

SALINE AND STEELEND COMMUNITY COUNCIL (SSCC) COMMUNITY-LED UOG CONSULTATION

- **Group:** The Community Council and the Peoples of Saline and Steelend.
- **Date of meeting:** Saturday 18th February 2017, 11am-1:30pm.
- **Location address / postcode:** Saline Parish Church Hall, Main Street, Saline, KY12 9TL.
- **Number of attendees:** 45.

(i) UOG Consultation Process

1. Leaflets notifying residents of the meeting were posted through every door in Saline, Steelend, and Kinnedar Park, and a further notice was included in the Community Bulletin.
2. The consultation began with a 45 minute introduction for residents following information presentation slides set out in Scottish Government's Discussion Pack for large groups.

On the basis that residents new to the subject would benefit from a variety of UOG perspectives, a matrix was put together for the purpose. This showed the information summarising the research commissioned by Scottish Government (as set out in their handout cards in the Group Discussion Pack), alongside summaries of legal submissions from the Dart Energy PLI. The matrix was included in the presentation, and as a handout.

In prior pilot consultations aimed at understanding what processes can help facilitate effective community discussion, it was found that framing conversations around shared assets and values helped to bring forth responses which were grounded in the community experience as a whole. This finding is consistent with empirical research conducted by the Common Cause Foundation (<http://valuesandframes.org>). For this reason, a list of generic community assets and values that arose through the Community Chartering experience of Falkirk communities (http://faug.org.uk/community_charter.pdf) was also presented and handed out.

3. The presentation was followed by 90 minutes of open discussion split roughly equally between benefits and risks of UOG. This was moderated by a facilitator, Jamie McKenzie Hamilton with support from Community Councillor, David Chisolm.
4. Outcomes were written up by the facilitator. [These were first verified for accuracy with councillors and participants, and then broadcast for residents who may have been unable to attend].

Precise details of the materials and process employed can be made available on request to uogconsultation@charteringnetwork.org.

(ii) **Outcomes.**

1. Overall, and in light of the available evidence, what do you think would be the main benefits, if any, of an unconventional oil and gas industry in Scotland?

Maintaining a national gas capability: Some felt that a gas industry would sustain local petrochemical processing or manufacturing plants, and avoid the loss of associated skills and infrastructure which might result from closure. Others considered it important to have an independent gas supply and to reduce our dependency on other countries or Westminster budgetary supplements, particularly in the current context of political instability. For others, however, these uncertainties emphasised the need to manage our dwindling resources sustainably and focus investment on alternatives. Many also questioned whether multinational operators could be trusted to manage a UOG industry in the national interest.

Community incentives: It was noted that other types of local incentive or business rates-based schemes could and had brought benefits to other communities. These were considered to work best when enshrined in fixed agreements, for example, to pay for road repair, local facilities or other assets (e.g. a minibus). Some thought that if UOG risks were negligible as claimed, then incentive schemes could represent similar value to their community. However, local experiences involving opencast coal mining companies have also engendered a deep mistrust of corporate promises and lawyers. It was felt this necessitated community-initiated contracts with iron-clad conditions, financial penalties for breaches, and legal and regulatory support from the Scottish Government. Another requirement was total transparency with regards to the cubic metres of gas extracted locally, to ensure monies owed weren't denied or lost as a result of corporate accounting, legal or offshore schemes.

Jobs: It was recognised UOG could represent some job opportunities for members of the community. This was particularly so for those with industry experience, and because Mossmorran and Grangemouth plants were not far away. Nevertheless, the general view was that UOG would not make a significant contribution to local or national employment.

2. Overall, and in light of the available evidence, what do you think would be the main risks or challenges, if any, of an unconventional oil and gas industry in Scotland?

Trust in multinational corporations. Based on local experience with large fossil fuel companies, many were suspicious of corporate claims and agreements. Many thought UOG operators would prioritise their profit and shareholder interest, over promises to local communities, and would be likely to deny accountability for any harmful effects of their activities.

Little economic benefit, when balanced against the risks. Many considered the economic case for UOG weak, when balanced against the risks. Some felt that at the end of the 15 year UOG lifecycle, Scottish communities could find themselves worse off, for minimal reward, and may regret giving the industry a social license locally. However, others expressed frustration that the industry couldn't move forward based on overegged threats and gut reaction from those opposing UOG. The view was put forward that ultimately, this was an economics vs environment argument where the gap between for and against was unbridgeable.

Irreparable harm to the community. There were genuine concerns that geographical proximity to the industry could cause irreparable harm to the community. The view was expressed that even a small occurrence involving harm to property or public/environmental health might result in a 'black

hole' local reputation, where no-one would want to move there, and no-one would be able to sell their property and leave.

Ineffective regulation. Some argued that Scottish (and UK) industry regulations were better than most. However, concerns were also expressed about the capacity of the regulatory system to manage a large-scale intensive new industry in densely-populated areas, in a context of shrinking public resources and potential weaknesses in expertise (e.g. engineering). The requirement was recognised for local baseline measures, transparent monitoring, iron-clad compensation and bond structures, and conditions which enabled the removal of extraction rights in the event of non-compliance or the discovery of inherent risk. Due to the complexity of the situation, it was also suggested that there was a need for the Scottish Government to put in place a system to help the community properly appraise local risks and impacts.

3. If you have any other comments on the issues as discussed in this consultation, please provide them here:

This section forms the main substance of our consultation and revolves around the *OUR MESSAGE TO GOVERNMENT* questions (or what we think the Scottish Government need to take into account when considering the future of unconventional oil and gas development in Scotland).

There are three main messages or questions which arose from our consultation:

Which body would take overarching responsibility for UOG's regulatory framework, and how would communities be represented in this? A significant majority were either outright against the UOG industry, or would be if any doubt remained regarding the potential risks to community property or public/environmental health. A general concern regarded who would be taking overall responsibility for the many regulators and complex framework required by UOG. Without an overarching joined-up perspective on the industry, there seems a real danger of gaps, blind-spots or loopholes which could have harmful consequences for local communities. Who will ensure that risky incidents or abuses which fall outside, or within, the regulatory framework are dealt with quickly and decisively?

There is a further worry that the community won't have the financial or legal resources to manage agreements with powerful multinationals at a local level, and therefore, that this requires strong support and regulation from the Scottish Government. Given the significance of these matters in a local context, the community seeks clarity on the nature and responsibilities of the body which will be responsible for UOG regulatory framework overall. In addition, it was put forward that Scottish communities should have a voice and meaningful representation within this body to ensure it operates in the best interest of our community and others across who may host the industry across the Central Belt. Finally, the general view was that the typical fine-based regime was not appropriate for regulating breaches of regulatory conditions for UOG. It was felt that there should be an iron-clad condition built into the regulatory framework which would enable the community to withdraw their local social license for UOG extraction should the industry or an operator turn out to be more harmful than residents were led to believe.

Why is the broader context of 'transition' not included in the UOG consultation? A theme of our conversation was that while UOG may serve to keep a declining petrochemical industry going in the short-term, it was not a meaningful long-term economic strategy for Scotland and its material benefits

would unlikely be felt by most. Others felt that given the vital importance of petrochemicals to many modern day essentials, there was a responsibility to manage our declining national resources more sustainably and for future generations. Some thought the race to extract UOG was mainly because it was the cheap and easy economic option, compared to the time and investment required by emerging alternative technologies or strategies for reducing consumption. Others felt strongly it was important to be discussing the technologies within the context of the UOG moratorium and consultation, not least because there may be other less risky sources of methane than UOG which could provide a more solid long-term base for a sustainable Scottish economy (e.g. manure was mentioned). The general view was that before the industry begins, there needed to be a broader public conversation about how UOG relates directly and meaningfully to transition, and clarification on what the enabling steps might be and how they would be regulated. Even if the UOG industry is conducted safely, it was felt there was a strong risk of it being a 15 year diversion which leaves the Scottish people worse off economically than today, and with limited resources left to build a viable sustainable economy.

Why are we giving more power to a multinational company that already wields too much influence in a national context? Many thought it unwise to give Ineos an opportunity to increase their power and our dependency on them in a Scottish context. Some felt they had already demonstrated their considerable influence over Government, and that there was a danger that their short-term profit objectives or monopoly of the UOG industry could undermine national democratic and economic interests. Many felt that nationalisation of the industry would be preferable to concentrating power in the hands offshore multinational and its executive.