation representing Industry and the Community (as my officials and I discussed with you during my appearance). The Board anticipates that this consultancy will provide a level of clarity on the scope of GFIB that will satisfy the recommendations of the Committee. Members of the Grangemouth Future Industry Board will provide a further update to the Committee, sharing the proposed new structure for the Board, on completion of this work.

While the Board does not currently involve SNIB nor other UK public sector bodies, GFIB members welcome this recommendation and will discuss how to incorporate these options in further detail.

Regarding the Committee's recommendation that the Scottish Government engage more closely with SMEs, I am also pleased to convey that GFIB recently supported the launch of Net Zero Nation's Pilot Accelerator Project. This programme – which was funded by the GFIB in 2023 – offers carbon accreditation and net zero skills to SMEs throughout the Grangemouth area. The Board is confident that this will provide local SMEs an opportunity to better realise the benefits of a just transition, as well as provide GFIB with an important foothold into further engagement with SMEs in the local area.

I would like to restate my gratitude to the Committee for their commitment to engaging with the process of designing and delivering a Just Transition at Grangemouth, and express once again my thanks for the recommendations outlined within the Committee's report.

Yours sincerely,



MAIRI MCCALLAN