

Written evidence submitted by Uplift (IND0008)

Introduction

[Uplift](#) is a research and campaigning organisation with a mission to support efforts to create a rapid and fair transition away from oil and gas production in the UK. We welcome this inquiry and the opportunity to present our views on industrial strategy for clean power.

The UK Government has moved quickly to start delivering its clean energy mission, which is both vital and achievable. The clean energy transition, one of the pillars of the UK's new industrial strategy, will pave the way to more stable energy bills and secure energy. As the Chancellor stated in her growth speech on 29 January 2025, this transition is also the "industrial opportunity of the 21st century", with the potential to create good quality UK jobs in places that are experiencing decline, grow new industries, reinvigorate our port towns, and build wealth in deprived communities.

Building thriving domestic clean energy supply chains, particularly in the offshore wind sector, is crucial to unlocking the full benefits of the government's clean energy mission. However, successive governments have failed to grasp this opportunity, with the majority of the UK's clean energy supply chain needs so far being addressed abroad. For example, the typical North Sea wind turbine, of which there are over 2,600, contains more than three times as much material content from abroad as it does from domestic manufacturers. When most job opportunities in offshore wind are in manufacturing, rather than operations or maintenance, this matters.

Scaling up manufacturing capacity with well-directed and targeted local investments could bring significant new wealth and job opportunities to parts of the UK that have experienced underinvestment and decline, as well as attractive private investment.

Q2: What more can the Government do to encourage greater domestic supply chain investment in the energy industry by 2035, including through the Contracts for Difference scheme?

The government should safeguard existing spending commitments to support the growth of domestic clean energy supply chains and job creation.

The UK Government has already introduced some significant and welcome policies and public spending commitments to deliver its clean energy mission and to encourage the growth of domestic clean energy supply chains and UK jobs. These include introducing the Clean Industry Bonus, establishing GB Energy, and early actions of the National Wealth Fund. The funding promised to back these measures is critical and must be strengthened.

GB Energy should proactively support the expansion of domestic supply chains for clean power industries, ensuring that money spent delivering the clean power mission also delivers

good jobs for workers in regions that need them. Where manufacturers and suppliers hesitate to invest in growing UK supply chains, GB Energy can play a strategic role.

The Clean Industry Bonus needs an additional boost of between £300 million and £1 billion to unlock the benefits of building domestic clean energy supply chains - this includes 30 manufacturing facilities and over 23,000 jobs.

A strong Clean Industry Bonus ('CIB') is vital to ensuring that the clean energy mission is delivered by workers and supply chains in the UK, and it is also fundamental to the ability of developers to deliver the clean energy mission itself. Analysis from Stonehaven shows that CfD Allocation Round 7 is more likely to be successful if there is explicit support from the Government to part-fund supply chains through the CIB. A strong CIB improves the likelihood of a competitive Allocation Round, which determines the Government's ability to deliver the clean power mission. The CIB is therefore closely linked with the achievability of this mission.

The current CIB is a welcome start to support the growth of domestic clean energy supply chains and is an improvement on the previous government's Sustainable Industry Rewards scheme. The CIB rightly focuses attention on ports and manufacturing for offshore wind in deprived areas and is being swiftly implemented in the government's next CfD Allocation Round.

However, in its current form, the CIB is too limited to capture the opportunities of the planned buildout of offshore wind. There is an opportunity for the CIB to be expanded and built upon to ensure it boosts the UK's domestic manufacturing capacity, creates good quality jobs in the areas that need them most, and supports workers to transition from livelihoods dependent on oil and gas to clean energy.

Funding the CIB appropriately

Crucially, the success of the CIB rests on proper resourcing. Labour's manifesto commitment to a 'British Jobs Bonus' was more expansive than the current allocation of up to £200m a year (depending on the total gigawatts delivered by the CfD allocation round), promising to "reward clean energy developers with a British Jobs Bonus, allocating up to £500 million per year from 2026, to incentivise firms who offer good jobs, terms and conditions and build their manufacturing supply chains in our industrial heartlands, coastal areas, and energy communities."

Done well and with the right resourcing, the CIB can be used to help establish 30 new or upgraded manufacturing facilities in the offshore wind supply chain, providing 50% of the targeted components and critical materials needed for the offshore wind pipeline. This would create over 10,000 good quality direct manufacturing jobs and 13,300 indirect jobs in industrial heartlands and coastal communities, and provide a viable pathway for workers out of the declining oil and gas industry. To fully capitalise on this opportunity will require public and private investment estimated at just over £7 billion total. To drive this level of investment into UK manufacturing supply chains, and ensure that the jobs created are quality jobs and

deliver transition pathways for oil and gas workers, the CIB will need an additional boost of between £300 million and £1 billion.

Designing the CIB appropriately

The CIB must be strengthened in scope and ambition as its current design has no mechanism to drive investment to industrial heartlands and communities at risk in the transition, to strengthen job quality in the clean energy sector, nor to support oil and gas workers to transition into clean energy jobs.

The current CIB design rewards investment in deprived areas or in SBTI aligned companies, however it is missing a mechanism to target support to areas that will be affected by the net zero transition or areas with significant current high-carbon employment, such as oil and gas communities. The bonus should be designed to drive investment in new or upgraded manufacturing facilities for renewables supply chains in key target geographies. Higher payments should be made if the project upgrades a facility currently within the oil and gas supply chain, or if it transfers manufacturing capacity and jobs from oil and gas to long-term clean energy supply chains.

Our report, [Clean Energy Made in the UK](#), outlines the changes required to the Contracts for Difference auctions, and how the CIB should be designed to deliver on (1) creating high quality jobs, (2) targeting the key areas that need this most, and (3) supporting oil and gas workers to transition into these jobs.

The government should make entry into the CfD process conditional on developers adopting good standards and practices on job quality.

Improving the quality of jobs in the UK's offshore wind industry is necessary if the government's clean energy mission is to deliver for UK workers. This means addressing current concerns around wages, job insecurity, skills support and health and safety. As the UK seizes the opportunity of clean energy, the CfD auctions are a crucial tool, alongside the new Employment Rights Bill, to ensure that renewables jobs are quality jobs and that companies adopt good standards and practices with respect to job quality.

The simplest, single most efficient mechanism to drive up job quality across the UK renewables industry is for entry to CfD auctions to be conditional on companies adopting good standards and practices, such as raising wages and trade union representation. Making public spending conditional on job quality provision is a tool of governments worldwide, including in Scotland and Wales, where public procurement has fair work conditions attached through the Scottish Fair Work First Policy and Wales' Ethical Employment in Supply Chains Code of Practice.

We propose that entry into a CfD auction should be made conditional on two things: (1) developers and their significant contractors paying quality wages in line with national negotiated agreements or prevailing wages, as determined by the Secretary of State, and (2) developers and significant contractors adopting a Fair Work Charter (like those in Scotland

and Wales), including the following criteria: trade union recognition and access, investment in training, skills and apprenticeships, and high standards across health and safety, transparency and whistleblowing, and equalities.

Further public investment is required to upgrade the UK's port infrastructure.

UK ports are crucial for the delivery of the government's clean energy mission to enable the roll-out of offshore wind, but chronic underinvestment under previous governments means that the current port infrastructure is not set up to deliver the energy transition. Many don't have yards large enough for the fabrication and assembly required, which has undermined local content, domestic manufacturing and job creation. For example, all five of Hywind Scotland's offshore wind platforms were towed from Aberdeenshire to Norway for repairs, because of the lack of port infrastructure.

There is a need to rapidly invest in upgrading the UK's ports and dockside spaces, with further public spending required. The [£1.8bn funding](#) earmarked for ports in the National Wealth Fund should be safeguarded, but it does not reach the £4bn needed according to the [Floating Offshore Wind Taskforce](#). This planned public investment must be expanded and equity stakes guaranteed. Any rollback will directly undercut the UK's ability to become a clean energy superpower, and to deliver the investment and jobs benefits from a Jobs Bonus. To reach the recommendation from the Floating Offshore Wind Taskforce, a further £440mn of investment each year is required, totalling an additional £2.2bn over 5 years to support an estimated 40,000 jobs.

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