

Longannet Task Force

For information

1. Purpose

1.1 This paper provides Commissioners with a summary of the Longannet Task Force. The contents are based on internal Scottish Government paper's summarising the activity of the Task Force.

2. Background

2.1 In March 2015 Scottish Power signalled that it would likely close Longannet in March 2016 (it was scheduled to close in 2020), citing changes to the UK Government's transmission charging framework as a key factor in the decision. In August 2015 Scottish Power confirmed the closure, ending 46 years of power production.

2.2 Prior to the closure of Longannet, it directly employed 236 people and supported an estimated 800 indirect supply-chain jobs.

2.3 The station had a significant economic footprint. It had an estimated £47.5 million in non-fuel contracts and a further £51 million to £61 million in coal contracts.

3. Overview of the Task Force

3.1 Immediately following the announcement, the Scottish Government established the Longannet Task Force to develop a multi-agency economic recovery plan to mitigate the impacts of closure locally and across the supply chain.

3.2 It was established to support the workers, businesses and communities impacted by Scottish Power's decision to close Longannet Power Station in March 2016. They assessed the scale, location and timing of closure impacts and produced a joined-up response to mitigate the impacts on the workforce, local communities and businesses.

3.3 The Task Force brought a clear and focused remit (Annex A) bringing together the key players from the public and private sectors with trades unions to co-ordinate the development of a joint, multi-agency plan to explore how to deliver initiatives to support individuals, business and communities most affected by the early closure of Longannet.

3.4 The Task Force was co-chaired by the Business Minister [Fergus Ewing MSP, Minister for Business, Energy and Tourism (2015-May 2016) / Paul Wheelhouse MSP, Minister for Business, Innovation and Energy (May 2016-2018)] and Cllr David Ross, joint-Leader, Fife Council.

3.5 Key members, included Scottish Power, Fife, Falkirk, Clackmannanshire, North Ayrshire and West Lothian councils; Scottish Government; Scottish Enterprise

/ Scottish Development International; Skills Development Scotland /PACE; Transport Scotland; the Department for Work and Pensions (DWP); key private sector representatives (Hargreaves, Clydeport), trades unions; community group representatives, and local politicians (MSPs and MPs).

4. Outcomes

4.1 The Task Force closed in May 2018 after 8 meetings.

4.2 Including contractors, 370 clients were listed on the PACE¹ Tracker of which 99% (not including those economically inactive or who chose not to access further support) secured positive destinations in either work or training.

4.3 Scottish Power estimated its supply-chain in Scotland was approximately £48 million (2014). Scottish Enterprise confirmed that 185 companies were known to be within the supply chain, 18 of which were account managed by Scottish Enterprise. The impact on Scottish Enterprise's account managed companies in the supply-chain was minimal.

4.4 Two supply-chain events were held, providing an opportunity for companies to meet with Scottish Enterprise and Business Gateway officials to explore support options. Of 41 companies invited to the first event (31 August 2015), 23 attended. Of 180 companies invited to the second event (29 February 2016), only 15 attended.

4.5 The phased demolition process is underway by contractor Brown & Mason, with approx. 50 staff on site, and will take a number of years. Scottish Power is still to take a decision on the site's future use.

4.6 The Economic Recovery Action Plan sought to mitigate the workforce and economic/business impacts from the early closure of Longannet Power Station in addition to recognising collective interests across the sub region and beyond. The Plan detailed interventions and initiatives over the immediate, short and medium/long term, setting out activity across six strands:

- Strand 1: Workforce Support and Training
- Strand 2: Business Recovery and Growth
- Strand 3: Community Regeneration
- Strand 4: Business Infrastructure and Investment
- Strand 5: Future Use of the Site and Economic Recovery
- Strand 6: Environmental Mitigation.

4.7 Whilst the Economic Recovery Plan was not initially financially resourced, the Scottish Government did agree to align available agency budgets to assist delivery

¹ Partnership Action for Continuing Employment (PACE) is the Scottish Government's initiative dedicated to helping individuals and employers when faced with redundancy. Delivery of PACE support is led by SDS behalf of the Scottish Government, in conjunction with other partner organisations, including the DWP, local authorities, Scottish Enterprise, the STUC and Citizen's Advice Scotland.

and to identify where the allocation of existing resources could occur. This saw the allocation of (£2.7 million) funding to Fife Council and (£2.0 million) to Clackmannanshire Council from the Scottish Government Local Economic Development Capital Stimulus Fund in September 2016.

4.8 The activity across each of the Strands within the Economic Recovery Action Plan has responded to immediate needs, specifically securing positive outcomes for the affected workforce in addition to addressing direct impacts on community and business interests.

Annex

4.9 The remit of the Longannet Task Force was to bring together key partners to co-ordinate the development of a joint, multi-agency plan to mitigate the economic impacts of Longannet's closure.

4.10 The Task Force developed an Economic Recovery Action Plan to:

- help ensure individuals employed at the site were supported, maximising each individual's opportunity to secure alternative employment;
- support the communities impacted by the closure;
- mitigate the effects on the supply chain;
- produce a masterplan for the long term future of the site, maximising the employment potential of the site;
- consider the economic infrastructure of the local area, to identify how to create sustainable employment in the longer term; and
- consider environmental mitigation actions.

4.11 Following the closure of the Longannet Task Force in May 2018, the remaining work of the Economic Recovery was passed to Fife Economy Partnership (FEP). FEP is a business led partnership which brings together people from Fife's business and public sector organisations to identify and take forward policies and activities that help economic development in Fife. The Longannet Site Steering Group continues to meet to take forward discussions regarding the future use of the site, environment mitigation and wider strategic issues regarding the Kincardine/ West Fife and the Upper Forth.