

Scottish Affairs Committee

Oral evidence: [GB Energy and the net zero transition, HC 549](#)

Wednesday 14 May 2025

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[Watch the meeting](#)

Members present: Patricia Ferguson (Chair); Maureen Burke; Stephen Flynn; Susan Murray; Kirsteen Sullivan.

Questions 172-224

Witnesses

[I](#): Neil Cowie, Principal and Chief Executive, North East Scotland College; Jim Brown, Director, Energy Skills Partnership; Kenny MacInnes, Principal and Chief Executive, Forth Valley College.

[II](#): Doug Duguid, Chief Executive, Aurora Energy Services; Gavin Templeton, Chief Executive, Veri Energy; Lynsey Benson, Head of Policy and External Affairs, Engineering Construction Industry Training Board.

Examination of witnesses

Neil Cowie, Jim Brown and Kenny MacInnes.

Q172 **Chair:** Good morning and welcome to this meeting of the Scottish Affairs Committee. We are very grateful to our panellists this morning for coming along to give evidence to us. We are going to be looking mainly at jobs and transition this morning. Could I ask you all to introduce yourselves and say where you are from, please?

Neil Cowie: I am glad to be here. It is nice to see everybody. My name is Neil Cowie. I am principal and chief executive of North East Scotland College. We are based in Aberdeen, Fraserburgh and Peterhead, where we operate out of four campuses. I have been in further education for some 26 years, solely in that college. I have done other things within the region as well, in social housing and in retail.

Jim Brown: I am Jim Brown. I am from the Energy Skills Partnership. I am delighted to be here. The Energy Skills Partnership is a college sector agency for everything to do with energy transition, low-carbon transport, engineering, advanced manufacture, construction and energy efficiency. We work with all the colleges, industry, Government and agencies to really make sure that we can maximise the economic impact through skills development through the colleges. Until recently, I was the skills lead for the Scottish Offshore Wind Energy Council and worked very closely with RenewableUK's investment in talent group.

Kenny MacInnes: Good morning. My name is Kenny MacInnes. I am the principal and chief executive of Forth Valley College, which is in central Scotland. We have three campuses operating across Falkirk, Stirling and Alloa.

Q173 **Chair:** That is great. Thanks very much. I am going to begin the questioning this morning. The Government have said that the net zero transition requires rapid reskilling. In what ways has the further education sector adapted to meet the skills energy challenge? That is probably best answered, I would imagine, by Mr Cowie and Mr MacInnes.

Neil Cowie: As a starting point, this is not rocket science. We are not starting afresh or from a low base. A lot of the skills that are going to be required currently as we make our way through the decline of oil and gas into an energy transition world are already there. It is about fine-tuning what it is that we already offer.

Key areas of focus for us are going to be in terms of offshore wind, carbon capture and hydrogen, but the kinds of skills that we are seeking to make sure that the future workforce have would include things around general energy transition knowledge, electrical and mechanical engineering, construction, manufacturing, project management, health and safety and quality. These are often things that we are already doing, but they might well be add-ons to the offer that we have. That is done



very much in conjunction with employers, who we stay close to and who often make sure that what we would be delivering could be tweaked for anything that they feel is going to be required for their workforce.

Kenny MacInnes: I concur completely. The skills are already within the sector. A lot of the skills that are required for energy and a just transition are traditional skills that are starting to work within new fields. The sector is constantly engaging with industry to ensure that we can co-design and co-create qualifications that are relevant.

It is an important point to identify that we can get lost with green skills and trying to define what they are. In terms of carbon capture, biotech and low-carbon energy, a lot of those will require construction skills—mechanical, electrical and fab and weld. These are very traditional skills, but, as we start to engage with new technologies, we have to ensure that the curriculum is fit for purpose, which we do through engagement with industry.

Jim Brown: Just to reiterate that, we have shifted away from the term “green skills” to “skills for a green economy”. One of the things that has been done very well in Scotland is that colleges are working together. In working with the colleges, we have a strategy group that gives direction for the ESP and the college network. We have a number of formal training networks that work together collectively and collaboratively across Scotland in the right geographic areas, doing the right things to develop and deliver a new curriculum to best meet employers’ needs.

Neil Cowie: Just as an additional point, in evidence sessions that have already been held, my colleague from Robert Gordon University, Paul de Leeuw, made it very clear in a report that he created for the National Energy Skills Accelerator that, in essence, 90% of the skills that are foreseen for future workforce needs are already in the mix and, therefore, transferable from oil and gas to energy.

Q174 **Chair:** You have probably answered my next question, but it might help to bring the issue out a bit more if I ask it. Is there enough clarity from both the Government and the industries about what skills are going to be needed for energy transition?

Neil Cowie: My view is probably not yet. Looking longer term, there is a general lack of clarity relating specifically to what jobs and careers are going to be needed in the medium and longer term. That will emerge as technologies and industries change.

Timescales are a bit tricky in terms of making sure that projects and targets continue to progress to the timescales that they have been given, and can consequently slip due to approvals, contract negotiations and availability of resource.

Some of the jobs that we know are likely to be required have not been invented yet, so that is another thing that we have to consider. What we



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are aware of, going back to a point that I raised earlier, is that the skills that are going to be required are exactly those that are in play right now for the oil and gas, the traditional energy industries. Again, thinking about what we do to bridge that in terms of a managed decline of oil and gas towards a green energy economy, there is more that we can do to consolidate those skills, particularly in younger people.

There are also various elements that we will probably pick up in this conversation around the resourcing and funding of that, which is a concern for the college sector. We are increasingly in a position where, through a subsequent decline of funding, we are having to deliver to greater demand for the short, medium and longer term, with a limited amount of resource to deliver that. That is pretty well everything that I would want to say there.

Jim Brown: It is a very complex situation. We simply do not—and there is no way that we can—have the clarity at this point in time. Industry is working hard. We are working with the Scottish Offshore Wind Energy Council, which is doing its skills intelligence model. That will give us some figures towards the end of June, but it still will not give that clarity. We do not know who is going to be winning contracts. We do not know what investors we are going to attract.

What we do know is that different sectors are competing for the same skills, so we do need more electrical, mechanical and construction engineers, and so on. The volumes of these are quite significant, and we really need to act quickly to be able to meet that demand. It takes a number of years to get a qualified individual through the system. It is difficult, but we need to take a bit of a risk and to invest now in order to meet that demand, so that we do not miss the boat.

Kenny MacInnes: I agree with my colleagues. There is not the clarity that is required in terms of the future skills requirements. I also agree with Neil that, for the college sector, you need future investment to be able to start to change the curriculum. An annualised funding model, which is not finalised until May, when you start delivery in August, and a perpetual cycle, make it difficult. There has to be a priming for the sector to be able to look at how we start to change or move with the skills needs.

We are in a fortunate position, where, as I said earlier, the skills are within the sector at the moment, but, as that starts to change, there has to be investment and an engagement with Government to set the scene. With things within my own area such as Project Willow and Forth Green freeport, there has to be an engagement to look at what skills are needed for the size and scale, to ensure that the college sector in Scotland can deliver, but also deliver the timings for industry.

Q175 **Chair:** If annualised funding is not helpful in that regard, over what sort of period would you be looking to have the funding?



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Kenny MacInnes: There has been a conversation about a multi-year funding model of three years, which would give clarity. It would also help industrial relations within the sector, which have been problematic over the time. That also enables investors and industry to look at the sector as a mature one, which would certainly help industrial relations. It would help to settle the sector, so a multi-year funding model and a block grant-type approach would certainly help.

It is difficult. The Scottish Government's budget is set annually, so we understand the complexity around this, but that would certainly help and give the college sector the opportunity to look ahead, start to plan, and look at the future workforce that we also need to be able to deliver the skills that are required for industry.

Q176 **Chair:** That is interesting. Is there a better way of communicating with workers about energy transition and about the training that is going to be needed going forward for them in order to be able to continue a career in energy?

Kenny MacInnes: I would agree that we could communicate better. In particular cases, the college sector can be siloed in terms of the delivery in year, and what we do and what we know. With the change in industry and in technologies, particularly if you look at what is happening at Grangemouth with Petroineos, people are seeing the just transition journey and the challenges and complexities around it.

My college has started to engage in being able to support employees who are impacted by the decisions at Petroineos, but we have to communicate, because that has now sent a ripple throughout the workforce in the Grangemouth grouping and also in the communities more broadly. People are now starting to think, "That is not sustainable or long-term". It is something that they thought might always be there in terms of the refinery. That has now changed, and has sent out a ripple, so people will now start to look at, "What is the alternative? What can I do that will give sustainable employment going forward?" The college sector is well positioned, but it has to be supported to be able to do that.

Q177 **Chair:** One of my concerns is that it is one thing retraining, helping and assisting the existing workers, which is something that needs to happen, but, if you are in a community that has traditionally had a lot of employment from an entity, whatever that entity happens to be, and that looks as though it is not going to be there in the future in that way, are we in danger of losing the skills that we would have developed?

I am not explaining this very well, but do young people coming through the education sector need to be given reassurance that there are still going to be jobs needing these skills, even if they are not at the Grangemouth refinery but somewhere else on the Grangemouth site, or elsewhere in the area or in Scotland?

Neil Cowie: This is an interesting one, because, if you take existing workers, and the workers currently required who are in school, my



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college currently has about 6,500 young people on a school college programme right now. We have done a lot in the energy transition space and continue to do so. We are building a new energy transition skills hub in Altens in partnership with ETZ Ltd, Shell and other partners, including ECITB. That is going to be a very valuable tool for us to get younger people thinking very carefully about what future career is going to be needed.

There is a challenge, however, and it is around Government policy. The key influences for those young people are going to be within school and beyond it. Consequently, what people are picking up or feeling at home and in school is going to have a sway over how those young people decide to follow an employment path. The uncertainty that there is around various things in terms of how we are currently treating the North sea and those operating in it is causing a concern and casting a bit of a shadow over the idea that there are going to be opportunities to have full and fruitful careers in energy transition.

I know that my colleague from the Aberdeen and Grampian Chamber of Commerce, Russell Borthwick, has said to this Committee previously that there is also an issue around how young people from universities are thinking about alternatives. Our numbers are good at the college. The demand is and remains high for the key areas—the STEM activity that is ordinarily more relatable to energy transition careers.

There is something in there about oil and gas being bad, and we are going to have to manage that decline very carefully. There is some PR around that, because we still need it to be a sustainable organisation and to ensure energy security. The good bit of that is that it will provide a bridge if we manage that correctly, where a lot of families, particularly in the north-east, will benefit from what the energy transition industry has to offer.

Just as an associated point about people who are already in the industry, I was on a phone call last night with my son-in-law, who has worked offshore for many years in the North sea and in Doha, and is currently operating out of Norway. I asked him about how he perceived these things right now and why he had chosen to operate out of Norway. His line to me was, "For me, working in the North sea is over. Its future is uncertain, and the UK Government's delay on policy is not making things any easier or clearer. On the other hand, Norway is looking after the oil and gas industry while it transitions to a renewable energy economy. Workers here do not have the same degree of worry or concern. In fact, they feel confident that there will be careers there for them for a long time to come". I recognise that that is just from one person in the sector, but he would say that that would be representative of many of his colleagues who he is working with.

Jim Brown: A couple of things have been good practice in the offshore wind sector. We are aware of OEUK and RUK working on the skills



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passporting piece. That will help this, but it is in a very narrow sphere of jobs and roles, and so whether that is expanded or not needs to be considered. The wind industry has established a forum with the trade unions and industry, and that is a really good way of getting the messaging out to current employees. Neil touched on the point that policy and messaging from Government could be clearer and more concise.

There is a drive towards universities and higher education. The number of people who we will need at SCQF level 6 and 7 will hugely outweigh the number who we will need at the higher level. There are a number of key graduate programmes that we need to inform and make aware of the opportunities that there are across the green economy. Colleges have a key role to play in this, and we need to get this right. We need to get the policy and messaging correct from Government. We need to work with industry to get that messaging out to the workforce, but we need to support the colleges to be able to develop that capability, capacity and curriculum and support that transition.

Kenny MacInnes: To answer your question, confidence needs to be given. We have to give confidence to young people, but also to the influencers who are supporting young people in making decisions about what career choices they will make. We are fortunate at the moment that many of the skills that we have already spoken about are transferrable, but there will come a point where we need to probably start to narrow that down, because of the way that the technology is moving.

We have to create that pipeline flow, and it is a push-pull. You have to have the companies at the other end with sustainable and attractive jobs and employment, but you then have to have the young people coming into the pipeline. They have to be influenced, and that is through school engagement, college engagement, influencers, parents, guardians and carers influencing young people towards these career pathways and towards making the right choices for qualifications that can support the skills needs as we go forward.

Q178 **Kirsteen Sullivan:** This Committee has received evidence—not just written evidence, but from people who have come to this Committee and from organisations that we have visited—that there is not yet parity in the remuneration packages in clean energy versus those in high-carbon industries. We are hearing about substantial differences in pay. While higher than the average salary, they are not really comparable to those in oil and gas at the moment. The same goes for pension packages. To what extent are the pay and working conditions in the clean energy sector deterring workers from high-carbon industries from transitioning across?

Kenny MacInnes: It will have an impact. It will lead somebody with those skills to make a choice about whether to remain in Scotland or the UK, or whether they will then look to move abroad to get a comparable salary. That has been part of the unions' issue with the refinery decision



in Grangemouth, ensuring that employees who exit are moving into comparable jobs.

That is something that Forth Valley College is committed to trying to do as best we can through our network of employers. We can engage with approximately 350 employers, but that ranges from multinationals down to micro-organisations. It is not just about the technical skills. We have to look at the entire workforce that is impacted, because there will be a lot of back office and other support roles that will be required. The short answer is that, yes, it does impact, and it will make decisions about where people will go to get a sustainable salary that is comparable.

Jim Brown: There is anecdotal evidence coming out from the sector that those who want to transition into the green industries at this point in time have probably already done so. Some of the barriers in the wind industry are the financial packages, terms and conditions, and some of the skills transition issues. There is not a lot of clarity, although more is coming, around what skills are required for people to transition across. The packages are a barrier, but we can better support the industry through some of the skills provision and supporting that transition through as well. The passport piece is quite important, so that people are not having to totally retrain, but are having to top up on the skills that they need, rather than the full package.

Neil Cowie: From what I know—and I am not an expert on this, so forgive me—there is some evidence being suggested, through SDS's reporting of it, that some careers may well offer generous salaries that are comparable to those in oil and gas. That said, there is a recognition in the north-east generally that pay within energy transition careers is probably not going to be able to compete with those of oil and gas.

I am more interested in what impact that then has on getting those talented people who are in that industry right now upskilled and reskilled, because it is a disincentive to go and do that if you are thinking that you are not going to get paid as well as you have previously.

Jim Brown: It is important to say that they are not poorly paid roles. They are still well-paid roles, but just not at the level that you get in the oil and gas sector.

Q179 **Kirsteen Sullivan:** It is about making that direct comparison. Just to continue with that theme, we have also met some workers from oil and gas who want to make the transition, but have had to foot the training bill themselves. How prevalent is it that workers are having to pay the bill for their own retraining? How could that be addressed in terms of shifting the onus away from the individual?

Jim Brown: That is a really good point, because there have been initiatives in the past that have supported individuals to transition across. We have had the national transition training fund and the flexible workforce development fund, but they have all ceased to exist.



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At the moment, it is a real struggle to support individuals. We are working with the Scottish Government on a £3 million pot of funding to support the wind industry, and there is an element of that within that ask and offer to industry.

There is a real challenge there. We need a strategic plan on this, and we need to support these workers. We need to have interventions that will support that transition across. Most of the skills are there. It is just these top-up pieces—micro-credentials, and the Global Wind Organisation's basic safety, technical and training standards—that people are required to meet. They then still have to go on and do the turbine manufacturer training as well, but that tends to be done once they are in employment.

If there is anything that could be done, it would be to set up a flexible workforce development fund similar to the national transition training fund that could support these individuals. That does not necessarily need to come from the public purse. In the work that I have done with the Scottish Offshore Wind Energy Council, we have looked at establishing a co-investment fund to see how we can use the community benefit funds and some of the other funds that the developers have at this stage to invest in these and support the transition piece.

Neil Cowie: For me, that one is a bit of a yes and no. We have evidence that there are employees who are paying for their own upskilling and reskilling, but they are also involved in initiatives where that is not the case. It is about supporting those people already in employment to manage that energy transition. For example, we work with Shell UK, and have provided opportunities for fee waivers for those upskilling and reskilling in key disciplines. That is particularly relevant around, for example, electric vehicle infrastructure, where we understand that the demand is pretty high but the training is free. That is what we have been doing there.

We are also a partner within the National Energy Skills Accelerator, which is a collaboration between ourselves, the University of Aberdeen and Robert Gordon University. We managed to secure about £1 million of just transition funding for fee waiver courses there. That provided something in the region of over 700 fee waived places, which fundamentally helped to remove barriers for those seeking to upskill into energy transition-type careers. We have also been able to develop new courses as a consequence of that and then offer them for free in what it is that we are doing.

I would echo what Jim has said, however: the flexible workforce development fund is a key point for us north of the border. Our college was operating a training fund of anywhere between £1.1 million and £1.9 million, which was very much valued by those people who were receiving it. It allowed us to engage very successfully with employers in the north-east who, ordinarily, we would not have been engaging with. Overnight,



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that disappeared off our and the Scottish Government's budget line. Consequently, we have never really got back into that space.

There is a debate to be had about how best we use the apprenticeship levy, because there are some challenges that fit north and south of the border for us. It is an interesting issue, and we might well get into that in a bit more detail as the conversation progresses.

Q180 Kirsteen Sullivan: Since you have raised that, Neil, I wonder if you could expand on that. I have heard from other industries that there is an issue with how the apprenticeship levy is operating in Scotland. I would be really keen for this Committee to get a better understanding of what that is and how it directly impacts the energy sector.

Neil Cowie: I might broaden that out a bit to talk about funding more generally, because it has relevance to the conversation that we have. As I said, at our college—and Kenny would probably not be too dissimilar in terms of what the allocation would have been—we saw a very valuable pot of money disappear that allowed us to engage. That money is, in essence, driven through the apprenticeship levy.

I know that there is work north of the border right now that is seeking to look at how that could be best used. If you look down south, there is greater employer engagement in the apprenticeship levy. Of course, you then look at how certain things are funded.

That leads me into a conversation around modern apprentices. We have about 1,000 modern apprentices on our books. We are the biggest modern apprentice provider in the north-east of Scotland, and we are glad to be so, but our demand is ever-increasing.

The MA funding is not comparable either between north and south. We are probably talking about £10,000 of funding that we receive from SDS, with another £10,000 on top of that, which we would top up through the credits delivery that we have in terms of our targeted allocation from the funding council. That still leaves us short by about £7,000 in comparison with an engineering apprentice, for example, south of the border. Again, there is something that we need to explore about that iniquity.

There are other things that we also need to consider. It is well documented that the colleges sector in Scotland has been hit with 17% real-terms cuts over recent years. There are numerous Audit Scotland reports that say that, as key delivery agents of the skills agenda in Scotland, they are underfunded and need support. There needs to be a bit of a rethink about how that is done.

There are various review reports that have been identified, including the one by Withers, and I am grateful for the Scottish Government's response to that. That has allowed the SFC and the Scottish Government to think more carefully about how they should be funding colleges going forward. I welcome what has been put on the table in terms of the



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signposting of a reformed funding model, but, in my mind, it is too little, too late, and a bit too slow. Because we are seeing demand starting to crank up, we really want to get cracking with this now. We want to be able to deliver what our regional partners are seeking.

I would also say that the model is not fair. If I use my college as a case in point, we are the region's college for the north-east, and we came together through two legacy colleges, one very much city-based and one rural-based. There was a rurality premium within the legacy college in the rural areas of Fraserburgh and Peterhead that allowed us to sustain an offer that was comparable to those of our Aberdeen counterparts, but that, basically, got stripped away. For around the last 12 years, we have been disadvantaged to the tune of about £3 million per annum.

We have been pretty effective in trying to make sure that, even though we are still running a deficit budget, it is manageable, but the reality is that we know that demand is on the increase. We are a higher-performing college. We are making inroads into the things that our region's economy is going to need. More and more, I am asking people within my college, whether they are at the Aberdeen Altens campus or the Aberdeen City campus, the Peterhead Maritime Academy or our Fraserburgh campus, to do far more with fewer of them.

That model is not sustainable, because, in reality, we want to crack on and deliver a managed oil and gas energy transition going forward. There are some fundamental questions that we need to ask about how colleges are funded in Scotland to ensure that we deliver to the ambitions of the national strategy for economic transformation and of our employers.

Q181 Kirsteen Sullivan: In short, colleges are not in the place that they could or should be in order to play their role fully in the skills transition. We could be further ahead, had colleges been better financially supported over the years.

Neil Cowie: There is an interesting statistic. One year down the road as NESCol, my predecessor, Rob Wallen, instigated a report done by a company called EMSI. It was quite interesting that, for the £32 million of public investment that went into NESCol at that time—and that has gone to about £35 million now—there was about £440 million of return to the regional economy. That tells you that money that is invested in the college sector is well invested, and you get good value for the public purse.

The reality is that we are still providing a very broad offer. I talk back at home about how we have wide doors and deep reach. We are an anchor institution. We have responsibilities to many learners, whether they are in employment or not. Without that broad offer, there are many people who would simply not be able to progress on to anything meaningful in the way of further education, higher education or employment. To sustain that and to deliver, rightfully so, to the demands of our regional partners, as well as some of our local and global partners, needs more funding. We



simply cannot keep on cutting back any further what is already a very lean entity.

Q182 **Susan Murray:** I met a young man in my community in Mid Dunbartonshire the other day who is a North sea diver and was training to move into the offshore wind sector. He was having to pay for it himself. Mid Dunbartonshire is on the west of Scotland. Is there more accessibility to funded retraining on the east side of Scotland rather than the west?

Kenny MacInnes: I would not necessarily say so. The flexible workforce development fund has been cut. It is gone. I am not necessarily saying that that might have covered that specific type of training, but I agree with the point that was made. There needs to be a strategic fund set for transition to allow skilled workers to cross-skill and upskill into different areas. Unless there is a specific pot of funding, we are not necessarily seeing that the east coast is significantly different from the west coast.

It is inconsistent. There is no consistent strategy, and decisions are taken depending on the political challenge. Money has been made available for Petroineos, for example, but that is not consistent with other businesses that then find themselves exiting employees, and they may have to cover the costs themselves. We are in receipt of funding to support employees exiting Petroineos to be retrained, and we are supporting through a training needs analysis and a retraining programme at the moment, but, again, it is a finite pot of money.

Neil Cowie: If I could add to that, I could not necessarily comment on how things are in the west—I am not particularly focused or referenced on that—but one of the things that has probably benefited the east is the alignment of regional economic partnership working. Thinking about the National Energy Skills Accelerator and how we have successfully offered a fee waiver to many people who are seeking to upskill or reskill, that is on the back of a lot of work that has been happening for a long time between partners who know each other really well.

Consequently, when we were looking at bidding in to get the just transition fund for that, we were already pretty well aligned about how we could do it and what we could offer. The advantage to those people in the north-east, for example, probably came from those relationships that have been going on for a long time and are very much focused on making sure that the energy transition, which is the regional economic priority for the north-east, was as successful as it could be.

Kenny MacInnes: Can I make a brief point on the funding? Just to reiterate, Forth Valley College is facing a significant deficit next year. The decisions that we may have to make as an organisation are significant. It has been touched upon that colleges are anchor institutions that sit across communities. We are the point of access for people who come into education with no entry requirements and can exit with degrees. We transition that through.



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Our school partnership is significant. Forth Valley College has over 1,100 MAs. We have one of the biggest SDS contracts in Scotland. The SDS funding has not increased in nearly 10 years per head of MA. We also use our credit funding, but that is a finite pot. If I have more MAs who come through employer choice to my college, I then need to make a decision about what else I stop doing. We have a finite pot that we get for our credit allocation. We can bring the SDS funding in—if it is available, because that is still capped as well.

It is important to understand that there are restrictions within the funding model. The fact that it is underfunded is one element, but the way that it is then constructed is another, and that brings real bureaucracy and challenge. We have capacity across our campuses to do more, but there are MA caps within Scotland. The levy is also paid down to the UK Government and then returned to the Scottish Government, and the decisions are made at a devolved level.

There are challenges within the sector. We have one of the biggest public investments—up to about £240 billion—coming into Scotland in terms of public sector investment in infrastructure. The college sector is at the heart of being able to deliver the skills going forward, but we have to have that engagement and investment so that the colleges are primed and ready to go.

Q183 Kirsteen Sullivan: This Committee has also heard from many people that relocating for clean energy jobs is another barrier. How much of a problem is this?

Jim Brown: There are major challenges on this, particularly due to the nature of where a lot of these activities are. If we look at the Cromarty firth, the whole support infrastructure for attracting and housing new people is a real challenge. There are not enough people in the regions where they need them to be, so there is going to be a major challenge in attracting people into these areas.

How do we make that attractive? I do not know, but we need to support the indigenous companies. We are going to be attracting inward investors into these areas. Skills is a key decision factor for any inward investor. We have been working with SDI and Scottish Enterprise around some of this, and skills is their second decision factor in terms of whether they relocate. It is colleges that will be delivering that level of skills.

We can only do our best to make sure that we can communicate what the job opportunities are, create the workforce and support the industries as best we can. Again, it goes back to the fact that we need the policy drivers for this. We need targeted funding to support and take this forward.

One of the things that has been touched on is modern apprenticeships. The engineering skills leadership group has said that the demand for apprentices was 20% more than were funded this year because of the



cap on apprenticeship places. That is a gap and an opportunity that we are missing. What do we do? Do we put the resources towards engineering and construction-type apprenticeships and move them away from something else, or do we invest more in apprenticeships? That is one of the key things we have not touched on.

We need to look at the new entrant piece as well as the transition piece. Most of the discussion has been about that transition piece. We need to support new entrants in this. We need a campaign to really present the opportunities across the whole clean skills agenda, because there are a huge amount of opportunities there, but very minimal awareness among the school population and influencers.

Q184 Kirsteen Sullivan: Thanks, Jim. That is an important point that you make about demand. We heard the same from the higher education sector, related to space and engineering, so it is really interesting. It comes back to those tough choices. The demand is there, but the funding is not currently supporting what you can offer.

Chair: In this question, we were talking about barriers in connection with relocating, so it would be helpful to stick to that, if we can.

Kenny MacInnes: I was going to make the point about the significant infrastructure coming through stored hydropower at Cruachan 2 and Coire Glas. One of the conversations there is about having communities put in place to support housing that would support a workforce in very rural locations. There is an amount of infrastructure that has to be put in place—access roads, housing, and possibly even small new villages—to support a workforce that would provide social sustainability going forward for the communities. That is about having sustainable, proper housing that would attract people to want to come and work and live, and then have sustainable jobs within these areas. You will have the boom for construction, which will then downsize to an operation.

It is important that we have that policy driver to ensure that, when we have these massive infrastructure investment projects, we have the support and infrastructure around it to make it attractive to bring in a skilled workforce, and to be able to maintain that skilled workforce as we go forward.

Neil Cowie: Just to add to that, the *Green Jobs in Scotland* report from SDS suggested that the concentration of jobs for an energy transition would probably be located in eastern or south-west Scotland. We in the north-east are making sure that we are trying to be open about attracting people into the region, but we have a very strong focus on retaining the talent within the region, and that is the key thing for us.

We have various projects that we have been involved in—for example, the Moray East operation, which is operated by Ocean Winds out of Fraserburgh harbour. Those people who have been skilled and retrained



have been developed through NESCol, our college, and that has been done through our Fraserburgh and Altens campuses.

Also, whatever happens in terms of the Acorn project, our Shell engineering scheme, which has been running for many years, would allow locally trained technicians to go back into St Fergus and do, in essence, more or less the same job but the other way around. There is very much something there about making sure that we retain the talent as best we can for the north-east.

Q185 Susan Murray: We have heard quite a lot about the challenges that colleges are facing, and some of the solutions that you are putting in, but what should the UK Government be doing to support the provision of energy transition skills? What more should they be contributing?

Kenny MacInnes: There definitely needs to be a strategic skills fund. There needs to be engagement with the Scottish Government. There needs to be a conjoined engagement to drive us forward for the UK. The UK Government need to engage and to ensure, through conversations and through funds that are released, that they are targeted to where they are needed when they come up to Scotland. It would definitely be a help to make sure that the strategic funds are set up and then delivered, so that they can make the most impact.

Jim Brown: I know that there are plans for a green workforce strategy, and getting that right in the first instance would be a real boon for this. What is then needed to support that is the strategic funding that would drive this. We need to get that across the border and to have it ringfenced for the activity that supports the sector. The colleges need to have a line of sight and confidence, as do industry, about these opportunities and the timelines.

It would be key to get a really good understanding of the demand piece across the different areas. We tend to focus more on the oil and gas to wind transition, but there is low-carbon transport and the whole infrastructure that supports that. We have the grid that needs to be upgraded to support that, and it is all the same skills. We cannot look at things in isolation. We need strategic and consistent messaging coming through, as well as a strategic pot of funding and a campaign to promote the jobs in the sector.

I am going to take a shift here, because most of the talk is about construction and engineering and so on, but we need a whole workforce. The critical skills at this point in time are in the developer space—environmental and higher-level skills—so the universities have a key role to play at this stage. In terms of colleges, the numbers are kicking in now, so we need that lead time and we need to invest now to get the capability in the colleges, the CPD and the curriculum, and start the messaging now to the existing employees in the sector, as well as the future talent.



Neil Cowie: For me, it is about clarity of position on what is considered in the north-east as a very prohibitive taxation system for those operating within the North sea. If you are looking at this in the medium to longer term, that is stalling future investment in the energy transition. The need for me, and for a good set of people who I operate and work with as colleagues in the north-east, is some clarity about what that is likely to be, and also around licensing.

We have already had, for example, Harbour Energy this week lose another 250 jobs—and I know that the chamber are behind this, because there is genuine concern—and that is on top of the 350 that they lost earlier this year. They are looking to take their business to Brazil and Canada, and that is not good for the north-east, Scotland or the UK. There needs to be a degree of clarity about what we are going to do next there, because, without that sort of investment, I do not see us getting to where we need to with an energy transition. We are going to need to have a managed decline of oil and gas to get us to that second bit. I am not alone in saying this, but we do not necessarily feel that it is managed.

That said, there are other things that we need to consider, and it is about how UK Government fund the Scottish Government. There is something about a better understanding of what the skills priorities are going to be for Scotland, and how we can make sure that that is funded correctly to a level that does not leave Kenny, Jim and I to complain routinely about the fact that we are being asked to do more when there is clear economic benefit by making sure that this transition happens.

From our perspective as civic anchors, the benefits that there could be for inclusive economic growth could reach people on the margins of communities who simply would not be reached. There needs to be a fundamental conversation about what the Barnett consequential offer up to Scotland in terms of that allocation to the college sector.

There is also some clarity required around GB Energy. We are grateful that they are locating in Aberdeen. We turn up for meetings with Jürgen Maier. I have been to one where he introduced himself to the regional economic partnership and other people very much within the oil and gas and future energy sectors. We were encouraged by what was being said, but we just need to make sure that we are very much aligned to the ambitions that UK Government have for GB Energy and how we then play into that for the common good.

That pretty well covers everything that I wanted to say. We are very grateful for the collaborations already ongoing between the UK Government and the Scottish Government. We have been a beneficiary of the just transition fund, which has been very helpful to kick off some of the projects that we wanted to have in and around Aberdeen and Aberdeenshire, which have afforded us an opportunity to start thinking about, "What is it that energy transition looks like for us, for Scotland and for the UK more broadly?"



Q186 Susan Murray: We clearly need to transition the energy skilled workforce across. What you were saying earlier, Jim, about the wider skills base that is going to be necessary was interesting. Referring back to Kirsteen's question, if there is no accommodation for people, it is very difficult for them to relocate. In terms of things that have been put in place to try to help, have you seen any evidence, Neil, that the energy skills passport is working as it was intended? How has the Government skills pilot in Aberdeen, which you have mentioned, impacted what you are able to offer and deliver for potential students?

Neil Cowie: There is a recognition, thinking about the evidence that has already been given to this Committee, that we know that the skills passport is something that is a work in transition, so we are still not quite there yet and I know that there are some further works to do on that.

In terms of piloting, energy skills initiatives are beginning to bear fruit. As a college and as a broader college sector, we have become very useful at being adaptive and agile when these things have come to pass. We recognise that, if our industry membership organisations or our industrial partners and employers think that that is the best thing to do, they often would come to us and ask, "Can you do it?" and we would seek to do that. There is many a scheme that Jim, Kenny and I, and our other colleagues more broadly, would have been involved in just in terms of listening to employers and making sure that we are responding to their needs as quickly as possible. That said, there is still some work to be done on these things, and we just need to make sure that we keep the momentum going.

Q187 Susan Murray: How confident are you that the Office for Clean Energy Jobs will have a positive impact on the workforce and workforce planning in Scotland?

Neil Cowie: I am—very much so. Fundamentally, it is the right thing to be doing. For all sorts of reasons that we have talked about earlier around the managed decline of the oil and gas sector, we would not want to be importing more oil and gas. At the same time, the skills that we know are in that industry and very much needed for energy transition need to be retained.

That is really at the crux of this, and being able to do that will send a really positive message not only to those who are already in the industry and wanting to use their skills and their talents, maybe with some tweaking around the edges in terms of upskilling or reskilling towards more energy-related careers, but also to those people who are coming behind them.

As I said earlier, we are working with about 6,500 young people on a school college programme. There is a significant chunk of opportunity through the various other things that are very specifically related to energy transition and that are showing increased engagement around



what we are doing and where they could go as young people, into adulthood and an energy transition career.

That would be strengthened if the messaging around the security of oil and gas and that managed decline was stronger, and we were able to work with those people operating in and around the north-east, and more broadly and globally than that, to ensure that the north-east played its part in managing that energy transition with the skills that we already have in it.

Jim Brown: We need to really address this. Chris Stark said last week that 2025 is a critical year for the energy transition piece. I would say the same from a skills perspective. We need to develop a toolkit that can support a whole range of individuals and organisations through this. This is where the Government have a real role to play in giving that strategic direction and those timelines and commitments.

Again, I go back to looking at the funding model. I would say that the work going on in Scotland, through the Scottish Offshore Wind Energy Council, is really quite good, but it is taking much longer than it should. It is looking at a skills charter. It is looking at the demand side. It is looking at the sector recruitment attractiveness. It is looking at upskilling and retention. There are six priority areas that are being taken forward, and there is a short-life working group working on that, with great ambitions, but it is still not happening quickly enough. Urgency is the big thing for me in how we progress things.

Chair: Thank you very much. Before we move on to the next question, can I just ask both members and witnesses to be as succinct as possible? We are not making a lot of progress, I am afraid, in getting through the agenda this morning. Having said that, I will call Stephen Flynn. There are no implications there, Stephen.

Q188 **Stephen Flynn:** I will be as succinct as I possibly can be. If you are a former employee of Beam in Westhill or Belmar Engineering in Altness, or one of the 250 Harbour employees who are about to lose their jobs, or one of the 350 who lost their jobs a couple of years ago, or a former employee of the refinery at Grangemouth, are you looking at the job market right now and asking, "Do you know what? There are clean energy jobs there that will allow me to transition today, tomorrow, or in the coming weeks"?

Kenny MacInnes: The job market can flex. There will be some clean energy jobs, but, again, there will probably be the opportunity to move into other sectors where those skillsets may be transferable. Something that we have been doing within the central belt is looking across our employer network. It is about trying to find those comparable jobs that will pay a comparable salary, and where skillsets are transferable. That is about engaging with our employer network to understand the cross-skilling that is required so that we can work.



It will be a bit hit and miss. I cannot say that everybody will just step out straight into clean energy jobs. It will be a mix and people might move into maritime, manufacturing or production, but those skillsets will be transferable. Again, it goes back to the point that was made earlier, which is that some people are having to pick up the cost to get the right skillset to be able to transfer.

- Q189 **Stephen Flynn:** If we broaden it out, there are tens of thousands of people who are employed in the high-carbon industries in Scotland, in the oil and gas sector in particular, and particularly in the north-east of Scotland. Neil made reference earlier to Paul de Leeuw's report, in which he talks about the Goldilocks zone, where you have the oil and gas industry operating and the clean energy sector building up, and those jobs can transfer. We are not at or anywhere near that point right now, are we? That is the reality of the situation.

Jim Brown: We are not at that point, but there are opportunities there. The offshore wind industry is not good at communicating job roles. There is no place that you can go to in order to find out what jobs there are. Most of it is done through LinkedIn. The industries really need to come together around this, and there is a bit of work going on on that.

- Q190 **Stephen Flynn:** Is there a wider danger, then, that, if we see what we are seeing at the moment, with job losses in traditional industry, we could see flight of those skills and that expertise abroad? It is a transient workforce, after all. Does that put an even greater emphasis on the need for not only investment in net zero, but also the protection of what we have now, to allow you to get back to that Goldilocks zone, as opposed to where we are now, which is, as you have just agreed, that we are not there yet?

Kenny MacInnes: There is an element of timing involved. The jobs are going, and we are not there with low-carbon biotech jobs. They are coming, and there is a future, but only some projects have broken ground. Look at Celtic Renewables, for example, and what it is doing. It is looking to grow and expand. RWE is looking at coming in. There is hydrogen. There are a whole host of things that could be potentially happening through Project Willow, but, again, it is about timing. Those skills could go, so there is a gap. The jobs are being lost at the moment, but we have this huge infrastructure in terms of the Forth Green freeport, and massive opportunities. How do we bridge that gap so that we do not lose the workforce? That is the dichotomy that we are in at the moment.

- Q191 **Stephen Flynn:** In that context, particularly on the back of your Project Willow reference there, although it is relevant to the wider north-east, it is vital that we see projects such as Acorn taken forward, because of the multidisciplinary aspects that sit within that, and the ability for people to, as Neil said earlier, go from, effectively, doing the job that they are doing to doing the job in reverse going forward. Seeing projects such as Acorn come forward is hugely important, I would suggest. Would you agree?



Kenny MacInnes: Yes, absolutely. I totally agree that these projects are so important, but, again, it is down to the timing of this. The point that I come back to is that, with the current underfunding that is coming into the sector, the college sector has had to deliver balanced budgets and make decisions. You cannot cut to grow.

Q192 **Stephen Flynn:** We are talking a lot about people transitioning from the oil and gas sector into the renewables sector, and making sure that we have skills passports in place and that these individuals have the support that is required. Do you sense an appetite among people in that industry to do that, given that we appear to have accepted that the jobs do not exist right now? Is there that appetite for them to want to go and put themselves through that training, knowing that there is not a job there?

Kenny MacInnes: Through our engagement with Petroineos—and we are working with PACE, SDS and Falkirk Council—we have engaged with 456 employees. 381 have come forward, and 77 have said that they have secured further employment. We are currently working with 304. We are seeing training in NEBOSH, BOSIET, project management and first aid. A number of training suites are coming forward, but people are grasping at the moment, because they see their employment coming to an end and are asking, “Where can I go?” Some will go abroad, some will go offshore, and we will try to transition other people into comparably paid jobs.

Q193 **Stephen Flynn:** You need the jobs to be there, though.

Kenny MacInnes: We need the jobs to be there, or we are transitioning people out. People are exiting the system. People are moving into completely different spheres. They are going into private businesses and saying, “This is too problematic now. It is too much of a risk to work in this industry. Therefore, I am coming out”, and you lose that skillset. It is about timing.

Neil Cowie: I would agree with Kenny. Also, to the general point that you were trying to make, Stephen, it is fundamentally about making sure that we do not lose talent and that there are jobs to transition into. Thinking about the impact that that could have on the younger people who are coming behind, it sends the wrong message if we are losing people from the oil and gas sector right now, because there is a lack of clarity around investment and licensing, and a prohibitive taxation system that is impacting significantly on those people operating within the North sea.

If you were in that sector for your paid employment, would you be encouraged to go back to it? Anecdotally, we have plenty of information that would suggest that people are drifting from the oil and gas sector into other jobs such as bus driving. With all due respect, I am sure that they will be excellent bus drivers, but the skills that they are going to take with them are a loss to the potential for an energy transition economy. I cited my son-in-law earlier on, for example, and we know



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that there are people working in different fields in other parts of the world. Again, that does not necessarily help us.

Q194 Stephen Flynn: All of us in Aberdeen are very familiar with people who have moved to work elsewhere, and the consequence of that for us domestically. In that context, Neil, you mentioned young people. We are talking a lot about people transitioning, and a lot of these people are already in good jobs. In terms of young people, do we see that burning appetite there for them to get on and embrace the net zero opportunities that exist, or are they looking at that and going, "I really want to do this, but, ultimately, I do not see a job"?

You mentioned Cruachan earlier. Last week, Drax announced that it is not going to be taking it forward at this point, because of the cap and floor mechanisms in place. We have had uncertainty on Acorn for well over a decade. A lot of the supply chain that is wanting to move into the offshore wind sector just do not have the order book right now. Some of them that had earmarked 10% to 15% of their business to be renewables have now scaled that all back and gone back into oil and gas, because they simply do not have that clarity of vision.

Do young people see that in the same way, whereby they want to do this, but the job security and certainty is not there, and so are pivoting to something else, which has a consequence in terms of policy?

Chair: That is a question that we have already had. I asked that question earlier on this morning, so if you want to add to the answer that you gave earlier, that is fine. Otherwise, we can move on.

Neil Cowie: I can add something to that. The point is well made. There is appetite from young people where they are already engaged with the idea of what energy transition might mean in the way of future employment. Our college, as you already know, Stephen, is heavily involved in a lot of initiatives at school level, which will see people transition successfully into a career, whether they are Girls in Energy or the S2 STEM competition that has thousands of young people engaged in it, and what it is that we do to encourage them to think about those future careers.

We are one college, and we rely on a lot of influencers within and beyond us to make sure that the messaging is right for those young people. My concern is that, when you get these kinds of messages, as we have had in Aberdeen this week, it sends the wrong kind of message about that managed decline, and oil and gas then helping us to transition to a greener economy.

Jim Brown: There is generally a huge lack of awareness. That is why we are saying that we need to do this whole campaign about the sector recruitment attractiveness, and influencing the influencers, et cetera. On the timing piece, you are absolutely right. It is critical.



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One of the real positives that is coming out of the skills intelligence model that is going to be published in June by the Offshore Wind Industry Council and RUK is that they have aligned that with EnergyPulse. EnergyPulse is their system where they put in every project and adjust the timelines, depending on the feedback from the developers. That is onshore as well as offshore wind, and large-scale solar. They will churn out the numbers that they need in the different roles, depending on that timeline.

The problem is that the timelines keep slipping, so it is only accurate at that point in time. We know that there will still be further slippage, because the grid connections are critical, and it is just not going to be there, which is another challenge in itself.

Stephen Flynn: Yes, indeed. We could have another half an hour on that.

Chair: Yes, once we manage to get through everything else that we have.

Q195 **Maureen Burke:** The UK has an ageing workforce, with one in three workers aged over 50. To make net zero a success, surely we need to encourage more people to stay and transition into the clean energy sector. Can you comment on what you see as the biggest skill gaps? I know that we have spoken a lot about that today, but what are the biggest skill gaps in the UK energy sector? If it is overseas workers, do we need to address that? The shortages could be filled by encouraging young people in the sector, but we have spoken about how difficult that is for young people now, with the cuts to the colleges and also having to pay for their own training. I was just wondering if you could comment on that.

Jim Brown: There are 16 critical roles that have been identified by RenewableUK, and most of them are in that development space. A lot of them are in engineering, wind turbine operation and maintenance, and fabrication and welding, where there is a huge gap, overhead linesmen, grid infrastructure, control room operators and digital skills.

There is a whole swathe of skills, but, as we have touched on already, many are already here and are easily transitioned across to other roles. It is just about how we provide the mechanism to facilitate that. We need more fabrication welders. We need more wind turbine techs. We need more electrical engineers. We need more control instrumentation. We need more to come through the pipeline in terms of new entrants, as well as supporting those who are already in the workforce.

If you are a senior authorised person in the electrical power generation space, you can ask for whatever salary you want, because there are just not enough of them. How do we generate them? You cannot do that overnight. This is why we need to plan ahead and look at, as well as supporting the existing workforce, the future talent pipeline. We need to act now.



Kenny MacInnes: I would say keeping pace with digital skills, especially with an ageing workforce, and ensuring that we remove the barriers and the complexity. They may perceive that it is there, although it might not be, with AI coming forward and the pace of change. Digital skills are a key blockage, and we need to make sure that, for those who still have a number of years to work within the industry, we support those transitions with digital skills. Traditional skills very much have a core element to them. The support and periphery and the change of pace around digital skills are key areas.

Neil Cowie: I would not argue with anything that Kenny or Jim have said. For brevity, what I would also say is that we have seen a significant ramping up in our civils activity. Infrastructure work, construction and the like are proving a bigger demand on us, and we are adapting our curricular offer accordingly. That is something to consider in there. It would be remiss of me not to mention seafarers, because we have the Scottish Maritime Academy at Peterhead. We are going to need them too.

Q196 **Maureen Burke:** A concern for me is the barriers that are there for young people, which you spoke about. How do we get that message out to the schools and colleges? Is there anything that we can do that can help you with that? Is there a plan to get into the colleges? I know that a lot of schools in my area would be very interested in taking even some of these young people into the colleges and letting them see what is there. We have done a number of visits to the colleges, and you can see the innovation there.

Kenny MacInnes: There is bureaucracy around the funding model, where the amount of funding that we can put towards engagement with schools is capped. There is certainly now a move away from what is seen as delivery outwith the priority areas, such as STEM engagement in primary schools. You might see that that is not a key area that primary school teachers have a strength in, and the colleges have developed programmes to go out and work across primary schools to get in early, at P5, P6 and P7, so that these children are starting to make their decisions about what they are thinking to do in the future when they go to high school.

If you get in early, you can support the teachers and deliver a STEM programme. That can be related to the likes of Project Willow, thinking about clean energy, low carbon and biotech. We can start putting that in place, and then, as we transition, the work that we can do with the secondary schools to develop their curriculum in partnership with the college creates a pathway.

Neil Cowie: I noted in an earlier evidence session the offer being made to get out to the colleges, and you are more than welcome to come to the north-east to see what we are doing there. There are some things about getting the messaging right to young people that there are going to be careers in energy transition. That is going to be particularly impactful for their influences in and beyond the home. It is just about making sure that



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what we continue to do is have a dialogue from UK Government and Scottish Government to ensure that we are earmarking, where we can, the right kind of funding to go to the right kind of place for those careers to be sustainable.

Jim Brown: The colleges are really well placed to deliver on this with the right resource. In the Scottish Government STEM strategy, the colleges were given the role to be the STEM leads and set up the regional STEM partnerships. They are in existence. They have the relevant partners all working together. It is then about how we use them to drive these messages home.

There are a number of interventions in place. There are some online programmes. Education Scotland has a sustainability aspect to the curriculum now being implemented. We are just in the process of launching a future wind programme that could be targeted at schools, colleges and universities, but that is limited to wind. There is a much broader opportunity here, and that is the bit that we need to convey.

Kenny MacInnes: Young people care about their future and about being able to work within industries that are sustainable. There are influencers who are pushing on the schools and the parents—those who have access at early years to influence the thinking. You have to push people towards sustainable jobs. Current jobs that give a standard of living are where influencers will push them. The point is that we are not there yet with a lot these sustainable industries. They are coming, but they are not there yet, and it is time.

Maureen Burke: That is great. I just want every young person to have an opportunity, so thanks very much for that.

Neil Cowie: Just on that point, which is a really important one for us all, there are real opportunities to make sure that whatever it is we do around an energy transition is inclusive. There are many people who may not have entered into a traditional energy career beforehand, who could be afforded the opportunity to do so now as we move into a greener, cleaner world.

Going back to a point that I was making earlier about how UK Government and Scottish Government talking together about funding is really important, we have benefited from those conversations in, for example, the just transition fund and also in terms of the investment zone moneys, of which £160 million has been allocated to the north-east for the next 10 years, so it can work.

Maureen Burke: That is great. I hope we can fill the skill gaps that you do not know about, and that that happens soon, so that we can give an opportunity to everybody, no matter what age they are. Specifically when you speak about young people, there are great opportunities coming for them.

Q197 **Susan Murray:** To what extent do high-carbon employers have a



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responsibility for training a workforce transition?

Jim Brown: A lot of the larger companies get this and are doing a lot of work. Shell is one example, with its Girls in Energy campaign. It is supporting the energy skills transition leaders programme. They get it, but could probably do more. The question is, "What do they do?" The skills challenge is mixed and varied, and changes depending where you are in the project lifecycle. A developer requires an absolutely different skillset to those who are constructing a wind farm or those who are operating and maintaining a wind farm.

It is about understanding that project lifecycle, so this is where all the timelines and timeframes for the job roles kick in and are important. This overlap of projects, whether it be wind transmission and distribution, or oil and gas, is where this is really important to understand, so we can understand the job roles.

For any individual employer or company to grasp that is quite challenging. RenewableUK and the Offshore Wind Industry Council, and companies such as BP and Shell, are all engaged and are transitioning themselves. They may be pulling back from that a bit at the moment, but they are looking at that whole energy transition for themselves, so they will be doing it. Neil probably has a better understanding in his locale.

Neil Cowie: I would agree with Jim. High-carbon employers do get it. We have had decades of a successful relationship with Shell that has delivered some interesting things for future careers in energy. I am content with it certainly being on board, and we know that others are too. We have engaged very successfully with ECITB in terms of a contribution to our skills centre that is going to be developed and ready to run in August or September this year.

That is done very much in partnership with the ETZ Ltd, Shell and others, including ECITB. What would be helpful is if more of those industries, organisations and businesses were to consider what is going to be needed in terms of future skills delivery and what contribution they could make.

Without seeking to repeat what has gone on earlier in this conversation, there needs to be some clarity around the apprenticeship levy, how that should be spent north of the border and what it should deliver. That would probably help the piece in terms of industry generally.

We have a benefactor in the north-east of Scotland that has no real skin in the game in relation to energy transition per se, but has funded a future skills workshop and a future skills lab within our Fraserburgh campus to the tune of £900,000 over the last two and a half to three years. Those kinds of contributions make a significant impact on what it is that we do.

We have talked a lot about the revenue funding that comes to colleges, but not a great deal about capital. That is the other thing, because this



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transition needs kit. It needs really good buildings. Some of the estate that we operate in is not as good as it could be, and some of the kit that we have needs to be more sector-leading, more innovative and more engaging, particularly for young people who want to join us on that energy transition journey.

Q198 Susan Murray: You talked a little bit previously about the speed at which things are happening. Is it helpful when the Government are seen to draw back from net zero targets, or does that encourage existing high-carbon energy to look at diversification that would encourage more collaboration across the industries as there is more of a focus on the wider range of activities that a business could do?

Jim Brown: The pullback on the targets and ambitions absolutely impacts; whether for companies or potential future employees, mixed messaging is never good. Industry needs confidence. People really want to see a career in the sector, so that is a real challenge.

The speed of things is a big challenge for us. I mentioned that we had £3 million announced in January. We still have not got that approved yet. We need to strip out a lot of bureaucracy. We need to take a bit of a risk. If we want to maximise opportunities, we need to identify the strategic pot of funding and target it to the right things. We need to make it as simple as possible to make things happen. That would be my biggest plea. We need to have a flexible pot that can support new entrants and people in industry to upskill and reskill in order to maximise the retention of people already in the industries as well as supporting cross-skilling. It is quite a challenge that we have ahead of us.

Q199 Susan Murray: Is there more that Government could do to support smaller companies? Are some of these smaller companies in supply chains that are not necessarily able to retrain the workforce in the way they would like to?

Kenny MacInnes: We have already touched on looking at a national skills transition training fund. We have had these in the past, and they are finite pots of money, or decisions are made that there are other, more pressing priorities and the money gets taken away. That is the challenge for the college sector. These pots of money come into existence, we put mechanisms in place, and then the money is either finite or it gets removed and put elsewhere. That makes it very difficult. There is then conflicting messaging as the targets have been drawn back. We live in the real world and understand why these decisions might be made, but it does send out mixed messages.

It is about greater engagement with sector skills groupings, so that companies can come together and understand. Current high-carbon companies will want to have a future. They will want to be in existence. They will want to be able to deliver productivity. They will need a skilled workforce to do so. It is incumbent upon them to engage. It is about ensuring that the college sector is fit for purpose to have that



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engagement, so that we can support the gaps and the timings, and are ready to deliver the skills that are needed.

Jim Brown: Multi-year funding is really important, because we stop and start with SMEs and micro-businesses, which does not give them that confidence, and does not allow colleges to plan properly either, so that would be a big plea.

Kenny MacInnes: There has been a lot of talk about more employer contribution into the training, which has to be engaged with and handled carefully. When we are talking about apprentices, employers and industries are already making a financial commitment because they are employing the young person. They have made a commitment and are not necessarily getting a return right away, because you are looking at three to four years of an engagement through an apprenticeship. There is a commitment that employers are already laying out, and they are paying the levy, so there is quite a contribution going on there, especially through modern apprenticeships. We have to take that into consideration when we are engaging on what is the right level of contribution.

Neil Cowie: We have learnt a lot through the flexible workforce development fund disappearing, because it allowed us to engage with a lot more employers than we previously would have. Once that fund had disappeared, employers were not prepared to pay, because they did not necessarily see that as a priority. What we need to make sure that we understand is that whatever funding comes to the colleges is there to deliver to their need.

You will hear from Doug Duguid from Aurora Energy in the second panel session. Recently, in in the Scottish Parliament's Economy and Fair Work Committee, he mentioned the Fraserburgh campus of our college and the fact that he had asked for eight apprenticeship places and could get only two. We are capped. The reality is that there is demand. While we would love to be able to deliver all that Aurora Energy, for example, would want, the reality is that we are trying to be fair and equitable to other employers too.

There is demand, and the model needs to be rethought. I am grateful that SFC and the Scottish Government are trying to do this, but it does feel a bit slow and still somewhat unfair. The funding model that comes to allow us to deliver to what employers need really needs to be proportionate and at pace.

Q200 **Chair:** Mr MacInnes, could you give us an idea of how aligned refinery workers' skills are to the current labour market in the local area?

Kenny MacInnes: Within the Grangemouth cluster and chemical manufacturing, there absolutely will be an alignment. What we are seeing in terms of the employees who have engaged through the training needs analysis is that people are looking just to bolster certain skills that they think would give them an advantage within the workplace. What we are



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seeing coming through is the majority of employees asking for NEBOSH—health and safety training, IOSH, BOSIET, basic offshore safety training, and offshore medicals. They feel confident that they have the broader skillsets. They are just saying, “Maybe this is lapsed CompEx training”, which is looking at working in explosive, hazardous areas.

There are transferable skills. For a lot of people who have been in these industries for a long time, this decision has now happened and a lot of people are very concerned and worried, and are asking, “Where can I move to?” They have a very highly trained, skilled workforce that can move even into different industries. We are seeing some people making moves into different industries.

Q201 **Chair:** I noticed that Celtic, the recycling company that you referred to earlier, wants to move on to the Grangemouth site, and seemed very anxious to do so very quickly, because it felt that, if it did not get there this year, a lot of people with the skills it needs would have gone into other industries. That was one of the reasons for asking.

Kenny MacInnes: Celtic Renewables is already there. It is already producing, and its production is now flowing. It is looking to expand, but, in conversation with companies from Grangemouth, I am being told that there is land available, the effluent supply support system is there, and there is energy—what is not there is skills.

They would want the college to be at the table and part of the discussion to see a full package of support for future investment. If you have the college in partnership with the right universities, that then shows to a future investor who is looking to come in that Grangemouth is offering the full package: the land, the infrastructure, the support and the skills pipeline.

Again, it comes back to a point that I cannot stress enough—it is about timing. There are a number of companies that are coming in, but there is a lot of current interest, and ground has not been broken. What will happen is, if we do not start on the skills now that are related to what is needed in terms of delivering, there will be a gap. Companies will be in construction. They will be breaking ground. They will be building. Then we will have a skills gap, and that will stop people investing. If you have the college at the table, it shows that we have this together, we are a one-stop shop, and we can demonstrate to future investors that we have this sorted, and they can see that they have the pipeline flow of skills as well.

Q202 **Chair:** Are there lessons for Government management of industrial transition that can be learned from Grangemouth?

Kenny MacInnes: Yes, absolutely.

Q203 **Chair:** I am not surprised that you answered in that way—I was expecting that. Would you like to suggest two or three that are top priorities?



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Kenny MacInnes: We have known for four or five years about Project Willow and everything that is within that. It has been worked on for quite a length of time. The point was made by a union representative that the rubber is now hitting the road on just transition, and this is a bit of a barrier. We could have been much further down the road with this.

We have to ensure that there is engagement, and that there is a clear policy and strategy to ensure we get this right. My concern is that we will have a gap and that we will not have the skills coming through in the time needed, so we have to start now and we have to prime it. We have to take that investment and recognise that we need to start delivering now. Cross-skilling and upskilling can happen in a much shorter timescale, but, if you are looking at modern apprenticeships and graduate apprenticeships to come out with the relevant skills, that is a four to five-year period, so we have to start now if we are to come out for 2030 and beyond. It is about stepping back, and the lessons learned are that we probably have not got the timing right on this.

Q204 **Chair:** The Government have known for five years at least that Petroineos was going to be departing from Grangemouth. As you say, Project Willow could have started and concluded earlier, and be in the process of being implemented earlier too.

Kenny MacInnes: From the employees' and from the unions' perspective, that is absolutely a point that has been relayed to the Scottish Government and to Petroineos, but, again, Petroineos had its own views and put forward why those decisions were taken. From the Government's perspective, it is complex and there are a whole host of reasons, but we could have been further down the line on this.

Chair: That concludes our questions to you this morning. Thank you very much for your time. It has been very interesting and I am sure will add hugely to our inquiry and to the work that we are doing on the issue. Thank you very much.

Examination of witnesses

Witnesses: Doug Duguid, Gavin Templeton and Lynsey Benson.

Q205 **Chair:** Good morning and welcome to our second panel. I am going to begin the questioning this morning and address my first question particularly to Mr Duguid and Mr Templeton. How have you found recruitment for clean energy skills, and which skillsets are most in demand in the clean energy sector?

Doug Duguid: Just for background, I am the CEO and founder of Aurora Energy Services, which is headquartered in Inverness and has bases in Aberdeen, Huntly and Wick. It has a training centre in Inverness, which a number of members of this Committee have visited.



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In terms of skills for green energy, particularly around wind turbines, we are finding that blade technicians are a difficult role to fill. There are also some significant shortages in electrical personnel. One of the previous panellists mentioned senior authorised persons. There is a significant shortage of those people, and trying to recruit them is difficult. It is a long process to get them authorised, because they not only have to have the initial skillset, but also then OEM or manufacturer certification, whether that be Siemens, Vestas or GE, which takes a period of time and is very expensive.

Those are two examples of skills that are in relatively short supply. There are others coming in future years that will be more significant, but those are two that are very current at the moment.

Q206 **Chair:** Thank you. Mr Templeton, if you could introduce yourself, and then I would ask you the same question. I can repeat it if you have forgotten.

Gavin Templeton: It is fine, thanks very much, Chair. Good morning, everyone. My name is Gavin Templeton. I am the chief executive of Veri Energy, an infrastructure development company focused on repurposing existing industrial assets. Our first activities are working with the owners of the Sullom Voe terminal, formerly the largest oil terminal in Europe, in the Shetland Islands. We are developing projects on carbon storage, e-fuels and renewable energy.

From our perspective, particularly looking at the projects that we are developing, I will start with carbon storage. The jobs that we need are oil and gas jobs. They are exactly the same skills that we need in order to develop these new sorts of opportunities, and it is not dissimilar in e-fuels, which are the combination of green hydrogen and biogenic CO₂ to produce fuel. The process engineering jobs are, again, oil and gas jobs.

From our perspective, there are a plethora of different jobs out there, certainly for the people who want to move into the sector. We are wholly owned by EnQuest, a mid-cap oil and gas company listed on the London Stock Exchange, and are working actively with EnQuest in bringing those personnel over. We have a bit of a challenge. First, we are in development. Those sorts of projects, and particularly carbon storage and e-fuels, take four or five years until they reach generating revenue, and providing finances for that is quite challenging.

On the other hand, there is significant pressure on oil and gas. The fiscal environment and the energy profits levy mean that investment, particularly for some of these mid-cap companies, is quite difficult because free cash flow is very difficult to come by. You need to have that free cash flow to invest in those future opportunities and, as I mentioned, they take time to develop.

Q207 **Chair:** Would there be a way of better incentivising employers to invest in developing those skills?



Doug Duguid: The point was made at the last Committee that employers are already contributing significantly. In our case, we have a whole number of modern, foundation and graduate apprentices. That requires the business to be profitable in order to be able to fund those things. I am not sure that there is a huge amount more that employers can do in the traditional apprenticeships and that course into industry.

What I would argue is that there are more incremental ways of increasing skills and adult retraining that employers could do more of. I mentioned earlier the shortage in blade repair technicians. Elsewhere in the world where we operate—the US is an example—we do a lot of adult retraining into that, because it lends itself to increasing the level of skill over a period of time, and the individuals can work and gain experience while doing training in modules, effectively. There is some of that that employers here could do.

It is difficult to justify more apprenticeships. The colleges work very well with employers currently. That relationship works well. We work with NESCoI and UHI, and there is possibly more that we can do in terms of a more modular approach to training. There are also some areas where the colleges could utilise private skills providers to supplement what they do. That does happen in some cases, but more of that could be done.

Gavin Templeton: From my perspective, there is definitely desire and appetite, but the current environment is making it quite challenging. I heard the previous panel talking about the Goldilocks zone, where it is just right, and that is a huge challenge for the transition today, given the current fiscal environment. There are also nuances with some of the decarbonisation reliefs that exist around the energy profits levy, which are very narrowly defined and quite difficult to achieve. For companies that are wanting to invest in these opportunities, it is quite challenging to do so.

Thinking about the transition and about ways we can retain those jobs, while we build up the new energy opportunities and the transition opportunities so that they become economic, the sooner we can do that and accelerate those opportunities, the better we can retain those skills, which we are seeing leaving today.

Q208 **Kirsteen Sullivan:** We have already heard from the previous panel their thoughts on the energy skills passport. What are your views on how effective it is? What role does industry have to play in making that passport a success?

Lynsey Benson: Hi. I am Lynsey Benson. I am the head of policy and external affairs for the ECITB. We are an employer-led, arm's length body of the UK Government supporting the engineering construction industry. The engineering construction industry spans over eight different sectors: oil and gas, nuclear, renewables, chemicals, pharmaceuticals, power generation, water treatment and food and drink processing. We ensure that the workforce has the mission-critical skills involved throughout the



project lifecycle, from design through to decommissioning, in the UK's critical infrastructure. All these industries combined contribute over £100 billion of gross value added to the UK economy each year, and that engineering construction industry is vital for the country to meet its net zero goals.

In terms of your question around the energy skills passport, we welcome it and certainly the collaboration that OEUK and RUK have demonstrated in launching it earlier this year. It is a tool, and it is a tool for workers to help them recognise how they can move across different sectors and the skills that they already have. Fundamentally, the bigger focus has to be ensuring that we continue to build a standardised skills system, which is an open, agile and responsive system, as I think we heard from the colleges this morning, so that the skills are there for when the nascent industries come online, and that we are actually reducing the barriers as opposed to having digital tools to try to overcome them.

Doug Duguid: The skills passport is in its infancy. We have not seen much benefit from it yet. It is a good piece of work and it is a good foundation stone for people to demonstrate they have the skills to transition across, but it has not had much practical impact yet. There are other barriers that are more significant, some of which have been touched on already, around the availability of roles at the current juncture as opposed to what is coming. I think that is a much more significant barrier to people moving across.

The differences in remuneration were touched on earlier. Those are also significant. In our own business, we have a significant oil and gas business and a significant wind business, and we are paying different deals in those two different industries. If you take a mechanical technician in the oil and gas sector moving to a comparable job in wind, he would be looking at a £10,000 to £15,000 reduction per year in salary, which is obviously very significant for an individual. That will balance out over time, but that difference exists currently, and that is more of a barrier to people moving across. The existence of solid, long-term jobs in wind and renewables is coming, but it is not there yet.

There is a real timing issue around the transition. There are far too many optimistic predictions being made about people transferring from oil and gas across to renewables when those jobs are not in place yet. They are coming—ironically, there is going to be a significant skill shortage when they do come by 2028 to 2030—but right now those jobs do not exist.

There was a lot of discussion earlier about the EPL and the impact that is having. The current fiscal regime, as far as I can see, is creating a bit of a cliff edge, and people are being made redundant as a consequence of that. There are not long-term renewables jobs for them currently, and that means that they are leaving to go overseas.

Q209 **Kirsteen Sullivan:** Would you agree, following on from earlier comments, that it is important to act before something happens? You are



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saying that the jobs are not there yet. Is this not a vital step to ensure that the skills are there to provide the workforce with once the jobs come online?

Lynsey Benson: I think the skills are there. They are the same skills. These are common skills of a mechanical technician, a pipe-fitter or an electrical technician deployed in oil and gas. They are exactly the same skills in a different occupational setting. The skills are there. Our employers are certainly telling us that there is so much uncertainty in the industry now that it is preventing them from making commitments to bring more people into the industry.

We need to tackle the project uncertainty, the delays in some of the planning consents, the financial investment decisions on projects that are being delayed due to policy uncertainty, and that slowdown in oil and gas, which feels like it is being accelerated. These are all contributing to the lack of confidence and the employers not making commitments to skills. These are the same skills. We need to make sure that we standardise those skills, so that we are recognising some of the bolt-on elements that the current workforce need to have when they move and are working across different projects. It does not necessarily need to be a move away from oil and gas into a low carbon project.

We have just launched a pilot programme this week in Grangemouth, a two-way transition project for oil and gas workers to cross-skill into wind. We are recognising their primary occupation, so they can be deployed back into oil and gas, but they can also be deployed onto wind projects as well. That enables employers, especially the supply chain, to make more opportunities in diversifying their business areas. We are creating an integrated workforce, which is not about just deploying somebody on an oil and gas platform or deploying them on a wind farm. They can actually do both at the same time.

Q210 Kirsteen Sullivan: Are you confident that the UK's Office for Clean Energy Jobs will have a really important role to play in improving workforce planning in Scotland?

Lynsey Benson: Yes, absolutely. That is what we need—a strong ethos on informed workforce planning, and very much a collaborative approach to those skills commitments and pledges, particularly in the tendering process. That workforce planning needs to start with the project developers and take accountability for skills across the project development, across the project lifecycle, and create a collaboration with supply chain partners to then instil those skills commitments through the various phases of the project. The Office for Clean Energy Jobs is collaborating very well to determine that regional data and to support targeted planning and delivery for skills in certain regions where they will be needed.

Q211 Kirsteen Sullivan: If I can follow on from that targeted approach, your organisation has called for a cross-departmental Government taskforce to



monitor and address workforce bottlenecks. What problems do you think that would solve?

Lynsey Benson: We have learned about oil and gas, wind and so on today. I mentioned the engineering construction industry in my opening statement; all the skills we are mentioning today are common skills across these industries. We have a massive nuclear new build programme based in England, and we also have nuclear decommissioning in Scotland. These are common skills we need to look at, in terms of workforce planning as a whole and the competition for skills across these different industries. We cannot prioritise one industry to the decline of another and poach workforce from one sector to the disadvantage of another. The taskforce needs to remove these bottlenecks. The main bottlenecks are very much around project uncertainty. We need to give employers confidence to be able to take on new entrants into industry.

We have heard a lot about apprenticeships today, but there are many different routes into industry besides apprenticeships. One way we are trying to help with that is by rolling out scholarships in industry now. Those are two-year scholarships where we are providing education through the college network and qualifications. We are filling the pipeline of new entrants coming into the industry without necessarily commitments where the supply chain has not yet received a contract. We are trying to backfill that pipeline so that, when employers can make commitments, the pipeline is there, those workers can accelerate through an apprenticeship much more quickly, and they are more productive from day one with the employers. That is one way we are doing that.

We are also doing some Work Ready programmes, where we take people who have not been in employment or education through a 16-week programme and giving bursaries—as we do with scholarships. We provide bursaries for those learners in that education, and we are giving them the key skills so that they can work as trainees for employers. It helps to support more diversity and inclusion in the industry, and it helps a different skillset to come into the industry as well.

Q212 **Susan Murray:** We have heard in your answers just now that payment conditions are often a barrier to people moving, and that further education and industry are working to try and overcome these barriers. We are also hearing that people are relocating abroad, so it is not relocation itself that is the problem. What do you think the problems are in getting people to relocate within the UK when there are opportunities?

Gavin Templeton: Some of the relocation abroad that is happening right now is because of the pressure on the oil and gas industry. We are experiencing people leaving the industry to go and find oil and gas jobs overseas as opposed to staying here and looking at the transition opportunities here. Talking about my specific experience on carbon storage, these are exactly the jobs I need. It is exactly the experience I need—subsurface engineers and wells engineers. We are at the design



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stage, so it is reasonably early in development; I mentioned commerciality probably in 2030.

I am really worried that a just transition will happen, but it will happen somewhere else; it will not happen here because we will have lost all those jobs and that experience. The way the Government can help on that is by accelerating opportunities in the transition. We are focused on developing a merchant model of carbon storage, which does not rely 100% on the Government. It is really working with the Government in a public-private partnership. There are opportunities to bring the private sector to the table to help that acceleration, because we need to be very constructive, recognising that Government finances are under pressure as well. You will find an industry that is up for that conversation and trying to find solutions to move these things forward so that we do not lose that expertise.

The appetite is there. The workforce is keen to move. We have passionate people in Aberdeen and in the Shetlands, at Sullom Voe terminal, who want to pursue these new opportunities, but they take time, as I mentioned. Because of the pressure on the oil and gas industry, which is where these skills are coming from, the risk is that that expertise leaves and we do not get that opportunity here.

Doug Duguid: It is fundamentally more about timing. If only some of these projects were a little further advanced; if you look at Scotland, an enormous number of jobs are going to be created in the Highlands and along the Cromarty firth in the tens of thousands, but they are not there yet, and people are leaving to work overseas that would fill some of those roles.

There is also going to be a significant shortage of construction skills, I would argue, such as welding, plating and pipe-fitting. Those types of skills are going to be in serious acute shortage by 2028, if you look at the predictions for hull assembly and turbine assembly in the north of Scotland.

To the point that Kirsteen made earlier, yes, there is a need to start that training and transition now, and to be producing more of those skilled people. It is about how that is funded. Is there certainty around the project timing? I have talked to project developers. Aurora works closely with Haventus, which is the operator of the Ardersier yard, and we have talked to the developers and incoming investors from overseas, such as HHI and MingYang. The issue for those investors is certainty of timing.

The consenting and permitting and planning have improved, and the collaboration between the two Governments is much better of late. That is to be applauded, but there is still more to be done in creating certainty around those projects, because that will bring inward investment and allow employers to commit to taking on people to fill those roles. It is literally about those things overlapping in the right way to allow that to happen. Some of those skills already exist, particularly for operations and



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maintenance. The oil and gas guys do that for carbon capture and storage for hydrogen and even for turbines on wind farms. The right skills are there; it is just that those jobs do not currently exist in sufficient number.

The other thing that is often missed is that the wind industry in particular is very seasonal. Blade repair, overhaul work and painting offshore only take place in the summer. As a wag said to me recently, they build these things where it is windy, so it is quite difficult to get a consistent work programme. That means that, in a practical sense, if you are trying to get somebody to come from oil and gas, who is doing a two and three rota or a three and three rota, and you say to them, "I can give you a summer's work doing this, but it is slightly less well paid", it is not really an attractive proposition.

Some of it is structural to how the wind industry works, as well, because the developers have given long-term contracts to the OEMs, not to independent service providers like us. It is fundamentally different from oil and gas, and those OEMs tend to bring their workers from overseas, in many cases—they are allowed to, because they have specific skills. Also, to get somebody qualified to work on their equipment, you are required to do their courses, which can be up to £60,000 per individual. It is a barrier to people moving across.

Some of those things are very granular, but they are very real in terms of the transition. There is a lot of optimistic talk about how easy this is going to be, and some of those practical issues are being missed.

Lynsey Benson: We are seeing that with the cross-skilling programme that we are doing just now. We have engaged with oil and gas contractors. They have the skills and the workforce to cross-skill them into wind, but for them to identify opportunities to deploy those workers into wind is quite difficult, because, as Doug said, the original equipment manufacturers of the turbines generally install those infrastructures with warranties of five years-plus. It is very difficult for supply chain to enter into what could be a monopoly market. There absolutely are opportunities, especially when these turbines come out of warranty, and not all of them are installed with warranties from overseas, but it is certainly a barrier for the current large contracting workforce just now to cross-skill when there are not significant opportunities to deploy those workers afterwards.

Doug Duguid: Some of my points have sounded negative, and that is not how I feel about this. This is a fantastic opportunity. This is a once-in-a-generation opportunity with this transition. The problem is the timing and the practicalities around that. There is a huge opportunity to create a long-term skilled workforce, particularly in the Highlands and Islands, that can have good skilled jobs, ongoing for many decades ahead, which is very different from what happened in oil and gas during the construction phase at Ardersier. I am old enough to remember those



days where we went from 5,000 people to 300 and then back up again. This is an opportunity to build a workforce long term around the kinds of things that Gavin was talking about, as well as the wind industry, but it is about having the right support mechanisms in place at that time, which can actually work to allow that to happen.

Q213 Susan Murray: That is all really optimistic and everything, but does that make the workforce planning even more important? It is the number of jobs that are going to be transitioned across. It is the number of scholarships, which I presume are also limited by the caps on the colleges at the moment.

Lynsey Benson: No. That is an ECITB intervention. We are providing the bursaries, so we are supporting those people through the scholarships and providing the funding for the colleges to do it.

Q214 Susan Murray: You are clearly concentrating on the jobs and the skills, but to move that skilled workforce into the north of Scotland, we are going to need homes and infrastructure for these people. At the moment, what is your impression on whether that will be available? If we can get the jobs, skills and training right, are we going to be able to move people into the areas?

Doug Duguid: There is a lot of effort going into that and there are things that are very positive. If you look at SSEN, it is building 1,000 houses in relation to the network upgrades, which is another significant demand workforce-wise. The Scottish Government and the Highland Council, particularly in that area, are working towards trying to create both private housing and some publicly funded housing.

There are things that are happening. Is it happening quickly enough to address what is coming? I am not sure, but there certainly are some positive things happening. There are other parts of the Scottish and UK Governments that are contributing to building that infrastructure, because it is not only homes; it is also schools. The power system, ironically, in terms of creating new villages and towns in the Highlands, is also an issue. There are positive things happening. Again, could it be accelerated? I know Government funding is very stretched, but are there private-public partnerships that might accelerate that? I think there probably are.

Gavin Templeton: From my perspective, we work quite closely with the Shetland Islands council, which is obviously concerned about this. It would quite like that headache, if there was a bit of pressure because we were bringing more jobs to the Shetland Islands. I do not see that in Aberdeen at the moment—I think it is actually the opposite; we are seeing jobs leaving en masse. In terms of that, it is probably specifically in other areas, but, talking to the Shetland Islands council, I am sure it will welcome a bit of a problem in that regard if it brings more jobs to the Shetland Islands.



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Lynsey Benson: This is already here. We are consulting on our next five-year strategy just now. I have been around the country and, certainly in our Scotland region, we are hearing from our nuclear employers up in the area that many of the barriers to training and skills are down to housing, where they do not have the necessary housing to be able to attract the people that they need into the plant as well. There is definitely much more of a focus on place-based skills development and promoting local content development within those regions as well.

Q215 **Susan Murray:** In that sense, do we need to have more training for joiners, plumbers and electricians at domestic construction level as well?

Doug Duguid: Yes. The irony is that things such as the network upgrade are drawing people from those trades, from the water industry and from elsewhere, because there are higher wages being paid in the network upgrade. The irony is that some of those skills are being drawn out of what is needed for housing construction. Yes, there needs to be more investment in bringing people into that.

Also, there fundamentally needs to be an understanding that we are still going to need foreign workforce as well. If you look at the numbers, it simply is not practical, for the construction element of offshore floating wind, to think that we are going to produce all that with UK workers. It is just not going to happen. There needs to be a hybrid, and it needs to be a long-term plan, so that, over an eight-year to 10-year period, we are moving towards an indigenous workforce for the O&M piece, but during construction we are going to need foreign workforce to some degree.

Lynsey Benson: That relates to workforce planning at a national level as well as down to a regional level. What you have mentioned there is all about collaboration. ECITB has signed an MOU with CITB, and with EDF for Sizewell C already, so we are starting to think about skills with Suffolk county council much into the future, in terms of the construction and the engineering construction skills that will be needed for that as well. It definitely needs a much more joined-up, collaborative approach from Government, industry bodies, employers and project developers.

Q216 **Susan Murray:** Finally, to move away slightly from that, I think to an extent you have answered this a little bit, but offshore wind developer Ocean Winds has told us that market signals are working against the development of clean energy projects in the north of Scotland. What are your views on that?

Doug Duguid: I am not sure that I see that. There are some barriers in terms of the fiscal structure around how CfDs are working and the clean technology bonus. There are some complexities there that I am not sure are that well understood. It is difficult to say if they are delaying some of those commitments.

Consenting, planning and all of that is moving ahead more quickly, which is to be encouraged. If you look at the wind industry in the UK in general,



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we have seen a couple of projects stopped. Hornsea 3, I think, was stopped recently. That means that those developers and investors are not seeing the returns, and that is partly because costs have increased substantially, in terms of the capital cost of building these facilities, whether it is steel structures, cables or turbines. They are all going up in cost.

If you look globally, the turbine manufacturers have been through a very difficult situation commercially and financially. None of them has been making money. If you look at Siemens, it has been bailed out by the German Government to the tune of €2 billion recently. GE, Vestas—they are all having their troubles, and that has translated into higher prices for their equipment. That is probably a bigger factor in delay and development.

Gavin Templeton: From my perspective, I did a bit of work advising the First Minister in Scotland on Scotland. There has been a huge amount done on planning and consenting on grid connection. Historically, that has been a huge challenge, taking years to get things connected to the grid. The old adage is that time kills deals. People just give up and go somewhere else to do investment. There is a huge amount of work under way to improve that.

The transmission charges are obviously a big challenge in terms of the connection from the very north of Scotland to some of the more populated areas. There is another programme of work in terms of redesigning the grid and how all of that is happening. A lot of that will hopefully wash out and improve those sorts of opportunities. In terms of that feedback from Ocean Winds, you might see some remedies on the horizon for that.

Q217 **Maureen Burke:** The previous question has touched a bit on my question. My question was going to be about the shortage of clean energy, the skills and whether that is hindering the project, but what could the Government do to ensure that the clean energy job supply chain scales up at the pace needed to match the decline of oil and gas?

Doug Duguid: They could slow the decline of oil and gas. That would be the simplest method. Extending the EPL and making it more onerous has accelerated the jobs going in oil and gas. One of the simplest methods would be to give some relief against that, because that would slow the decline in jobs that there are in the oil and gas industry.

In terms of creating an environment for more jobs in the clean energy sector, quite a lot of that is being done already. I do not feel that that is a barrier to increasing employment. Those jobs are going to come when those developments become a reality. I do not know that much stimulus is required to do that but, in terms of the actual transition, the simplest way would be to slow the decline of the oil and gas industry.



Gavin Templeton: I would agree with that. I would also add that there is a big role for the likes of GB Energy, the national wealth fund and the Scottish National Investment Bank here in terms of the public finances. There is a policy solution here, but these big institutions should be leaning in to accelerate the transition and accelerate the opportunity, putting that capital to work to bring those opportunities forward.

In a former life, I was part of the team that set up the Green Investment Bank. That was set up by the coalition Government. That was focused on accelerating offshore wind by combining capital with the policy, if you like, in terms of bringing that investment through.

There is a big opportunity with the creation of GB Energy. We had all three institutions up at SVT—Sullom Voe—talking about what we are doing. There was lots of enthusiasm there, but we are keen for them to lean in. As well as having that, we need to think about how we manage the decline in oil and gas; it is a decline, but we need to manage it properly and bring forward those opportunities in new energies. Floating offshore wind is a massive opportunity for the UK and Scotland, particularly the supply chain. We are pioneers in that. Similarly, we are pioneering in carbon storage. There is a big opportunity to create the jobs and the supply chain by not only harnessing the policy of the UK Government, but mobilising the capital from those big institutions that are focused in this area.

Doug Duguid: It is worth saying that they are doing that, especially if you look at what SNIB and the UK wealth fund have done, particularly in relation to ports. SNIB has provided Aurora with a debt package, which has allowed us to accelerate our growth. We have had support from HIE for the training centre in Inverness. There are positive things happening around that.

The Government have provided funding for CCUS for Teesside and for the north-west of England. I would love to see Acorn be part of that as well. Those things are really stimulating real job growth. There are positive things happening, and, again, there is good collaboration between the UK and the Scottish Governments around those things, because I think the strategic importance of them is realised by both Governments. That is to be applauded. I have seen a lot more collaboration over the last year or so than we have for a very long time.

Lynsey Benson: Also on the collaboration piece, I would just like to highlight the contractual conditions that some of the supply chain particularly are up against with low-carbon projects. A role for GB Energy may be to look at influencing a shift change in those contractual conditions, where we move away from fixed-price, lump-sum contracting towards a more collaborative approach towards delivering successful project outcomes, as opposed to individual work scopes.

Where supply chain has a well-defined work scope in confident conditions, there are certainly places for lump-sum, fixed-price



contracting, but where supply chain is deploying new technology, technology that has not really been deployed at scale as much, and doing projects that have never been quite done before, that certainly lends itself to a better risk equity across the project that supports better risk-reward, as opposed to pushing risk down the supply chain, which may not be best placed to manage that overall risk.

We need to look at shift change and contractual conditions, particularly around offshore wind and hydrogen. CCUS, by its very nature, is collaborative. You need all supply chain partners to build out the value chain. All those supply chain partners should have a vested interest in the successful project outcomes, as opposed to their individual work scopes across those projects.

Doug Duguid: The clean energy industry could arguably learn from oil and gas in that regard. With things like PILOT a decade ago, the oil companies and the supply chain working together more collaboratively and balancing where the risk rests was very positive for the oil and gas industry and for the supply chain. At the moment, with the conditions in the wind industry, the weight of risk with the supply chain and with the contractors is totally out of proportion to the reward.

Lynsey Benson: That is training as well. We are not just talking about technical training; there is management leadership, but there is commercial training and commercial awareness. We need to remove some of those cultural barriers that could potentially move over into new energies, which we do not want to see impeding successful project outcomes.

Q218 **Chair:** I just have a couple of questions to finish up, because we are running quickly out of time. Are there lessons that we could learn from other countries about effective workforce transition?

Doug Duguid: Yes, there are. It was interesting when we were talking about the difference in remuneration for the workforce. We have a significant business in Australia, and essentially there is no difference. We have a big wind farm construction business in Australia, and there is very little difference in the wage rates between that and oil and gas—we have some presence in oil and gas there as well. What is interesting about that is that Australia is a very unionised environment, and the unions have had a positive impact in ensuring that kind of parity, and also around safety and health. There is just a more uniform structure to the wind industry than exists here currently.

In the US, the workforce is a lot more transient in nature, but, because there is less reliance on the OEMs and a much higher presence of independent service providers, it gives greater certainty to the workforce. They are not tied to working for somebody who has a warranty period or whatever. They are actually able to move. In the US you have an onshore wind industry with 90,000 turbines over 1 MW, so there is a big market to play in. Because of the structure of the industry, there is a better



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certainty of employment for the people who are working particularly for the service providers.

Q219 **Chair:** Surely in the Australian example that you gave, that could be replicated if there was willingness among employers to pay the same wages? It does not need the trade unions to put the pressure on.

Doug Duguid: It does not, but I look at the Australian experience. If you look further back, there was a differential and the unions were not involved; they have become involved, and it has given a more uniform structure. I am not saying that there needs to be a union to stimulate that here, but I also think it is a supply and demand thing, because the wind industry currently has the people that it needs. It is only the short-term stuff that it needs seasonally that it is having to pay more for. I think that, as the number of wind farms and other green energy facilities increase, those things will come back in balance.

Q220 **Chair:** I will mention that to my colleagues in the trade union movement and get them more involved in the offshore wind industry.

Gavin Templeton: The UK is pioneering in a lot of ways. We are acting first in a lot of these technologies. There is probably a lot to be learned from what not to do in terms of managed decline of one industry as we are transitioning to another industry. There are maybe more examples of what not to do that we can learn from. I worked in a previous role in the just energy transition partnerships in coal transition in South Africa, Indonesia and Vietnam. There were huge intractable problems. I remember engaging with some South African colleagues who were looking at what happened in the 1980s in the UK in the coal industry as an example of what not to do. That is a risk that we have here, so that is something to bear in mind.

Q221 **Chair:** We are doing some work on that too, so thank you for that.

Lynsey Benson: Neil Cowie made a really good point in the last session on how Norway is managing a just transition and the workers feel that they have confidence. I would make the point that Norway is just an extra 30 minutes away on a helicopter.

Q222 **Chair:** We visited Norway and that was certainly not what I picked up. My understanding was that Norway has always had green energy, because it only has hydropower and therefore electricity. It is not so much that it is transitioning; it is just that it is not coming out of oil and gas. It is a slightly different scenario altogether. There are a lot of things that we can learn from Norway. It has got a lot of this right, and our visit was very eye-opening for us. Norway is somewhere that we need to learn from.

One question that I had in my mind was whether skills are transferable. Do we have any problems of Scotland and the UK having slightly different training regimes? Is there a problem about transferring skills across the border?



Lynsey Benson: No. When you talk about qualifications, we have been doing some work within that. One initiative that our employers led, particularly in the upstream industry, was called Connected Competence. It standardised a base level of technical competence for your key site-based construction trades. Over 20 upstream operators have signed up to a charter to influence more adoption of that base standard across the supply chain partners.

That helps workers move across different contractors, but it also recognises technical competence assurance and that there are no borders that differentiate what that looks like. That is one really good example, at a national level, of how we could recognise a base level of technical competence assurance from existing occupations that are absolutely needed as we transition.

One other point is that we need to recognise the skills of those occupations and not maybe start calling them something else, because they are applying the same skills in a different occupational setting. That confuses workers and employers. Keeping the clarity and the standardisation of skills will help support mobility and transferability of skills. There is absolutely a contextual element to how they apply those skills, but those can be bolt-ons as they move across different sectors. Those core skills, and the application of those core skills, are exactly the same.

Q223 **Chair:** Can I ask you a question, Mr Templeton? You mentioned earlier the danger of losing workers overseas and I understand what you meant by that. I have no expertise in this area whatsoever, but I had always had the impression, just from talking to people who worked in the sector over the years, that there was a lot of movement around the globe in terms of the oil and gas industry. People would work maybe one year in Dubai and then come back and work off Norway's coast or off Scotland somewhere. Is that not something we have always done? Is it just that it has accelerated?

Gavin Templeton: It is more terminal. People are leaving and not coming back because the jobs are not here. This is an interesting thing. We are engaging with national oil companies that want to learn from what we are doing at Sullom Voe. International oil companies are coming to say, "You are creating a template. This is a microcosm of what we are going to experience later". The idea that the workers who exist in Scotland are going to go overseas and then do that activity at a terminal somewhere in the far east, for example, is a real risk. That is the risk I am alluding to. The jobs are just not coming back, because it is very fluid.

Q224 **Chair:** Has any work been done to map that movement at all? It would be very interesting.

Gavin Templeton: I do not know. There are the headlines that we have seen from Harbour Energy and the combination of oil companies in the



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North sea—Shell and Equinor and Repsol and NEO. They are combining, and it is not 100 plus 100 equals 200; it is 100 plus 100 equals 100. I do not know how those companies will evolve, but those jobs are leaving and the associated supply chain will be affected by that as well. That is what I was alluding to.

Doug Duguid: Some of the supply chain jobs are leaving also. A lot of the Aberdeen-based companies are not doing work for the North sea now. I have friends in the industry, and 90% of their work and 90% of the hardware that they produce is going somewhere else. Some of them are going to relocate if there is a continued decline in the North sea. Why would they not be based in Singapore, Brazil or Houston? The terms here are just not friendly any more.

Lynsey Benson: That was a key message that our employers were telling us. We ran some recent roundtables with DESNZ on the consultation for the future of the North sea. It was quite clear from some employers that, because of the global ramp-up in oil and gas, conditions are more favourable internationally. There are better margins and conditions. They are struggling with waiting around on uncertain projects with potentially lower conditions and margins and where there is that global competition.

Chair: Thank you very much. That concludes our questions for this morning. Thank you for your time and for your patience while we took the other panel too.