

Cabinet Secretary for Finance and Local Government
Shona Robison MSP



F/T: 0300 244 4000
E: scottish.ministers@gov.scot

Professor Graeme Roy
Chair
Scottish Fiscal Commission

By email to: Graeme.roy@glasgow.ac.uk,
john.ireland@fiscalcommission.scot

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Dear Professor Roy,

Scottish Budget 2025/26 – Budget Amendment

I have today written to the Finance and Public Administration Committee (FPAC) to advise them that I will formally table an amendment at Stage 3 to accelerate action to support those impacted by Petroineos' decision to close the Grangemouth refinery.

The First Minister confirmed in Parliament this afternoon that this Government will commit to additional spending of **£25 million in 2025/26** to establish a Grangemouth Just Transition Fund (£20 million capital and £5 million resource). This will be funded by a draw down from Scotwind.

The announcement earlier this month that Petroineos have issued redundancy letters to some of a dedicated and highly-skilled workforce at Grangemouth is deeply regrettable. The Scottish Government remains of the view that its closure is premature and fundamentally short sighted and that it is detrimental to Scotland's transition to net zero.

This funding will be available immediately in the new financial year to support businesses and stakeholders to bring forward investible propositions over the next 12 months, and if necessary, beyond. The aim is to expedite potential solutions that will be set out in the Project Willow report, as well as other proposals to give Grangemouth a sustainable future.

I trust that this is helpful to the Scottish Fiscal Commission in undertaking its ongoing scrutiny activities.

Yours sincerely

SHONA ROBISON