

Grangemouth could have a major role in facilitating net zero across Scotland

1. As our largest manufacturing site, Grangemouth provides products and services that are vital for everyday life in Scotland. **Concentration of valuable, skills and expertise in petrochemicals, fuels manufacturing, chemicals, engineering, logistics and port management** – all have an important role in facilitating net zero.

There will be a continued societal need for petrochemicals and plastics

2. Products and outputs of the site will continue to be required – and we want to see them manufactured in Scotland, with their high value employment and economic returns but doing so in a decarbonised manner (e.g. low carbon biofuels, hydrogen). And outputs are important components in polymers as composite in wind turbines, chemicals for water treatment etc.).

We are already working intensely with stakeholders on the Grangemouth JT process

3. Recognising the unique importance of the Grangemouth in our economy and energy system, **we are already working with businesses across the site**, their workforce, and engaging communities on our commitment to a just transition plan.

A Comprehensive Place Based Grangemouth Programme is underway

4. We have already announced and are now implementing targeted initiatives to deliver on our commitment to the site, its businesses and community, structured around:
  - o **GFIB** - A novel and dedicated forum to provide that strategic join up between all the parties and resources to support the transition of Grangemouth;
  - o **As announced in PfG** - a site-specific Grangemouth Just Transition Plan.

**Together, these make for a specific and targeted, place-based programme of support to the Grangemouth cluster and the region.**

Industry is already investing heavily

5. Industry is recognising the energy transition opportunity. Major announcements such as that of **INEOS' at over £1 billion investment in Grangemouth, and their own sustainability plans demonstrating commitment to our 2045 targets shows great promise** – coupled with Green Freeport status and significant public sector investment such as the Growth Deal – we are aligning policy vectors and investment signals to create the conditions for a planned, investable transition. **Taken together these investments coupled with the timely deployment of the Scottish Cluster can decarbonise Grangemouth and the wider Central Belt** – and as we move into a more carbon constrained world, this could provide a competitive advantage to Scotland's industrial sector.

With our support, it will be the industries that invest in the transition

6. **Many of these large scale private sector led investments will be funded by the corporations themselves. Giants like INEOS have ready access to finance in the marketplace. The role of the Government and public sector in these investments is to create the conditions for those investments to happen.** Helping to remove barriers, investing in the right infrastructure and

providing certainty to investors that government is with them, in partnership, to navigate the change together.

*The industry at Grangemouth does bring fiscal benefits to the region*

7. And remember with the significant business base in Grangemouth comes sizeable non-domestic rates (NDR / business rates) for the local authority to invest in public services. **Every penny of Non-Domestic Rates raised is retained by local authorities** and Falkirk Council will also be one of the councils able to retain certain rates designated tax sites via Green Freeports once this is in place. *[Redacted]* **to fund local services, which equates to an extra £10.3 million to support vital day to day services compared to 2022-23.**

*We are funding a Grangemouth Community Just Transition Engagement Officer*

8. **To help the Grangemouth community's capacity to engage with the just transition planning process, we have decided to fund a Community Just Transition Engagement Officer for Grangemouth. The specific focus of that role will be to widen and co-ordinate community involvement in the,** supporting a strengthening of the local social infrastructure and collaboration – and maximising Just Transition opportunities for the local community by assisting alignment of programmes, resources and partnership opportunities.

*We have commissioned an independent 3<sup>rd</sup> party economic baseline exercise*

9. Recognising the economic significance of Grangemouth, to support our decision and policy making – and to help measure the just transition, we have commissioned an independent economic baseline. **The baseline will map existing economic activity of the cluster, its supply chain and touchpoints or impacts with the surrounding community – giving us a rich data set of economic factors.**

*We have commenced a Grangemouth-specific Skills Assessment*

10. On skills, **the Grangemouth Future Industry Board has a dedicated skills workstream – led by experts at SDS and social enterprise Fuel Change.** Through this we have **commissioned a skills audit specific to Grangemouth. Experts at OPTIMAT have been enlisted to lead this work.** This exercise is underway and the report will be ready by the Summer of this year. Once Skills Development Scotland has reviewed the findings of the OPTIMAT work, and have a better understanding of the implications, a fuller action plan will be put in place – on how we may help to manage the impact of the transition to net zero on local employers and the workforce right now, **while assessing changing demand for jobs and skills in the future,** to ensure we have the right reskilling/upskilling support in place.