

## **Paper 2/3 Lessons learned session**

### **For information**

#### **1. Purpose**

1.1 To provide Commissioners with background information on agenda item 3, an information gathering session considering 'lessons learned' from previous transitions.

#### **2. Background**

2.1 At the first meeting of the Commission one of the themes identified in the work plan was 'lessons learned'.

2.2 Guests invited to this session have in-depth knowledge of changes to the power sector over the last decade, or were directly involved in managing the impact of the closure of Longannet power station in 2016 (Scotland's last coal-fired power station).

2.3 This note provides detail of the participants who have been invited to give evidence as part of this session. Further background information is also included in the Annex to help inform the session.

<b>What</b>	Agenda item 3: Lessons learned
<b>Who</b>	<p>Anne Douglas (retired), co-chair Fair Work Convention, STUC president and Prospect Scottish National Secretary</p> <p>Pauline Douglas, Head of operations, Coalfields Regeneration Trust</p> <p>Pauline Grandison, Programme Manager, Coalfields Regeneration Trust</p> <p>George Sneddon, Service Manager Economic Development, Fife Council</p> <p>Andrew Sim, Project Manager Economic Development, Fife Council</p>
<b>Why</b>	<p>An opportunity to examine the impact of changes to the power sector over the last decade on workers, communities and businesses, with a focus on ‘lessons learned’.</p> <p>Participants in this session either have in-depth knowledge of changes to the sector over the last decade, or were involved in the Longannet Task Force set up by Scottish Government. Topics they will be able to answer questions on include:</p> <ul style="list-style-type: none"> <li>• The impact of the decarbonisation of electricity generation on communities/workers.</li> <li>• What their involvement in the task force was and the actions they took forward following the closure of Longannet (CRT/Fife council).</li> <li>• What has worked well with the Government intervention in response to large-scale closures (Longannet/Cockenzie etc), and what could have been handled differently.</li> </ul> <p>CRT will also be able to share their experience of working with former coal mining communities, which Commissioners may also wish to explore in this session.</p>
<b>Additional background information</b>	<ul style="list-style-type: none"> <li>• Annex A: provided by Fife Council, summarising their involvement with the Longannet task force.</li> <li>• Annex B: ‘A vision for Longannet communities’ report from CRT</li> </ul>



	<ul style="list-style-type: none"><li>• Annex C: ‘State of the Coalfields’ report summary, commissioned by CRT to profile former coal mining communities.</li><li>• Annex D: A brief case study describing the experience of Peel Ports’ Hunterston terminal, produced by secretariat based on conversations with management and publically available information. (Considered in private)</li></ul>
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## Annex A

### Fife Council Paper: Longannet Task Force, lessons learned

<b>Brief background of involvement in the taskforce</b>
<p>Fife Council is responsible for the immediate area within which Longannet Power Station is located. It is the planning authority for the site and provides a range of local economic development and employability support functions with partners. The Council involvement was led by Council joint leader, Cllr David Ross and George Sneddon, (Service Manager, Economic Development) supported by Andrew Sim (Project Manager, Fife Task Forces). Councillor Ross was co-chair of the Task Force and responsible for overall direction with Scottish Ministers. Mr Sneddon aligned Council and partner support alongside Scottish Enterprise and Scottish Government in addition to ensuring delivery of agreed Economic Recovery Action Plan projects.</p>
<b>What outcomes were you hoping to achieve</b>
<p>Fife Council sought to proactively respond to the announcement in 2015 by Scottish Power that power generation at Longannet would cease early (March 2016). The Council sought to minimise local impacts on communities closest to the site and to ensure that direct and indirect job losses were mitigated. In addition, the Council sought to support local businesses in recovering from the loss of station contracts and to ensure that local environmental impacts were addressed. The Council recognised Scottish Power as a long-standing large employer locally and sought to retain close working relationships to realise future investment in the Longannet site.</p>
<b>Summary of actions you took forward</b>
<p>2015:</p> <ul style="list-style-type: none"><li>- Received notice with Scottish Government from Scottish Power of likely station closure, citing high site transmission charging costs.</li><li>- Supported Scottish Government and Scottish Parliament debates on energy policy, power generation infrastructure and the likely impacts from closure.</li><li>- Welcomed Scottish Government establishment of a Task Force comprising representatives from Scottish Enterprise, affected local authorities and Scottish Power in addition to others including elected members, trade unions and MPs/MSPs for Fife, Falkirk, Clackmannanshire and North Ayrshire constituencies.</li></ul> <p>2016:</p> <ul style="list-style-type: none"><li>- Agreed a Longannet Task Force Economic Recovery Action Plan in conjunction with Council leaders of Falkirk, Clackmannanshire and North Ayrshire Council.</li><li>- Conducted business supply chain and community stakeholder events in addition to forging partnership delivery arrangements with Coalfields Regeneration Trust.</li><li>- Supported Scottish Power in communicating decommissioning timetable and (in conjunction with PACE<sup>1</sup>) facilitated workforce redeployment/employment.</li></ul>

<sup>1</sup> Partnership Action for Continued Employment – multi-agency partnership incl. Scot Govt, Department for Work and Pensions, Skills Development Scotland and local employability providers.

- Identified Scottish Enterprise and Business Gateway support for affected companies across Scotland including those engaged in coal mining or handling.
  - Sourced and secured additional funding (£2.7M) for Fife Council area from Scottish Government Local Economic Development Economic Stimulus Fund.
- 2017:
- Progressed regeneration projects of Enterprise Hub in Kincardine and new office and business units in West Fife.
  - Appraised feasibility of strategic business park serving Longannet subregion and identified preferred site/s, specifically the former Kincardine Power Station.
  - Completed initial strategic transport pre-appraisal and Kincardine Charrette.
  - Supported Longannet demolition contractor with statutory consenting and workforce/supply chain requirements.
  - Secured additional funding (£300k) from Coastal Communities Fund.
- 2018/2019:
- Supported RSPB area wide nature conservation forum (Inner Forth Futures).
  - Transitioned Longannet Task Force reporting to Fife Economy Partnership.
  - Progressed Longannet site steering group with Scottish Power and Scottish Government to consider operational requirements with future use/s of site.
  - Developed principles for a sub-regional strategy and agreed basis for future regional economic partnership to secure long term recovery and growth.
  - Supported Scottish Power in establishing draft remediation strategy for 260Ha Ash Lagoons in conjunction with key agencies and community.

*Note: Detailed Outcomes and Forthcoming Priorities are included at the end of this submission*

## **Lessons Learned**

### What went well?

1. Task Force leadership was clear as was the alignment of partner resources.
2. Workforce outcomes were quickly secured, and supply chain impacts mitigated.
3. Cross local authority, agency and partner collaboration was enabled and sustained.
4. Timely support, where necessary, was provided to affected businesses.
5. Delivery of the Action Plan projects and handling of detailed subject matters was aided by collective prioritisation and the setting of a 3-5-year horizon.

### What could have been handled differently?

1. Greater parallels could have been made linking energy sector expertise and industry activity elsewhere including at Fife Energy Park or Grangemouth.
2. The designation of the Fife Forth Coast as an energy corridor and the site as a national development (NPF3) relied on carbon capture and storage proposals for Longannet, which did not occur. Broader designation/s may have assisted.
3. The scale and (UK/International) role of the station was at times under stated and more could have been made of the history, heritage and engineering contribution.
4. The Task Force economic recovery action plan was not specifically resourced nor initially was support given by the Longannet site owners to engage in proactive discussions over the future of the site. This altered once demolition begun in 2017.

Note: Summary Information on Energy Sector activity in Fife is enclosed – Annex 2

Were there any particular barriers to achieving your outcome?

1. The recognition of the subregion as an economic unit took time to establish with economic data and low carbon expertise/assets hard to source.
2. Local influence on energy policy matters was low as was the appreciation nationally of the local association/s (type, nature and scale) with the station.
3. The UK wide reach of the station workforce and contractual culture of suppliers meant that large firms absorbed impact whilst local stakeholders could not.
4. The Task Force response was primarily economic in scope with no remit to consider resolution of broader coal industry legacy issues, namely; remediation outcomes for opencast sites or supporting diversification (geothermal, clean coal etc). This whilst addressed in part by the Coal Task Force (2013) remains to do.
5. It is clear from the Task Force and related engagement across Fife that energy industry assets are network systems reliant on investment and innovation over the long term. Proactive approaches from site operators or owners and funded programmes are therefore key as is supportive and sustained Government policy.

### Summary of Task Force Economic Recovery Plan (May 2018)

Strand	Positive Outcome/s	Priorities
1 Workforce Support and Training	<ul style="list-style-type: none"> <li>✓ Onsite staffed resource centre</li> <li>✓ Employability skill development and outplacement support service</li> <li>✓ Jobs Fair attended by 25 exhibitors</li> <li>✓ 100 episodes of training value £83,482</li> <li>✓ 99% of 370 in employment or training</li> <li>✓ Employability support to site demolition contractor – est. 60 staff</li> </ul>	- Provide employability support to site demolition contractor – <i>Opportunities Fife</i>
2 Business Recovery and Growth	<ul style="list-style-type: none"> <li>✓ 2 Supply chain events, 2015 and 2016</li> <li>✓ 185 Scottish based companies contacted.</li> <li>✓ 215 Business Gateway Fife engagements with businesses in South West Fife and weekly Kincardine town surgery service.</li> <li>✓ 48 companies monitored, engaged and receiving support from Business Gateway/ERDF within Falkirk area.</li> <li>✓ 38 suppliers identified to support site demolition contractor.</li> </ul>	- Monitor new or emerging economic impacts and business development opportunities – <i>Business Gateway Network, Local Authorities and Scottish Enterprise.</i>
3 Community Regeneration	<ul style="list-style-type: none"> <li>✓ 2 community stakeholder events</li> <li>✓ 3 local authority participatory budgeting grant schemes.</li> <li>✓ Building refurbishment with Coalfields Regeneration Trust and Fife Council to create Kincardine Enterprise Hub.</li> <li>✓ Facilitation of Kincardine Charrette with Coalfields Regeneration Trust.</li> </ul>	<ul style="list-style-type: none"> <li>- Progress Kincardine Charrette Action Plan and Participatory Budgeting initiatives – <i>Fife Council and Coalfields Regeneration Trust.</i></li> <li>- Promote Kincardine and Clackmannan Enterprise Hub/s – <i>Local Authorities and Business Gateway/ Scottish Enterprise.</i></li> </ul>



	<ul style="list-style-type: none"> <li>✓ Coastal Communities Funding committed to Kincardine town centre enhancement grant scheme/s.</li> </ul>	<ul style="list-style-type: none"> <li>- Scope Community Legacy options including support to local projects and sponsorship or education/skills initiatives – <i>Fife Council and Scottish Power</i></li> </ul>
4 Business Infrastructure and Investment	<ul style="list-style-type: none"> <li>✓ Allocation of (£6.375m) Scottish Government Local Economic Development Capital Stimulus funding to Fife Council, Clackmannanshire Council and North Ayrshire Council.</li> <li>✓ Agreement of Fife Vacant and Derelict Land Capital Delivery Fund.</li> <li>✓ Publication of Upper Forth Sub Regional Marketing Prospectus.</li> <li>✓ Completion of feasibility study scoping Upper Forth sub-regional business park.</li> </ul>	<ul style="list-style-type: none"> <li>- Progress site options for Upper Forth Sub-Regional Business Park – <i>Scottish Enterprise and Local Authorities</i>.</li> <li>- Construct and occupy office and business units within South West Fife – <i>Fife Council</i>.</li> </ul>
5 Future Use of the Site and Economic Recovery	<ul style="list-style-type: none"> <li>✓ Completion of Strategic Transport Pre-Appraisal co-funded by local authorities, Scottish Enterprise and Transport Scotland.</li> <li>✓ Site steering group meeting series agreed.</li> <li>✓ Scoping undertaken of regional economic partnerships including City Deal/s and Falkirk Investment Zone.</li> </ul>	<ul style="list-style-type: none"> <li>- Implement short to medium term traffic management and network improvements – <i>Transport Scotland and Fife Council</i>.</li> <li>- Inform National Transport Strategy and National Planning Framework – <i>Local Authorities, Scottish Power and Transport Scotland</i>.</li> </ul>
6 Environmental Mitigation	<ul style="list-style-type: none"> <li>✓ Revised remediation plan prepared for Valleyfield Ash Lagoons.</li> <li>✓ Support agreed to Inner Forth Landscape Initiative Partnership.</li> <li>✓ Coastal Communities Funding committed to Devilla Forest and Forth Coast path network improvements.</li> </ul>	<ul style="list-style-type: none"> <li>- Explore long term management arrangements and recreation or tourism potential – <i>Scottish Power and Fife Coast and Countryside Trust</i>.</li> <li>- Promote and develop tourist economy and environmental assets including the scoping of a River Forth Festival – <i>Local Authorities and Transport Scotland</i>.</li> </ul>

### Summary information on Fife energy sector activity

- Fife Renewables Energy Roadmap ([link](#))
- Fife Leading Low Carbon Innovation ([link](#))
- Invest in Fife Annual Report ([link](#))

## **Annex B**

### **Coalfields Regeneration Trust: A vision for the Longannet Communities**

2.4 This report summarising the findings from a community seminar held to begin the work in supporting the communities affected by the closure of Longannet power plant.

[Link to the report](#)

## **Annex C**

### **Summary of “The state of the coalfields” research report (2014)<sup>2</sup>**

2.5 The former coalfields are a distinctive part of England, Scotland and Wales. This report examines a wide range of contemporary social and economic statistics on the coalfields. It also assesses the health of the local voluntary and community sector.

2.6 The report covers 16 individual coalfield areas, each accurately defined at the local level. These coalfields have a combined population of 5.5 million. This represents 9 per cent – or one-in-eleven – of the entire population of Great Britain.

2.7 In the wake of the miners’ strike of 1984/5 the coal industry experienced massive job losses. In all, since the beginning of the 1980s the British coal industry has shed some 250,000 jobs, bringing mining to an end in most parts of the country. Prior to 2008 and the onset of recession there was substantial progress in generating new jobs in the coalfields. The legacy of job loss, however, continued to be substantial unemployment and in particular a very large diversion of working-age men out of the labour market into ‘economic inactivity’, often on incapacity benefits.

2.8 The new figures in this report, which cover the post-recession years, show that there continues to be a major employment shortfall:

- In every individual coalfield, the ‘job density’ – the ratio between the number of jobs in the area and the number of working age residents – is below the GB average.
- Across the coalfields as a whole, there are just 50 jobs for every 100 residents of working age. In South Wales there are just 41 for every 100.
- The ‘employment rate’ in the larger coalfields – the share of adults of working age with jobs – is 5-10 percentage points below the level in South East England.
- The business stock and the business formation rate in the coalfields are both well below the national average.

2.9 Coalfield residents in work are more likely to be employed in lower-grade or manual occupations, and the coalfield workforce is more likely to lack higher grade qualifications.

2.10 Ill health is widespread:

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<sup>2</sup> Full report available ([link](#))

- In most of the coalfields, the proportion of residents reporting ill health or limitations on day-to-day activities is almost double the level in South East England.
- 7.9 per cent of all coalfield residents claim Disability Living Allowance, compared to 5.6 per cent across Britain as a whole and 4.3 per cent in the South East.

2.11 The combination of a shortfall in job opportunities and poor health has resulted in exceptionally high numbers in receipt of welfare benefits:

- 14 per cent – one-in-seven – of all adults of working age in the coalfields are out-of-work and in receipt of benefits
- The claimant unemployment rate in the coalfields – the numbers in receipt of Jobseeker’s Allowance – is 3.7 per cent, only 0.7 percentage points above the GB average.
- But the incapacity claimant rate in the coalfields of 8.4 per cent – one-in-twelve of all adults between the ages of 16 and 64 – is sky-high.
- Wider measures also point to unemployment that in most coalfields is well in excess of the GB average

2.12 In most coalfields the share of pensioners living in poverty, measured by the Pension Credit claimant rate, is around double the average in South East England. In the coalfields, welfare reform is also anticipated to have a substantially greater impact – measured by the average financial loss per adult of working age – than across Britain as a whole.

2.13 Unsurprisingly, deprivation is widespread:

- 43 per cent of all neighbourhoods in the coalfields fall into the worst 30 per cent in Britain, according to Indices of Deprivation.

2.14 The statistics do however reveal that five smaller coalfields – South Staffordshire, North Warwickshire, S Derbyshire/NW Leicestershire, Kent and Lothian – now appear less disadvantaged than the rest. Excluding these five, which account for just 12 per cent of the total coalfield population, the average for the remaining coalfields would appear distinctly worse.

2.15 Faced with substantial socio-economic challenges in the areas they serve, the voluntary and community organisations in the coalfields are themselves often in difficulty:

- National survey data for England shows that even in 2010, before the main impact of austerity, community organisations in the coalfields were more likely to report that they had insufficient overall income to meet their objectives.
- The same national survey data shows that in the coalfields a higher proportion of organisations were more likely to express dissatisfaction with the range of grants available locally.
- Cuts in local authority funding in England have hit deprived areas disproportionately hard.
- Across the country as a whole, the density of voluntary organisations in deprived areas is anyway far lower than in more prosperous areas.
- The financial cuts since 2010 have driven many voluntary and community organisations in the coalfields into crisis, and often led to substantial redundancies.

2.16 The report concludes that the miners' strike of 1984/5 may now be receding into history but the job losses that followed in its wake are still part of the everyday economic reality of most mining communities. The consequences are still all too visible in statistics on jobs, unemployment, benefits and health.

2.17 On balance, the evidence provides a compelling case that most of the coalfield communities of England, Scotland and Wales still require support.