

OUR POWER



**OFFSHORE WORKERS' DEMANDS
FOR A JUST ENERGY TRANSITION**

“ This report shines a light on the reality for workers in the oil and gas sector whose terms and conditions are being eroded at the same time as bosses make eye watering profits. In stark contrast to industry reports and Government consultations about a just transition, this research starts from the perspectives of workers – enabling them to identify their key demands and only then developing policy proposals that flow from these. The recommendations should be seriously considered by policy makers. ”

– Roz Foyer, General Secretary, Scottish Trades Union Congress (STUC)

“ The voices in this report make it clear that our current energy system is not just bad for the planet, it’s also unsustainable for oil and gas workers—even at a time of record profitability. A proper plan in the UK and Scotland for a just transition is essential, and it must be worker-led. The demands in this report should be a foundation for that process. ”

– Tessa Khan, Executive Director, Uplift

“ The science is clear - if we are to stand a chance of limiting temperature rises to 1.5 degrees, there must be a swift and just transition away from fossil fuels. In the year that the Scottish Government is consulting on a new Energy Strategy and Just Transition Plan and Climate Change Plan, this report is a timely and essential reminder of the need to include trade unions, workers and communities affected in this process so that no one is left behind. ”

– Mike Robinson, Chair, Stop Climate Chaos Scotland

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ENDORSED BY:





Platform is an environmental and social justice collective based in London with campaigns focused on the global oil and gas industry, fossil fuel finance and building capacity toward climate justice and energy democracy. Platform's North Sea Just Transition campaign seeks a well-managed, worker-led phase-out of oil and gas production in the North Sea.



Friends of the Earth Scotland campaigns for a world where everyone can enjoy a healthy environment and a fair share of the Earth's resources. Climate change is the greatest threat to this aim, that's why we're calling for a just transition to a 100% renewable, nuclear-free, zero-fossil-fuel Scotland.

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Of course, none of this would have been possible without the thoughtful contributions and hours of time so many **offshore workers** have put into the development of these demands. Their willingness to vision a better world shows that when workers and communities are at the heart of decision-making, a just transition really is possible.

To protect their anonymity, all the names of workers quoted have been changed.
None of the people pictured in the report participated in the workshops.

PREFACE

A rapid transition away from oil and gas is necessary to stay within 1.5° warming. We know that preventing climate breakdown means phasing out oil and gas production across the world, but the outstanding question is when and how it happens. People in the Global South, who face the harshest extremes of the climate crisis, have lived through the consequences of changing weather patterns and natural disasters for many years. In the UK, we've witnessed the very real dangers to lives and livelihoods, with record heat waves that exhausted our fire and rescue services, a disastrous train derailment, and flash floods and fires destroying homes.

No part of society will be safe from the impacts of climate breakdown, though the brunt of impacts will be felt by the poorest. No workforce or community can avoid the need to adapt to the impacts of a changing climate. As there is an increasing understanding across the world of the need to limit the supply of fossil fuels, so too is there an obligation on the major historical polluters to act fastest. Recent research has proposed that for a 67% chance of limiting warming to 1.5°, a wealthy nation like the UK should phase out oil and gas production by 2031 to play its part.¹

Despite the growing pressure, the UK has not created a plan for the managed phase-out of oil and gas production in the North Sea. Instead it is being left to the oil industry to determine the pace and structure of an 'energy transition'. Current plans go far beyond the UK's fair share of 1.5°, do not involve workers and will further dismantle their working conditions. These workers - the people with the skills we need to power the transition - are being left in the dark. With private companies deciding the future of the energy industry in the UK, profit

“ There is a dawn approaching that is indicating and shouting to us that it’s our moment. But we’ve got to seize that moment and use what we know so well - how to organise and, fundamentally, how to fight! ”

- Tony Mazzochi, Labour Leader in the Oil, Chemical and Atomic Workers Union

1 <https://research.manchester.ac.uk/en/publications/phaseout-pathways-for-fossil-fuel-production-within-paris-complia>
 2 Just Transitions - Article by Ann M. Eisenberg - Southern California Law Review

maximisation is taking precedence over the lives and livelihoods of everyone impacted by the industry.

The UK is no stranger to poorly managed industrial changes, whether that is the closure of coal mines across the UK or the decline of the fishing industry in areas like Aberdeen and Grimsby. Through immediate job losses and the lasting social and economic consequences, their impacts are devastating. The UK Government is set to repeat past mistakes by failing to plan and direct the future of the energy industry.

This work begins and ends with an understanding of what just transition is. A principle, developed by workers and their trade unions in the 1970s, that workers should demand and lead changes in their industries to prevent environmental harm, without negatively impacting their employment and the economic futures of their communities.²

Our energy systems do not exist in a vacuum. We need to think about the people who work in, and rely on, the industry, and how we make sure their voices are around the table and leading the discussion. Our campaigning must reflect what workers want and need. Industrial change will only prioritise the needs of people for a liveable planet and decent work if those affected are leading it.

The ten workforce demands contained within this report show the remarkable struggle our energy workforce is facing. They also chart the course for a wholesale reimagining of the energy industry and the way we look at labour, communities and the economy through a comprehensive set of recommendations for each demand. We believe they demonstrate the strength of the climate and labour movements when they come together. These demands provide a blueprint for climate organisations to centre the needs of workers and can provide inspiration for workers in other industries that need to transition. We hope these demands become more than just words on a page, as they are the foundations for a just transition away from fossil fuels. We hope that people will, in the words of Tony Mazzochi, organise and fight for this reality.

None of this would have been possible without the incredible contributions of time, energy and expertise that offshore oil and gas workers afforded to us. This report is theirs; their demands and dreams for a different future, so a huge and heartfelt thank you must go to those workers who gave us their time to participate in this project. Through meetings in conference rooms across the country, telephone calls, emails, surveys and trips to the pub, we've learnt more than we could have imagined - and heard a few stories along the way!

METHODOLOGY

Workers hold the experience and knowledge to build robust solutions for the energy transition. Yet there had been no attempt by decision-makers to enable meaningful participation of the oil and gas workforce in planning the transition. We sought to rectify this by creating a worker-led process that would result in the creation of offshore worker demands for a just transition with widespread support and legitimacy.

The process involved 34 offshore workers attending workshops followed by a survey of over 1000 offshore workers. These workers were drawn from across the full spectrum of departments and roles in the offshore industry and brought a range of experience from their careers. The number and range of offshore workers involved in creating and showing their support for these demands means they are a comprehensive and legitimate expression of offshore workers' views concerning just transition and the offshore energy industry.

CONSULTATION PROCESS

Our process involved three primary stages:

- In-person workshops
- Telephone conversations
- Workforce survey

The in-person workshops brought together multiple offshore workers to discuss areas of concern around current working conditions in offshore energy as well as to discuss their priorities and solutions for a rapid energy transition. These sessions were independently facilitated to ensure workers were able to guide the direction of conversation. Between March and May, there were six workshops across Aberdeen, Edinburgh and Newcastle.

After analysing the notes and outcomes from these workshops, it was possible to identify the key themes and priority demands. These were verified through follow up telephone interviews with the workshop participants as well as a small number of workers who had been unable to attend a workshop due to their offshore rota schedule.

The telephone interviews were also used to test short descriptions for each demand as a guide for future research to ensure they remained in line with the vision identified by workers. Once the demands were finalised, we launched a survey in November 2022 to test support for the package amongst the wider workforce. There were a total of 1092 responses to the survey.

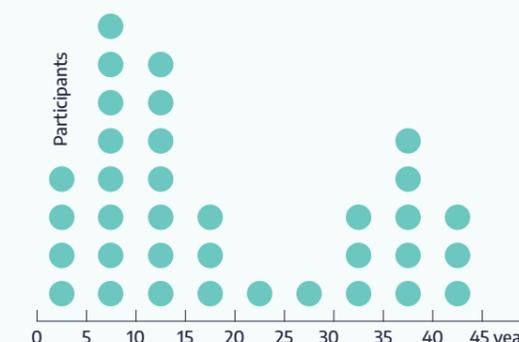
Implementation pathways for each demand were developed by the research body Transition Economics. In order to create these pathways, researchers were provided with the demands, their descriptions, key quotes from the workshops and telephone interviews and full notes from every workshop.

DEMOGRAPHICS

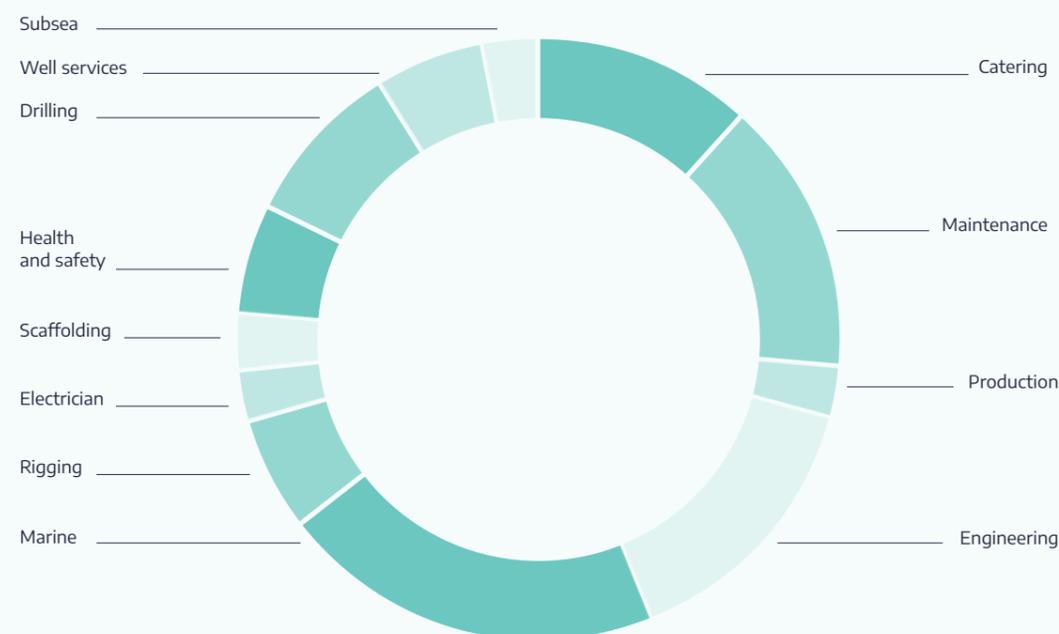
Workshops

The workshops took place across key areas with high employment density in the offshore oil and gas sector. Many had never participated in any kind of event or meeting to discuss the future of the industry, while others were long-standing and active trade union members.

Time that workshop participants spent working offshore:



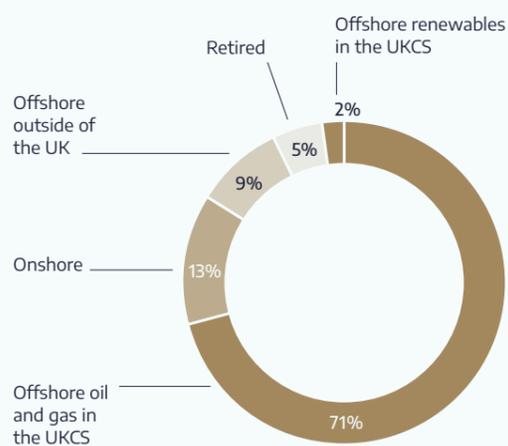
Department the workshop participants work in:



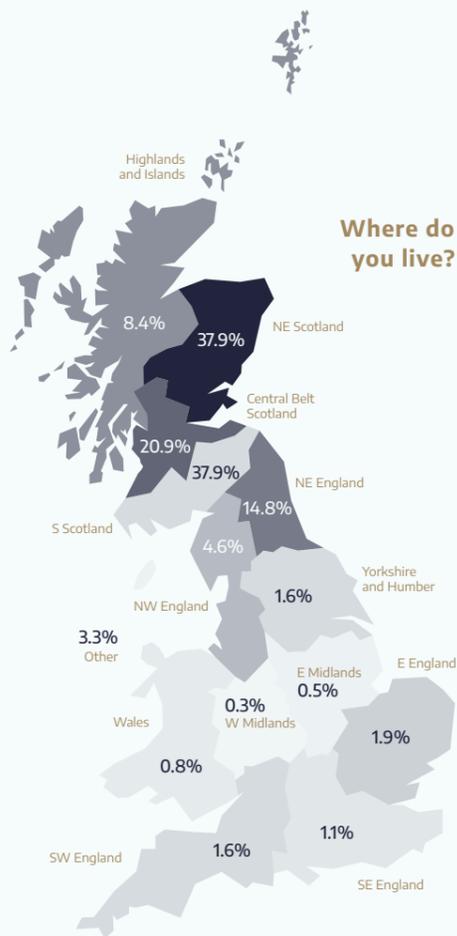
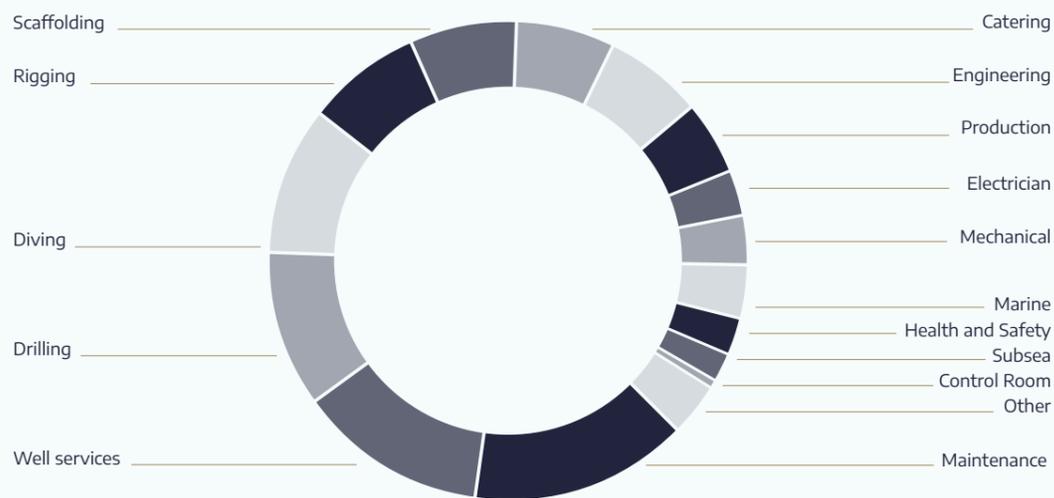
Survey

Survey respondents gave the following responses when asked about their current employment, where they live, the department they work in, and whether they are a trade union member.

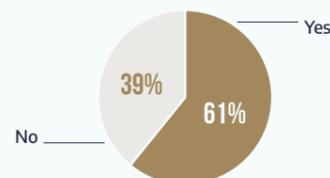
All survey participants have worked offshore in the UK Continental Shelf (UKCS) and are currently:



Department the survey participants work in:



Are you a union member?:



SURVEY RESULTS



of the 1092 offshore workers surveyed support the full set of demands.

Workers who did not agree with the full set of demands were asked to select which individual demands they do support. Consequently, each demand has its own approval rating higher than 90%, which can be found alongside each demand pathway.



of workers surveyed had heard of the term 'just transition'.

Throughout this report there are quotes and case studies from the workshops and telephone interviews which have been anonymised in order to protect the workers who have been engaged in this process. Blacklisting remains common for workers prepared to speak out about the industry and is a fatal barrier to any meaningful participation of workers in transition planning.

A more comprehensive Lessons Learned and Methodology briefing is published separately for those looking to replicate this approach.

INTRODUCTION

The consultation process revealed clear concerns with employment offshore and barriers to an energy transition. The workers cited low morale, a sense that nothing would change, a culture of fear and an inability to visualise a future. Almost all participants pointed to gradually declining terms and conditions since the downturn in 2014, changing shift patterns, increasing volatility and an energy industry as a whole that is resistant to transitioning workers to secure, zero carbon jobs.

The workshops resulted in ten demands created by the workforce for a just transition. These demands address the distinct challenges and their root cause as identified by workers: that our energy system prioritises profit above all else. The workers involved in this process recognise their crucial role, 'keeping the lights on', but do not feel respected by their employers. The demands individually and collectively speak to a shared call from workers that they deserve better.

“ The government should be working for the British public, but they’re not. They’re working for the companies. All day, every day, everyone I know is asking how can this be the situation? How can the government let this happen? ”

– Mark, Rigging Supervisor

3 <https://www.nstauthority.co.uk/media/8038/estimates-of-the-remaining-exchequer-cost-of-decommissioning-uk-upstream-oil-and-gas-infrastructure-march-2022-accessible.pdf>

4 <https://priceofoil.org/2021/05/11/uk-needs-to-act-on-oil-and-gas>

5 https://upliftuk.org/wp-content/uploads/2022/06/Uplift-Brief-Subsidies-and-the-Energy-Profits-Levy_June22.pdf

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PROFIT AND EXPLOITATION

The problems workers identified bear out in the data. In building the North Sea, the UK Government provided extensive policy and financial incentives. Despite the significant public support to grow the emerging oil industry, the subsequent decades brought greater and greater privatisation of energy and profits. The ramifications of this decision are clear: Norway’s Sovereign Wealth Fund totals \$1.2 trillion drawn from taxes on the oil and gas extracted in its waters. The fund pays for pensions and public services. In contrast, the UK has squandered this opportunity to build a similar fund while also leaving tax payers on the hook for £19.9 billion in decommissioning costs.³

“ Bills are going up. It doesn’t add up that people are drowning in poverty but BP and Shell are announcing their biggest profits. ”

– Cameron, Data Engineer

PROFIT IN CONTEXT

STATEMENT	FIGURES
Oil companies in the UK have the most profitable conditions for offshore oil and gas companies in the world.	In 2019, the UK Government took less than a tenth of what the Norwegian Government took in taxes per barrel of oil (\$1.72 compared to \$21.35). ⁴
	Even with the recently introduced windfall tax, oil and gas companies are paying below the global average tax rate on the sector with a headline tax rate of between 40-65% compared to the global average of 70%
	And the windfall tax includes a loophole for new investments, for every £100 invested in the North Sea, £91.25 will be paid by the public (in the form of foregone windfall tax income). ⁵
Oil companies are not investing their profits into renewable energy production	73% of oil and gas companies invest nothing in renewable energy production in the UK
	In the first six months of 2022, BP, Shell, TotalEnergies and Equinor made £74bn in pre-tax profits
	Between the four of them, they invested an average of 5% of these profits into “low-carbon” energy. ⁵
Oil companies are using profits to expand their oil and gas production	Of BP’s £12.2bn profits, approximately £300m was invested in renewables and “low carbon energy” compared to £3.8bn in new oil and gas projects
	Of Shell’s £17.1bn profits, just over £1bn was invested in low carbon energy and more than three times that in oil and gas.

CASE STUDY



Pseudonym: **Mark**

Age: **44**

Job Title: **Rigging Supervisor**

Location: **Newcastle**

I make a pretty good living in oil and gas, and my wife works, but we're still having to make cut backs with the cost of living. If I'm cutting back, what about people who have got factory jobs or other low paying work? I can't get my head around it. How can people afford to live?

The whole country is angry at the oil and gas companies - everyone is talking about it - on the worksite, at the social club. They're taking money off the public. If BP made \$9.3 billion in profit last quarter, surely they're able to give something back. It's just fat cats getting fatter. I want to know what they're doing with the money, because they aren't putting it back into the industry.

When I was working on the River Tyne, I spoke to a guy who had worked in the oil and gas industry for 40 years. He asked me where I got my survival suit, because he wanted one for the winter. Not to go out anywhere or for work, but to sit inside at home. He couldn't afford his gas and electric over the winter. To have someone who has worked their whole lives in the industry asking me a question like that, I felt like crying in front of the bloke.

The British government is to blame for the oil companies being able to make this sort of profit. You'd think they'd be seriously taxing them, but you've seen the last budget, they've got the cheek to put the working man's tax up. If they cared, they'd tax these companies and provide some relief. But no, if they're doing alright, forget about the rest of us. That's what the government and the oil and gas companies think. Let them starve and freeze to death.

Russia invading Ukraine has given the companies an excuse to keep money in oil and gas. Before the invasion, they were acting like they were all on board with going into renewable energy. This has given them an excuse to fall back on fracking and exploration of oil and gas, more oil fields. The things you see that are going on. You're sick of your life anyways, working away from home, it depresses you even more to read what's happening while you're at it. Just the situation we're in at the minute, it's ridiculous. Something has to change.

CASE STUDY



Pseudonym: **Sarah**

Age: **30**

Job Title: **Marine Technician**

Location: **Glasgow**

The company I worked for before I left offshore this year had no plans for a pay rise, and hadn't had one for at least six years. It seemed like the pay didn't relate to what was happening with inflation, there wasn't much consideration from the company.

I saw a lot of workers with families concerned about the future. There was a distinct feeling amongst many offshore that they weren't sure how long they would be in their job for. This mainly came from a lot of guys being ad hoc, where they were just never certain if the job they'd been hired on would go ahead, whether it would last as long as the company said, or whether there'd be another job after it.

I think there are a lot of mental health issues offshore that need to be addressed. In any transition to renewables we need to take the mental health of workers seriously. It can be really isolating working offshore, and I've seen a lot of people suffer because of that.

We also need the government to act in the best interests of workers and energy users. Imagine if we had nationalised the North Sea! I don't know if we can fix oil and gas now, but I always think of Norway whenever I start thinking about nationalisation, because they've done it right and they really take care of the workers. There's an opportunity to shape what happens with renewables, if it was nationalised it would be the most positive outcome as it grows.

I think it's important that we reckon with workers and their lives offshore. Because we need to treat people as people. If we want to prioritise protecting people and the environment, we have to stop working toward profit and oil.

THE DEMANDS

OUR TRANSITION

Solutions for the immediate barriers workers face to moving into renewable industries.

DEMAND 1

WORKERS AT THE CENTRE OF TRANSITION PLANNING

DEMAND 2

CLEAR, ACCESSIBLE PATHWAYS OUT OF HIGH CARBON JOBS

DEMAND 3

A TRAINING REGIME BUILT TO KEEP WORKERS SAFE INSTEAD OF FOR PROFIT

DEMAND 4

INVEST IN DOMESTIC MANUFACTURING AND ASSEMBLY FOR RENEWABLES

I.

II.

OUR RIGHTS

Solutions to ensure work in renewables is secure, well-paid and safe.

DEMAND 5

COLLECTIVE BARGAINING WITH STRONG RANK AND FILE UNIONS ACROSS THE WHOLE OFFSHORE INDUSTRY

DEMAND 6

ESTABLISH UNIVERSAL RIGHTS AND A WAGE FLOOR ACROSS THE UKCS

DEMAND 7

EFFECTIVE AND TRUSTED WHISTLEBLOWING PROCEDURES

III.

OUR ENERGY

Solutions for a new energy system, where benefits are shared fairly and there is greater public control.

DEMAND 8

PUBLIC OWNERSHIP FOR THE PUBLIC GOOD

DEMAND 9

REORGANISE THE TAX SYSTEM FOR PUBLIC GOOD

DEMAND 10

NO COMMUNITY LEFT BEHIND

I. OUR TRANSITION

“ It doesn’t have to be overcomplicated, if they want to build wind farms, there should be a certain percentage they need to invest in infrastructure, regulations on local labour and wage guarantees. If it’s cheaper for them to ship it from Holland they will, unless we stop them from doing that. ”

– Jake, Safety Officer

No one knows the challenges of working in the offshore energy system better than the workers who have been doing it for years. Accordingly, a lot of workers are frustrated by it becoming increasingly difficult to afford the training needed to do their jobs, let alone to consider transitioning into renewable energy. Meanwhile, for those interested or able to make the transition, there are simply not enough green jobs available. Much of the manufacturing and fabrication of renewables and oil and gas decommissioning is carried out overseas.

These demands cover some of the nuts and bolts of transition planning: how we utilise skills that already exist in the workforce, skill-up where necessary, create new jobs and open up pathways for existing workers to move across.

“ We’re in an emergency right now to get transferred across, it won’t be overnight but it has to be steady, we need to decarbonise quickly. The only way to do that is pathways out of high carbon jobs. ”

– Stuart, Marine Supervisor

“ Making jobs transferable is a cross-party solution. It fits everyone’s agenda. ”

– David, Mechanical Team Leader

“ People are leaving the industry to go and work somewhere else where they don’t have to deal with all the training costs. It’s all profit driven and pushes workers into a training cycle. ”

– Thomas, Plater

I. OUR TRANSITION

DEMAND 1

WORKERS AT THE CENTRE OF TRANSITION PLANNING

94%

of workers surveyed support this demand

SUMMARY

Workers know what barriers exist to the phase out of oil and gas and the potential solutions for building a thriving renewables industry. Any transition needs to be shaped by that knowledge. This requires engaging a representative section of the workforce in participatory policy-making, where workers are able to influence and determine policy, in addition to existing engagement with trade unions.

“ Anyone sitting on any board or any commission, there should be a good representation of workers. There should be equal representation and voting rights. ”

– John, Test Engineer

CONTEXT

Currently, workers are largely left out of transition planning decisions - decisions which will have a major impact on their lives - at the workplace, sector, regional, and national levels. Workers' knowledge and experience is largely ignored as climate policy is made.

At the workplace level, companies are increasingly announcing net zero targets - but there is no example in the UK oil and gas sector of worker involvement in decision-making on decarbonisation.

Energy company SSE's just transition strategy, hailed frequently as industry-leading, recognises the importance of worker voice and trade union representation, particularly in times of change, and commits to working with trade unions to manage change. But even this document conceptualises this engagement as responsive: the company plans change; worker representatives are involved in managing it. SSE doesn't formalise a role for workers to be able to feed in their experience and knowledge to shape transition planning itself.⁶

“ BP...seem to be aware of [the need for change] and doing things so why dont they do workshops and sessions with workers. ”

– Matt, Deck Crew

⁶ <https://www.sse.com/media/xtrlsctj/just-transition-strategy-sse-final.pdf>

The Scottish Government has committed to “the production of key just transition plans, in a way that is co-designed and co-delivered by communities, businesses, unions and workers, and all society”.⁷ A Just Transition Commission has been established with a formal role providing advice and scrutiny on the just transition plans. In carrying out this role, it is tasked with “engagement with those most likely to be impacted by the transition.” However at present, worker representation on the Just Transition Commission is limited to three trade union seats out of fifteen. The first Just Transition Plan in development is for the energy sector and despite commitments to co-design these plans, direct involvement of oil and gas workers has been limited to an online survey so far.⁸

The Scottish Government is often described as leading in regards to just transition but the impact in terms of policy or involvement in the process is largely not felt within the workforce according to workshop participants’ comments.

At the UK level, worker voice in transition planning is yet more limited. There is a business-dominated Green Jobs Delivery Group, formed of ministers from four departments, 27 representatives from business, skill sectors and higher education and NGOs, and one trade union seat held by the Trades Union Congress.⁹ Neither the existence nor the principles of this UK body are set out in legislation, giving it very limited influence over government actions or policy making.

Workers in every workplace, particularly in the oil and gas sector, should have the opportunity to feed their knowledge and experience into and shape transition planning. At national, sectoral, and local levels, government, local authorities, and individual companies should engage workforces in participatory planning processes to develop transition plans.

“ When the conversation about just transition started, it was the wrong voices and not workers in stories. They were saying we need to do X, Y, Z but they didn’t understand why it wouldn’t work. ”

– Fraser, Catering

⁷ <https://www.gov.scot/groups/just-just-transition-commission> - gov.scot/transition-commission

⁸ <https://consult.gov.scot/justtransition>

⁹ <https://www.gov.uk/government/news/green-jobs-delivery-steps-up-a-gear>

PATHWAY

THE UK GOVERNMENT SHOULD:

- Restructure the Green Jobs Delivery Group to have greater worker representation as well as more local and devolved government representation. It should be established in legislation as an ongoing body similar to the Climate Change Committee, with formal powers to influence and shape policy that is relevant to climate transition and workforce planning.
- Ensure that all funding for companies, and contracts where relevant, should be conditional on involving the workforce in transition planning.
- Through climate disclosure regulations, mandate every UK listed company to make just transition plans and involve their workforce in transition planning.

THE SCOTTISH GOVERNMENT SHOULD:

- Establish the Just Transition Commission by statute for the duration of domestic climate targets, ensuring it is independent of government and with a responsibility to report to the Scottish Parliament directly. A majority of the members of the Commission should represent key stakeholders in a just transition - i.e affected workers and communities, trade unions and the environment.
- Ensure that all funding for companies, and contracts and procurement where relevant, should be conditional on companies having involved their workforce in transition planning.

THE UK PARLIAMENT SHOULD:

- Legislate for mandatory inclusion of worker representatives on boards of large companies.

THE JUST TRANSITION COMMISSION IN SCOTLAND SHOULD:

- Initiate sectoral participatory-making processes involving a representative cross-section of the workforce to develop sectoral just transition plans.

LOCAL AND COMBINED AUTHORITIES SHOULD:

- Convene their own Just Transition Commissions and participatory policy-making processes.

HIGH-CARBON EMPLOYERS SHOULD:

- Engage their workforces in transition planning. To do this, employers should work with trade unions to convene participatory processes for a representative section of the workforce. The results of these planning processes should be formalised as collective agreements with unions in the workplace, and regularly updated.

COSTS

Establishing a UK Green Jobs Delivery Group or Just Transition Commission on a scale comparable to the Climate Change Committee would cost less than £5 million per year.

Other than this, the costs of policy-making processes are largely administrative. We expect these to be more than offset by the benefits gained from incorporating workers' insight into planning.

HAS THIS BEEN DONE ELSEWHERE?

Social partnership instruments along the lines of Just Transition Commissions have shaped and governed transition processes for the phaseout of coal mining in countries like Germany and Spain. Trade unions and local governments were involved, securing infrastructure upgrades and alternative job creation, but there was no mechanism for rank-and-file workers to feed into planning.

Company-wide just transition agreements with unions exist at Enel (Italian chemicals manufacturer) and Eni (Italian oil company).¹⁰

Forms of **participatory decision-making in the workplace** are part of management practice in a variety of places and industries¹¹ and have been shown, for example, to contribute to better employee work satisfaction and sense of control in an environment where jobs are precarious in the healthcare sector in the US.¹² A recent project led by Swedish researchers is supporting worker-led transition planning in a range of workplaces in Sweden and in Spain.¹³

10 <https://www.industrial-union.org/italian-unions-negotiate-a-just-transition-agreement-with-eni>

11 <https://www.jrf.org.uk/file/37050/download?token=a6F-YpDP&filetype=findings>

12 <https://psycnet.apa.org/doiLanding?doi=10.1037%2F1076-8998.10.4.320>

13 <https://www.umu.se/en/research/projects/workers-as-agents-of-a-green-and-just-transition>

14 <https://www.theguardian.com/commentisfree/2021/sep/20/green-jobs-car-factory-strike-industry-offshoring>

15 <https://www.tuc.org.uk/blogs/pushing-green-new-deal-rolls-royce>

16 <https://www.unitetheunion.org/news-events/news/2021/november/cop-26-melroses-closure-of-gkn-birmingham-slammed-as-green-economy-betrayal-as-500-manufacturing-workers-set-to-lose-their-jobs>

17 <https://en.dgb.de/fields-of-work/german-codetermination>

Worker-led transition planning is taking off through trade union structures in a number of UK workplaces. At GKN Automotive, factory workers devised a plan to switch the drivetrain plant to production of electric vehicle drivetrains, to save the company from imminent closure and jobs offshoring to Poland.¹⁴ At Rolls Royce Aerospace sites at Inchinnan, Barnoldswick, and Ansty, union representatives negotiated for a commitment from Rolls Royce to keep the factories open and develop skills and manufacturing processes for net zero compatible manufacturing.¹⁵ But initiatives like these require continued support and investment, and can be subject to the whim of the employer: GKN closed the factory and laid off its workforce despite the worker-led plan and a prolonged negotiation.¹⁶ So governments should use available levers to compel companies to engage with worker-led planning.

Worker representation on company boards is mandatory in Germany under 'co-determination' laws.¹⁷

CASE STUDY



Pseudonym: **Richard**

Age: **64**

Job Title: **Services Supervisor**

Location: **Aberdeen**

One of the reasons I left the industry was that I'd lost faith and was fed up with a lot of their nonsense. Paying for the training got ridiculous. I was asked to do a training course for qualifications I already held at my own expense and refused. I went to my MP, lo and behold I got a letter back from the governing bodies saying we will make an exception. My MP didn't know what was happening until I told him and when he found out, he knew it was ridiculous. If they can waive the rules for me they can do it for everyone.

We used to be two weeks on [the asset], two weeks off [the asset] but now most are three on, three off. Years ago they did a study, after 10 days your interest and concentration goes down and everything becomes more dangerous. You can't understand what it's like to be away from your home for that length of time. You are getting messages from family, it takes your mind off the job. I work with a guy who has a child with a disability, his mind can't be on the job for that length of time.

The government can't know what they are asking for. You need a voice from the workers to explain to politicians exactly what's going on and what it's actually like because they can't fully understand it otherwise. The industry and the transition can't be a success without workers being involved.

Right now, I only expect broken promises. It won't be what the workforce is expecting or what the public wants to see either. Politicians are trying to spin, giving people a carrot, promising this and that but it doesn't transpire. Until you actually get out there and listen to people on the job then it's not possible to understand the solutions. I haven't heard a thing from the UK or Scottish Government about energy transition.

This process has brought people in to speak, and it is important that it's anonymous. The government could do that too, get people's opinions, that would be a great help and mean the transition would have more chance of succeeding.

OUR TRANSITION

DEMAND 2

**CLEAR ACCESSIBLE
PATHWAYS OUT OF
HIGH CARBON JOBS**

93%

of workers surveyed support this demand

SUMMARY

A successful transition needs to make use of skills already within the workforce, and give people the chance to take up new opportunities. Among other measures this requires understanding the skills and experience held by existing workforces, how they align with the skills we need in the future, funding for training and retraining, and a jobs guarantee for all workers leaving the offshore oil and gas industry as it declines.

“ It makes sense that when companies are looking at winding down the North Sea they should be retraining workers to move into other energy industry areas - they have the transferable skills. They should be paying for workers to transfer their skills. ”

– Phil, Marine Technician

CONTEXT

Employment in the offshore oil and gas sector is expected to shrink significantly throughout the next twenty years as a result of the decline in oil extraction as well as increasing automation in the sector.¹⁸ Even in the absence of government policy to restrict oil and gas production on climate grounds, industry endorsed forecasts predict nearly four in five oil and gas jobs to be phased out or transferred across to other offshore industries by 2035.¹⁹ This means that significant numbers of offshore workers, as well as workers in supply chain industries onshore, will need to transition, whether through individual workers switching sectors or their workplace (e.g. a shipping or scaffolding company) diversifying its client industries away from oil & gas.

Meanwhile, businesses are largely failing to plan for their workforces' future in line with climate goals, either because they are not planning for the climate transition seriously (most UK businesses with climate change plans have no way to measure their progress,²⁰ while nearly half of UK engineering firms have no climate

¹⁸ <https://platformlondon.org/p-publications/sea-change-climate-emergency-jobs-north-sea-oil>

¹⁹ <https://www.netzerotc.com/reports/closing-the-gap-technology-for-a-net-zero-north-sea>

²⁰ <https://www.iwfm.org.uk/resource/uk-businesses-admit-empty-promises-on-corporate-net-zero-commitments.html?parentId=8CBD03AD-C979-4553-AB9AAA1F0AB1081A>

change plan, according to an industry survey), or because they do not consider it their responsibility (a quarter of firms believed skills planning was the government's responsibility).²¹ Relying on businesses to provide transition pathways will not ensure that all affected workers have the skills for a just transition.

Currently, workers largely bear responsibility for their own retraining. There are some existing government schemes to support individuals in rethinking their careers, like the Scottish Government's Green Jobs Workforce Academy which offers information and an online job search tool. But workers feel they do not take into account transferability of skills or previous experience.

There are currently no training schemes that provide workers with paid time off to retrain (unless the employer offers it) which will exclude a large proportion of the workforce who work on ad hoc contracts.

Workers also face costly training barriers when individually switching industries (see Demand 3). Workshop participants were overwhelmingly in favour of retraining support as a priority for government policy, and clear that having the freedom to choose retraining to other industries (not just within energy) was essential.

The costs of retraining workers should fall on employers, or where this is not possible, on government, to make sure individual workers have paid time off to train and do not have to pay their own money for training. Individual, tailored support should be available to workers who wish to retrain.

Retraining pathways must be in line with the needs of a zero-carbon future as well as with existing skill sets. Therefore, skills audits and forward-looking forecasts should be conducted on the UK and Scottish level, both holistically and with a sector focus. Such audits should become the basis of government action plans for how to support the workforce-wide transition.

“ It makes you go back to the start. People are worried about going back to the start, will I need to do an apprenticeship? I can't afford that. ”

– Francis, Metering Technician

²¹ <https://www.theengineer.co.uk/content/news/lack-of-skills-could-hinder-net-zero-targets>

PATHWAY

To understand the skills challenges ahead, make retraining options accessible to every offshore worker, and put funding in place to provide paid time off to retrain,

THE UK GOVERNMENT SHOULD:

- Through the **Department for Education**, conduct and regularly update analysis forecasting long term trends in skills demand in the context of the climate transition.
- Review and expand funding available to Further Education (FE) colleges to develop courses covering emerging skills gaps and shortages for the climate transition in line with this long-term assessment.
- Extend its Lifetime Skills Guarantee and target promotion of courses to eligible workers in oil and gas industries and their supply chains and require courses covered under the Lifetime Skills Guarantee to incorporate Recognition of Prior Learning (RPL) processes.
- Legislate for paid time off to train as a fundamental right for workers across the economy, or, trial and institute a paid time off to train support scheme specifically for fossil fuel workers, or more broadly for workers in sectors shrinking due to major technological change.

THE SCOTTISH GOVERNMENT SHOULD:

- Through **Skills Development Scotland (SDS)** conduct and regularly update analysis forecasting long term trends in skills demand in the context of the climate transition.
- Review and expand funding available to FE colleges to develop courses covering emerging skills gaps and shortages for the climate transition in line with this long-term assessment.
- Launch a targeted retraining funding initiative for oil and gas workers, available to all workers regardless of their employment status, with fasttrack support available to those under threat of redundancy. Employers who want to participate should be required to demonstrate that they are supporting jobs with pay and conditions in line with national collective agreements (or Fair Work where those agreements don't exist). Courses and qualifications should include RPL processes.
- Through the **Green Jobs Workforce Academy or SDS**, provide tailored advice to oil and gas workers that takes into account their experience without 'going back to the start'.
- Trial and institute a paid time off to train support scheme specifically for fossil fuel workers, or more broadly for workers in sectors shrinking due to major technological change.

Funding should be guided by analysis of future skills needs as described above, but leave the individual destination occupation at the discretion of individuals.

A government-backed jobs guarantee should support every oil and gas worker leaving the industry as it declines, by

- a) Supporting the conversion of entire supply-chain workplaces to service zero-carbon industries, where possible
- b) Guaranteeing 90% of workers' wages while they retrain, as in furlough
- c) Obligating companies to facilitate workers' redeployment, or else pay a levy
- d) Guaranteeing wages for a defined period of time for workers who leave the industry due to its phase out
- e) Instituting a general Jobs Guarantee (across the economy) for anyone in long-term unemployment, particularly for badly impacted areas

To provide a jobs guarantee to anyone leaving the fossil fuel industry as it declines,

THE UK GOVERNMENT, OR SCOTTISH GOVERNMENT, OR LOCAL AUTHORITIES SHOULD:

- Trial, and if successful, institute for the long term unemployed a general Jobs Guarantee on at least a Living Wage for anyone (regardless of occupation) who has faced unemployment for six months or more, modelled on the Future Jobs Fund but with a focus on retraining in line with the needs of the climate transition.

THE UK GOVERNMENT SHOULD:

- Legislate to obligate companies extracting oil and gas where sites are being wound down, to either re-employ workers (including contractors) to an equivalent position on a different site, or support them with re-employment in another company, or pay a levy that part-finances equivalent government support to workers (i.e. financing the training schemes proposed above).
- Legislate to institute a Short Term Working Scheme, where it subsidises the bulk of wages for a limited period of time for companies affected by economic turmoil (including major decarbonisation-related changes), dependent on part of the subsidised time being used for upskilling in line with the needs of the climate transition. This scheme would require independent assurance and verification so that the business transformations supported are genuinely in line with, or surpassing, climate targets, and are not greenwashing.
- Ensure that **public energy companies** (whether instituted by the UK Government, Scottish Government or local authorities - see Demand 8) seek to take over relevant service contractors currently working within the oil and gas industry, and re-purpose to delivering services for offshore renewables, using TUPE regulations to retain or improve working conditions for the people employed.
- Provide income protection support in line with previous earnings for up to three years for any fossil fuel worker who, as a result of the above, has not received a job on an equivalent salary.

COSTS

We estimate that 12,500-15,500 offshore workers and 10,000-16,000 onshore workers in the oil and gas industry and its supply chains would access retraining opportunities as outlined above.²² The estimated cost of retraining, including covering salaries for workers' time off to train, is £320 million to £1.1 billion across the UK, including £192 million to £662 million in Scotland. The additional cost of targeted careers advice is estimated at under £3 million. Of the total training costs, the government should seek to recoup half through the new skills levy as proposed above, leaving £160 million to £550 million to be match-funded by the government.

A general jobs guarantee in places with the most significant dependence on oil and gas industry jobs should create approximately 102,000 job placements for unemployed people, at a living wage, in places most dependent on the oil and gas industry, particularly Aberdeen and Aberdeenshire, as well as Shetland, Dundee, Fife, the Tees and Tyne river areas and Norfolk. The cost of creating these jobs is estimated at £2.2 billion.²³

The cost of offering wage top-ups to workers leaving the oil and gas industry - assuming offshore workers lose on average 15% of salary and onshore workers on average 10% of salary for 3 years after leaving the oil and gas industry - is estimated at £595 million.

The cost of skills analysis would likely be negligible on a government budget level.

Costs to expand FE college skills provision fall outside the scope of this research. The Lifetime Skills Guarantee received £95 million in funding for the year 2021-2022; this should be continued.

²² The numbers of workers are estimated based on modelling conducted for the report *Sea Change: Climate emergency, jobs and Managing the Phase-out of UK Oil & Gas Extraction*: <https://platformlondon.org/p-publications/sea-change-climate-emergency-jobs-north-sea-oil>

²³ Numbers of jobs placements and costs are based on the UK Government's Kickstart scheme during the Covid pandemic, as well as the jobs guarantee scheme being trialled in Marienthal, Austria. £15 / hour minimum wage and 25 hour a week placements are assumed.

²⁴ https://energy.ec.europa.eu/system/files/2020/01/oil_gas_transition_training_fund_scotland_-_platform_for_coal_regions_in_transition_0.pdf

²⁵ <https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit>

HAS THIS BEEN DONE ELSEWHERE?

Scotland's Transition Training Fund funded training and employability support to oil and gas workers who were facing redundancies following the drop in oil and gas prices in 2014. However this was only available to workers in a redundancy process, and offered no wage or financial support during training. 47% of applicants stayed in the oil and gas sector after participating in the scheme.²⁴

A government-backed jobs guarantee can be modelled on:

a) **Germany's short-time working scheme (Kurzarbeit)**

Under this scheme, at companies in temporary economic hardship, the bulk of workers' pay (up to 60%) is subsidised by the government, similar to the way the UK Government subsidised wages during the furlough scheme in 2020-2021.²⁵ Such a scheme could subsidise the wages of fossil fuel workers who are at risk of redundancy

(or non-renewal of contract in the case of self-employment), while requiring paid-for retraining as part of the subsidised time.

b) The Kickstart Scheme, the UK Future Jobs Fund, and other job guarantees

During the COVID pandemic, the UK Government created the Kickstart Scheme, which funded new jobs for 16 to 24 year olds on Universal Credit who were at risk of long term unemployment.²⁶ This funded wages costs (at the National Minimum Wage or National Living Wage depending on age) for six months, in addition to a £1,500 payment to the employer.

f) US Trade Adjustment Assistance

In the US, Trade Adjustment Assistance programmes support workers who lose jobs following industry closures due to Free Trade Agreement impacts. The assistance programmes cover training costs and wages for a defined period of time, but by themselves they generally do not lead to workers securing anywhere near equivalent jobs.²⁷

Rights to ask for time off to train already exist in the UK, though the right is restricted to workers on the payroll who have been in their job for more than 26 weeks, and it is at the employer's discretion whether the worker gets paid.²⁸ Rights to educational leave (paid time off to train) exist in France, Flanders, and Upper Austria, and have been shown to help more workers access longer-term retraining opportunities.²⁹

26 <https://www.gov.uk/government/collections/kickstart-scheme>

27 https://www.demos.org/sites/default/files/publications/Broken_Buffer_FINAL.pdf

28 <https://www.gov.uk/training-study-work-your-rights>

29 https://www.oecd-ilibrary.org/sites/203b21a8-en/1/2/3/index.html?itemId=/content/publication/203b21a8-en&csp_=de440b0f73fd460cf664c2614fc125d7&itemIGO=oecd&itemContentType=book

CASE STUDY



Pseudonym: **Stuart**

Age: **55**

Job Title: **Marine Supervisor**

Location: **Dundee**

Nobody is planning for the transition. Nobody thought about how we could get out of this industry, people thought we'd be here for life. The government kicked this into the long grass for far too long. They should have been looking at renewables for the climate and to keep the lights on. It didn't help that the oil companies didn't release their research, they knew we were heading toward a climate crisis.

I was made redundant in June 2020. I know a lot of people who have suffered since 2014 and the last two downturns. They [the bosses] aren't bothered about what happens to the workforce, as long as they are making money through boom and bust, they don't care about workers thrown on the dole every five or six years. When we go into new carbon-free industries, we have to get away from this cycle.

Renewable industries are more stable, it doesn't have to be as well paid if you know what you're getting every year. Family life is better and happier when people can plan and know what they're doing going forward. Communities could benefit too. They could have cooperatives that provide wind power to the grid, you could have money coming in.

We can't go into renewables with a 'get everything for yourself, train up for all the industries and we'll call you if we need you' system. It's unsustainable. The government needs to get an offshore training passport in place, train people up to move into new industries and make bursaries for people to be able to transition.

We've been told we could have black outs this year, as one of the richest countries in the world, it's totally unacceptable. We've had 20 or 30 years to plan for this. And they haven't. We need affordable energy for everybody, a system that is going to withstand shocks and we need to get away from hydrocarbons, these are the three things that matter.

OUR TRANSITION

DEMAND 3

**A TRAINING REGIME BUILT
TO KEEP WORKERS SAFE
INSTEAD OF FOR PROFIT**

96%

of workers surveyed support this demand

© Hazel Falck

SUMMARY

Training in the energy industry is a racket, despite it being dangerous work. OPITO, GWO and the other standards bodies need to align their training standards so workers aren't paying the price to transition. On top of an Offshore Training Passport, an overhaul of the system is needed, with training designed around workers, skills and industry needs, rather than the convenience of training providers or accrediting bodies. We need properly regulated, central coordination of training with transferable skills recognised, rather than profit-motivated industry and training bodies setting the standards.

“ If the cost of the training courses was returned to the companies then you would see a reduction in courses. ”

– Phil, Marine Technician

CONTEXT

A survey of 610 offshore workers conducted by Platform, Friends of the Earth Scotland and Greenpeace in 2021³⁰ found that:

- 97% were concerned about the UK's offshore energy industry training costs
- 69% spent over £2000 of their own money on training including safety and trade-specific costs in the last two years, which is up 15% from before 2015.
- 65% said their employer contributed 0% to their training costs including safety and first aid training in the past two years.

The underlying structural problems are the heavy casualisation of the workforce on the one hand, and the for-profit structure of qualifications on the other. For formally self-employed workers, employers have no legal responsibility to provide training.

³⁰ <https://platformlondon.org/wp-content/uploads/2021/06/Training-Costs-Survey-Results.pdf>

Qualifications required to work in offshore oil and gas on the one hand, and in offshore wind industries on the other, are aligned to standards set by different industry bodies, respectively, OPITO (Offshore Petroleum Industry Training Organisation) and GWO (Global Wind Organisation). These organisations give accreditation to training providers.

Because the two sectors' standard-setting bodies are separate, workers wishing to switch between offshore oil and gas and offshore wind sectors must carry out training with duplicate content containing only minor differences. This can cost upwards of £1,000 for each course. For example, divers cite being required to complete the entire GWO First Aid course despite holding a more rigorous International Marine Contractors Association (IMCA) Diver Marine Technician Course or three-day First Aid at Work course qualifications. Previous analyses of the course content showed that the GWO first aid course had "little (if any) value added" for a worker who completed the three-day First Aid at Work course.³¹ Trade unions representing offshore workers, including Unite and RMT, have been raising issues related to training duplication for years as standardisation would allow for more transferability to the offshore renewables and onshore sectors.

In May 2022, OPITO published an action plan to 'Align Offshore Energy Training Standards', including commitments to implement an industry-led digital, transparent and transferable offshore training passport, working alongside GWO and the IMCA as part of the Energy Skills Alliance.³² However, it is unclear to what extent GWO and OPITO are committed to a scheme which will comprehensively address the full extent of duplication in training across the offshore energy sector. GWO have previously published material outlining their view that there is little duplication based on the existing separate training modules of basic safety courses for GWO and OPITO and have impeded progress towards the creation of an offshore training passport.³³

An approach based on the existing training courses, rather than a more holistic view of the skills and competences required to work safely in offshore energy, will not remove the extensive duplication in courses. The scheme also does not purport to tackle the issue of workers having to pay for training out of pocket.

³¹ <https://www.rmt.org.uk/news/publications/dog-news-march-2022/15660-dog-news-special-feature-rev1.pdf>

³² <https://www.offshoreenergypeopleandskills.co.uk/public/img/docs/Aligning-Offshore-Energy-Standards-Action-Plan-FINAL.pdf>

³³ <https://www.globalwindsafety.org/statistics/ensuring-a-safe-and-renewable-future>

PATHWAY

An 'Offshore Training Passport' would licence accredited workers to work offshore in any sector through a cross-industry minimum training requirement. The passport should:

- Eliminate duplication of qualifications, ensuring that certification (including 'micro-certification') with one body is fully recognised by the other(s) and no duplication of training or assessment is needed including recognition of prior certificated learning (RPCL).
- Provide proportionate, efficient and robust individual assessment and recognition of competence for experienced workers so that they do not have to attend training in areas where they are already proficient but lack certification (recognition of prior experiential learning, RPEL).
- Guarantee that training is up-to-date, while ensuring that no worker has to redo a course that is still in date.
- Be digital, so that the training and certification record of workers can easily be checked.
- Be accepted as the minimum standard required by industry operators.

Necessary training costs should be borne by employers, including for self-employed and off-payroll workers who spend a significant amount of time with the same employer.

The overall responsibility for maintaining the Offshore Training Passport scheme should lie with a public sector or publicly regulated organisation, with a governing board for the scheme that includes industry bodies, the Health and Safety Executive, and trade unions. Various options are possible for this including a public-sector agency or a joint board, or potentially oversight by a body such as Skills Development Scotland (SDS) or the Institute for Apprenticeships and Technical Education (IfATE). The hosting organisation should not have a financial interest in the uptake of training courses or any other specific route to passporting. The governing board for the Offshore Training Passport should establish principles and processes for recognising prior learning including crossover between GWO certified and OPITO certified qualifications. This needs to have two elements:

- A comprehensive database of training and certification requirements, cross-referencing those where full and partial recognition must be given automatically (RPCL).
- A common protocol for individual assessment and recognition (RPEL) which enables workers with recent experience, as well as those with training not covered by the RPCL arrangements, to have their current levels of proficiency certificated directly where they correspond to full training elements, or recognised and credited against the training needed to complete an element.

THE UK GOVERNMENT SHOULD:

- Update the North Sea Transition Deal to:
 - Delegate overall responsibility for Offshore Skills Passport to the new arms-length body, hosted by a public sector body such as the IfATE or SDS.
 - Establish a training fund to directly support workers rather than companies, which can be accessed by individual, self-employed and off-payroll workers rather than only through employers. Funding should be open to self-employed and off-payroll workers and cover wages lost as well as training costs.
- Raise funds for offshore worker retraining through a levy on energy companies, which would incentivise employers to eliminate redundant training requirements, and invest in training their own workforces including self-employed and off-payroll workers. Modelled on the Apprenticeship Levy but applying specifically to industries in transition, the levy would create a training costs buffer that can be spent by the companies internally or fund training for others if unspent.

THE SCOTTISH GOVERNMENT SHOULD:

Use its role on the Energy Skills Alliance to steer the passporting scheme towards the model proposed here.

- Offer offshore workers in Scotland training support to meet the requirements of the Offshore Passport if needed for transitioning from oil and gas to other offshore industries (or prior to its setup, to meet existing training requirements for oil and gas workers seeking to work in renewables). This would form part of its commitment to a Skills Guarantee to workers in carbon-intensive industries.³⁴ Funding should be open to self-employed and off-payroll workers and cover wages lost as well as training costs. This should be part-funded by the new transition skills levy as proposed in Demand 2.
- Establish a programme under the Green Jobs Workforce Academy to support individual workers to access training pathways that suit them, alongside a programme to support workers from underrepresented groups or backgrounds to access opportunities within the offshore energy sector.
- Support Scottish Further Education colleges in receiving industry body accreditation for delivering Offshore Training Passport aligned courses and carrying out RPEL assessments.

³⁴ <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/pages/7>

COSTS

The annual costs of administering the offshore skills passport should be under £5 million, equivalent to the operational budget of OPITO, and should be co-funded by industry.

Demand 2 provides an estimate for the costs of training programmes for oil and gas workers to meet qualifications requirements for transition to other industries and a new skills levy to partly cover these costs.

HAS THIS BEEN DONE ELSEWHERE?

Recognition of prior learning is a widely-used principle in British further and higher education and apprenticeships. It is embedded in the Scottish Credit and Qualifications Framework³⁵ and is a requirement for all official apprenticeships in England, where government guidance³⁶ states that “Apprenticeship funding must not be used to pay for training the apprentice does not need, or certify knowledge, skills, and behaviours the apprentice already has”. For Scottish Vocational Qualifications (SVQs) a principle operates that candidates should be assessed directly in any area where they are already competent, without having to attend relevant training.

Industry certification tends to lag behind best practice in the vocational education and training sector, although there are some good examples of cross-recognition and RPEL. For instance the ECITB’s Connected Competence scheme enables experienced workers to have their proficiency assessed directly, although currently only covers workers employed directly, and in workshops participants cited dissatisfaction with the scheme because too few employers recognise it.

³⁵ <https://scqf.org.uk/guide-to-rpl>

³⁶ <https://www.gov.uk/government/publications/apprenticeships-recognition-of-prior-learning>

CASE STUDY



Pseudonym: **Robert**

Age: **55**

Job Title: **Subsea Engineer**

Location: **Aberdeen**

The basic survival courses are regularly renewed and must be fitted into my own personal time outside of work. I spend roughly £600 a year keeping them all in date. I live close to a training centre, if I did not it would cost me a lot more.

The training industry is a narrow, commercial enterprise without any concern for improving the knowledge, skill and experience of the people working offshore or, as a result, improving the effectiveness of the British offshore industry. The wishes of their shareholders are held as paramount, not necessarily their true interests. For Britain, meeting the simple standard of performance agreed between the UK Health and Safety Executive (HSE) and the offshore industry as cost effectively as possible is the politically sufficient single end goal. Completely unlike in Norway, the Netherlands, the USA and Europe there is no deeper, more intelligent agenda.

I have worked on project and operational compliance with national and industry standards in Britain and several other countries including Norway. As an example, the Norwegian Diving Regulations were originally based on the British version. Both systems have developed and been updated since then and in doing so they have widely diverged. In Norway the underlying principle retained during this evolution has been to ensure that the worker gets home to their family safely. In Britain, ensuring that the HSE and the Operating Company can prove on paper that 'we weren't to blame' is the underlying core principle. As a result, Norway now has a very good, modern and comprehensive set of Diving Regulations. Britain has an Approved Code of Practice (basically guidelines), a very big difference in accountability and therefore bottom-line effectiveness.

I have built company competency systems and know that focusing on real competency is the right approach. You need to forget the bits of paper we use right now. Consciously developing, nurturing and maximising the real skills needed for each of the particular jobs in the offshore industry is key. If you get this right, the entire industry benefits across the board from a much more capable workforce.

Governance of the British offshore training system is the government's role. Only the British Government can ensure that everything works properly and coherently in the interests of British industry. All of us, from the operating companies, the contractors and the training providers to the workers in both offshore oil and gas and offshore wind are entirely reliant on a robust government with an acceptably strong spine working in the national interest.

But sadly, we are trapped in Britain's unique persistent, endlessly repeating cycle of failure of competent government governance of offshore industry.

We have shown the issues that the British training system must address to achieve a just transition but it isn't the idea of training we're fighting against. We are fighting against the naïve and arcane, uniquely British Government misinterpretation of what Britain's real commercial interests are for our offshore industry and the resultant, trickle down, negative impact that has on our training system.

1.

OUR TRANSITION

DEMAND 4

INVEST IN DOMESTIC MANUFACTURING AND ASSEMBLY FOR RENEWABLES

95%

of workers surveyed support this demand

40

OUR POWER



© Charlie Chesvick, via iStock

SUMMARY

A thriving renewables supply chain can open up the jobs needed for the transition by re-industrialising the UK, retooling the oil and gas supply chain, creating new opportunities for workers and retaining economic benefits from growing industries. Greater investment into ports and manufacturing hubs alongside stronger local content rules attached to licences and government contracts can enable renewables infrastructure to be manufactured in the UK, and where possible reuse the steel from decommissioned oil and gas rigs. Investing in domestic renewables manufacturing and fabrication would revitalise yards along the coast of Scotland and England and reduce the carbon footprint of shipping materials and offshored manufacturing emissions.

“ If you are tendering out, there needs to be a regulatory statement saying “you can only tender if you meet Criteria A, B, C, D, E” and these should be written in stone that you do the local infrastructure, x amount of jobs local, you must use x or y, decommissioned steel. Build it into the tendering process. They must benefit the communities they are working around. Create secure and good jobs. ”

– Jake, Safety Officer

CONTEXT

To date, job creation from offshore wind has fallen far short of promises.³⁷ Manufacturing jobs in particular have not materialised, with key components including foundations, towers, nacelles and sub-stations imported from other countries. Even though the UK has one of the highest levels of offshore wind deployed in the world, it has failed remarkably to build up an associated industrial base.

Part of the problem is the private ownership of ports in the UK, unlike other European countries which hold significant public stakes in their ports. Decades of underinvestment by private owners has left the UK's engineering and maritime support infrastructure with limited capacity and unable to scale up quickly. Private owners of ports or manufacturing sites will only invest

into upgrades when there are signed contracts with offshore wind developers, and then only upgrade in line with imminent guaranteed wind farm deployment – limiting economies of scale and the potential to pre-emptively develop capacity. This means that UK ports are not up to a standard where they can compete internationally, that there are few domestic manufacturing companies engaged in the offshore wind supply chain, and that international manufacturers are hesitant to locate here.

³⁷ https://www.owic.org.uk/_files/ugd/1c0521_a7d1955f12f04b1f8d777568ac93cf47.pdf

Many coastal regions don't have enough capacity to deliver on multiple offshore wind installation projects simultaneously.³⁸ Few ports have yards large enough to deliver on the volume of fabrication required. This is part of the reason for the failure of domestic businesses like BiFab in Fife to win significant manufacturing contracts for foundations, with these shipped from around the world instead.³⁹

Despite the large offshore wind project pipeline in Scotland, there is not a single major 'hub' port in Scotland providing co-located assembly and fabrication on a scale comparable to the facilities that have been developed in the past 10 years in Denmark, the Netherlands or Germany, where there is much more public ownership of and investment into ports.⁴⁰

The UK Government's free ports agenda was developed partly because of the past failure to grow jobs and activity in the renewable supply chain. But an approach that exempts ports from existing protections will weaken workers rights and jobs quality, undermine environmental protections and reduce community benefits.⁴¹ The "free" element of this programme is forecast to suck in economic activity that already exists or would have been created elsewhere, instead of boosting investment or creating new jobs in the UK.⁴²

The UK Government recognised that under-investment into infrastructure had reduced the proportion of local content and domestic job creation, and launched the Offshore Wind Manufacturing Investment Scheme in 2021⁴³, and its successor focused on floating offshore wind. But the government's actions remain piecemeal and too small-scale. Transition Economics' analysis of the sites supported by the initial manufacturing investment scheme shows that only five out of eight are going ahead, creating only 1,170 new manufacturing jobs and safeguarding an existing 2,045 jobs. Scotland's efforts to promote local supply chain creation so far also have little capacity to compel the creation of local content, and there are no conditions placed on licensing rounds (e.g. ScotWind) to guarantee local job creation.

38 <https://www.energyvoice.com/renewables-energy-transition/wind/uk-wind/316666/bottlenecks-at-scottish-ports-could-hamper-offshore-wind-developments-warns-industry-leader>

39 <https://committees.parliament.uk/oralevidence/2289/pdf>

40 <https://www.crownestatescotland.com/news/new-research-on-net-zero-opportunities-for-scotlands-ports>

41 <https://www.unitetheunion.org/what-we-do/unite-in-your-sector/docks-rail-ferries-and-waterways/freeports>

<https://www.tuc.org.uk/blogs/brexit-why-free-ports-are-race-bottom-workers-rights>

42 UKTPO (2019) 'What is the extra mileage in the reintroduction of free zones in the UK', available at: <https://blogs.sussex.ac.uk/uktpo/publications/what-is-the-extra-mileage-in-the-reintroduction-of-free-zones-in-the-uk>

Helgadottir, Oddny (2020) 'Freeports: Johnson should look elsewhere for growth enhancements', Social Europe, available at: <https://www.socialeurope.eu/freeports-johnson-should-look-elsewhere-for-growth-enhancements>

43 <https://www.gov.uk/government/publications/offshore-wind-manufacturing-investment-support-scheme-investment-programme>

But the UK has not yet missed the boat on offshore wind manufacturing and construction jobs, and can still achieve significant domestic social and jobs benefits. The UK's existing pipeline of planned offshore wind farms stands at 86 GW – eight times current operational offshore wind capacity in the UK, four times that of China, and nearly twice that for the whole world.⁴⁴ And the Offshore Renewable Energy Catapult has modelled credible scenarios where 150 GW could be deployed by 2050.⁴⁵

Much of the supply chain servicing the oil and gas industry should be retooled to transition to supporting the offshore renewables industry. Expanded public investment in key supply chain industries should be tied to equity stakes to ensure quality job creation and strategic direction.

Manufacturing the vast majority of blades, cables, foundations, towers and nacelle components domestically would enable the UK to achieve over 80% of local content in its offshore wind turbines. In ports, new and larger quays, extra laydown space, and the ability to lift larger weights will be needed to support the mass production of larger scale wind turbines, particularly for floating offshore wind.

There are potential offshore wind construction and manufacturing hubs in North East Scotland (including Aberdeen, the Cromarty Firth and the Inner Moray Firth), North West Scotland (Arnish and Kishorn), Forth and Tay (including Methil, Dundee, Rosyth and Leith), North East England (including Teesside and Tyneside), Humberside, South Wales (including Pembroke, Milford Haven and Port Talbot), and North Wales (including Mostyn) and Belfast.⁴⁶ These locations were identified based on current activities, limitations on contracts, potential for expansion and improvement in port facilities, location in relation to offshore wind licences and forecast licences where a substantial amount of work will be needed.⁴⁷

44 <https://www.renewableuk.com/news/599739/Offshore-wind-pipeline-surges-to-86-gigawatts-boosting-UKs-energy-independence.htm>

45 <https://es.catapult.org.uk/news/new-report-finds-very-high-levels-of-offshore-wind-possible>

46 Belfast is currently the only port in Ireland suitable to support the construction of offshore wind farms.

<https://www.irishexaminer.com/news/arid-40896056.html>

47 This list is based on assessments commissioned by public bodies (e.g. Welsh Government <https://gov.wales/sites/default/files/publications/2021-09/ports-report-non-technical-summary.pdf>, Crown Estate Scotland and UK Government), on statements by port authorities/operators, local authorities, consultants and offshore wind companies in the media and at conferences.

PATHWAY

Creating jobs in renewable manufacturing and assembly is essential to ensuring there are sufficient opportunities for oil and gas workers across the UK. Upgrading and expanding the UK's ports can create the baseline infrastructure to ensure offshore wind and marine renewables can be constructed, manufactured, deployed and maintained from UK harbours. Scaling up

public investments into fabrication yards and factories for nacelles, towers, foundations, cables, blades and substations can create a large manufacturing workforce in the offshore wind sector, including for floating turbines. Expanding this to new marine energy sectors like tidal stream could lay the foundation for new export opportunities.

To improve the UK's baseline port infrastructure to be able to support growth of jobs in offshore wind construction and manufacturing,

THE UK GOVERNMENT SHOULD:

- Clarify that to achieve its two strategic objectives of helping “tackle climate change, particularly meeting the government’s net zero emissions target by 2050” and supporting “regional and local economic growth through better connectedness, opportunities for new jobs and higher levels of productivity”⁴⁸, the UK Infrastructure Bank should use its influence as an equity investor (i.e. a part owner), to encourage greater domestic procurement and more local supply chains.
- Expand the scale of the UK Infrastructure Bank, enabling it to make more and larger investments into transition infrastructure.
- Direct the UK Infrastructure Bank to expand on its investment in the South Bank Quay development at Teesworks⁴⁹ by investing into and taking equity stakes in more ports.

THE SCOTTISH GOVERNMENT SHOULD:

- Clarify that to achieve its existing core mission of supporting “the just transition to net zero emissions by 2045”⁵⁰, the Scottish National Investment Bank can use an active ownership approach towards companies in which it has invested, to encourage greater domestic procurement and more local supply chains.
- Direct the Scottish National Investment Bank to build on its investment into the expansion of Aberdeen Harbour⁵¹ by investing into and taking equity stakes in more Scottish ports. These should prioritise brownfield sites and incorporate community demands for siting.
- Expand the scale of the Scottish National Investment Bank, enabling it to make more and larger investments into transition infrastructure.

48 <https://www.ukib.org.uk/strategic-plan>

49 <https://www.ukib.org.uk/news/first-ukib-investment-goes-green>

50 <https://www.gov.scot/news/core-missions-for-investment-bank>

51 <https://www.thebank.scot/portfolio/port-of-aberdeen>

To boost domestic manufacturing and support existing oil and gas supply chains to retool,

THE UK GOVERNMENT SHOULD:

- Commit to expanding and renewing, on an annual basis, the existing funding initiatives⁵² that support sites for offshore wind manufacturing of blades, towers, foundations, cables and other strategic components.
- Provide targeted investment support for large and small workplaces in the oil and gas supply chain like cable manufacturers, scaffolders, vessel support and fabrication yards to retool to support renewable supply chains instead.
- Create public stakes in manufacturing (i.e. rather than providing grants to businesses, invest and take equity stakes in manufacturing sites). Maintaining active equity stakes can ensure that job quality remains high and procurement is supporting further local content from supplier industries.

THE SCOTTISH GOVERNMENT SHOULD:

- Use the Scottish National Investment Bank to build on UK investment schemes supporting offshore wind manufacturing and retooling, with additional Scottish support schemes.
- Create public stakes in manufacturing (i.e. rather than providing grants to businesses, invest and take equity stakes in manufacturing sites). Maintaining active equity stakes can ensure that job quality remains high and procurement is supporting further local content from supplier industries.

In addition to investment into infrastructure, stronger rules and more ambitious targets can boost local job creation and economic activity.

THE UK GOVERNMENT SHOULD:

- Increase the targets required in Supply Chain Plans when applying for a Contract for Difference.

THE UK AND SCOTTISH GOVERNMENTS SHOULD:

- Add conditionality to licensing rounds (administered by the Crown Estate and Crown Estate Scotland), to boost investment into domestic supply chains by making licences conditional on creation of local supply chain jobs.

52 I.e. the £160mn Offshore Wind Manufacturing Investment Scheme and its successor Floating Offshore Wind Manufacturing Investment Scheme

<https://www.gov.uk/government/publications/offshore-wind-manufacturing-investment-support-scheme-investment-programme>

COSTS

Public investment of £2.2 billion over five years: Upgrading port infrastructure.

An average of £200 million of public investment per port cluster over the next five years. With 11 clusters, this totals £2.2 billion.

Public investment of £1.6 billion over five years: Expanding and upgrading manufacturing sites for offshore wind and other renewables.

This is based on doubling the scale of the existing investment schemes supporting offshore wind manufacturing, and repeating them on an annual basis for the next five years.

HAS THIS BEEN DONE ELSEWHERE?

Offshore wind manufacturing hubs and ports across Europe and beyond are far more competitive than in the UK because of public ownership and investment, active industrial strategies and more proactive support for local job creation. Across the EU, most ports are publicly owned. As a result, the development of port infrastructure is usually a matter for local, regional and national authorities⁵³, some of whom made speculative investments into ports to secure their role in offshore wind installation and manufacturing.⁵⁴

The common practice across the EU of investing into domestic manufacturing with conditions attached related to skills and social benefits demonstrates that this can be consistent with state aid restrictions. The UK-EU Trade & Cooperation Agreement and the UK's current subsidy control framework allow for subsidies that "pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns".⁵⁵

⁵³ And even so, other European ports still need €6.5bn of further investment just to deliver generation capacity planned for 2030 - demonstrating just how far behind the UK is.

<https://windeurope.org/newsroom/press-releases/upscaling-europes-port-infrastructure-critical-for-offshore-wind-development>

⁵⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/277798/bis-14-578-offshore-wind-supply-chain-capabilities-and-opportunities.pdf

⁵⁵ <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>

CASE STUDY



Pseudonym: **Phil**

Age: **29**

Job Title: **Marine Technician**

Location: **Grimsby**

I grew up in Grimsby, where the fishing industry was strong before it collapsed. I've seen first hand how local communities aren't at the forefront of policy makers' minds when an industry collapses.

Grimsby has been in a downward spiral of poverty and deprivation since the decline of the fishing industry. Even with some offshore wind in the area now, initially a lot of the work was outsourced to companies and workers from elsewhere. Much of the materials and equipment were manufactured elsewhere and shipped to the area. Although the operators are now starting to train some local people, more could be done to involve the local community, both when they plan and develop the wind farms, right through to maintenance and operations.

There's so much infrastructure built into the North Sea - rigs, subsea infrastructure - and this is one of the concerns as we transition. Is there going to be a route for these assets to be properly recycled or reused in the UK? We could be employing local people to do decommissioning here. Instead, we often shoulder huge costs to tow these rigs and vessels to other parts of the world.

It's too late to change what happened to industrial towns in the past, but we have the hindsight now. We know there needs to be something in place to protect communities. We need people to be worried about the consequences of not having a plan. Obviously the industry and government should be responsible for the future, but given their track record, the workers need to speak up and rally some support around the transition. It's not easy to grow up in a town that is at the tailend of this sort of thing. There are enough deprived towns, we don't need more of them.

The oil industry was built as quickly as possible, often with the decommissioning plan as an afterthought, there was so much money to be made. We have the opportunity to demand that the wind industry does it differently. We should be producing the materials and equipment all in the UK. We want to have rigorous plans for decommissioning once materials are at the end of their life cycles. We want to train people and invest in the communities that are going to surround the infrastructure for clean energy in the future.

II. OUR RIGHTS

The UK North Sea is a battleground for workers' rights. Descriptions of working offshore in the present day paint a picture of increasingly precarious contracts, stagnating wages and a lack of power in the rank and file. The sense of mistreatment is creating more unrest and leading to collective organising and action offshore.

Workers are generally split between 'core crew' - directly employed by the operators (the oil and gas companies) or contracting companies - and 'ad hoc contractors' - employed through agencies as self-employed, off-payroll, or zero-hour contract workers - and are often pitted against each other in the workplace. Prioritisation of profit and weak (or no) collective bargaining agreements also results in a neglect of health and safety. Almost every worker who came through a workshop had a story of themselves or someone

they knew 'sticking their head above the parapet' to report unsafe working conditions and facing reprimand - many times in the form of being 'not required back' or being blacklisted from the rig they were working on.

This second theme focuses on the working conditions in the North Sea, and what needs to change in the employment rights of workers and the legislation that governs the energy workforce. It is vital that changes are made for both fossil fuel and renewable industries now, as without intervention practices in oil and gas will be replicated in renewables. To ensure new jobs created are safe and on decent terms, workers have laid out demands for the energy industry that would provide for strong collective bargaining, improved safety procedures and protections for all workers in the North Sea regardless of nationality.

“ [I'm at this workshop] so we can engage the workforce to transfer into renewables and we can make sure that the trade union movement is in it from the get go. We're the people it affects the most. ”

– John, Test Engineer

“ [Companies] are bringing in Filipino workers on \$30 a day - they should be paid the same as us. On a rig I was on, one Filipino guy watched his house get swept away by a tsunami, they got him off the rig and the workers did a whip round to raise £1500 - the company made a lot of noise about it on social media but didn't even match what we raised. ”

– Thomas, Plater

“ It's the wild west out there in renewables, I had a job building with Saipem - they wanted me to do a contract where I'd be offshore for 10 weeks straight. If renewables can do that, oil and gas will be thinking 'great, we'll do that too'. It needs to be regulated, it can't be a free for all like we've seen before. ”

– Francis, Metering Technician

“ We have to get away from the macho ferrari culture offshore, that is better for everyone. In a good renewables industry, people will benefit from more steady employment and being able to make plans for the future. ”

– Stuart, Marine Supervisor



OUR TRANSITION

DEMAND 5

**COLLECTIVE BARGAINING WITH
STRONG RANK AND FILE UNION
REPRESENTATION ACROSS THE
WHOLE OFFSHORE INDUSTRY**

93%

of workers surveyed support this demand

SUMMARY

The weakening of unions in the UK has contributed to an environment where employers are able to dictate increasingly untenable and precarious contracts and wages. We must restore power to the rank and file of ordinary workers and end the division between ad hoc and core contract status in the energy sector to curtail the power of employers. The renewables industry should be built on industry-wide collective bargaining agreements covering all workers, that are reached through negotiation between the unions, industry and the government.

“ If we want a workforce that is capable of self-defence in the emerging renewables industry then we need a trade union led by the rank and file. We need organisers within the rank and file. And that is hard work, when people try to achieve it they will be singled out, intimidated. It isn't easy, but it needs to be done. ”

– Alistair, Rigger

CONTEXT

The increasing shift to casualisation across the UK economy, alongside legislation that is ever more aggressive to trade union organising, has weakened the position of workers and unions. Collective bargaining agreements protected 80% of workers in the UK in the early 1980s. Today, this is down to 25%.⁵⁶ While there is no official data on the employment status of workers in the industry, many are self-employed or off-payroll (IR35).⁵⁷ Under IR35, the worker is formally contracted through an ‘intermediary’ company, which in practice usually involves the offshore worker acting as their own ‘intermediary’. This set-up burdens the workers even further, as it requires the worker to pay tax and National Insurance as if they were the employer (which is not the case for simple self-employment).

Offshore self-employed and off-payroll workers are frequently cut out of the benefits of union representation, and securing collective bargaining must happen through initiatives such as the Offshore Divers’ Industry Agreement (ODIA).⁵⁸

For workers on the payroll in oil and gas, there have been a series of recent successes

⁵⁶ <https://hull-repository.worktribe.com/OutputFile/3744238>

⁵⁷ <https://platformlondon.org/wp-content/uploads/2021/06/Training-Costs-Survey-Results.pdf>

⁵⁸ <http://www.odia.org.uk>

delivered through organising in their trade unions. The recent Energy Services Agreement (ESA) between unions and employers under the auspices of Offshore Energies UK (formerly Oil and Gas UK) sets base terms and conditions covering fourteen companies and thousands of direct employees.⁵⁹ The ESA was secured by RMT, Unite and GMB following the dissolution of the Offshore Contractors Association agreement.

A collective agreement covering individual members of the Caterers Offshore Trade Association (COTA) and both Unite and the RMT was also reached in 2020. The agreement sets out the minimum level of terms and conditions of employment by COTA member companies in catering, accommodation and ancillary services on recognised offshore installations. Following negotiations in 2022, offshore catering members of Unite and RMT accepted a 10% rise on basic salaries and backdated payments.

In the offshore renewables industry, there is currently no sectoral collective bargaining deal covering offshore workers, and nothing equivalent to the ESA. Even energy companies like Scottish Power, that have traditionally participated in collective bargaining for their onshore generation and distribution assets, have resisted carrying over their own collective bargaining agreements when establishing and separating out their renewable energy divisions.⁶⁰

Despite the successes achieved by offshore trade unions for their members in recent years, there are many external factors restricting collective rights and workshop participants point to the organising challenge for trade unions. Against the backdrop of often hostile approaches from offshore management and reports of blacklisting of trade union activists, it is difficult for workers to feel secure in joining and being active in their trade union. This particularly reflected the concerns of the self-employed and off-payroll participants.

Every offshore job should be covered by a sectoral collective agreement, negotiated with

“ As a contractor at the moment, [there’s] no point in joining a union because you could get let go at any point. ”

– Francis, Plater

trade unions and employers at the table, that covers pay, health and safety, and benefits at work - including for workers on payroll, off-payroll or in self-employment. Government should require, enable and enforce the collective agreement through all available levers including licensing agreements, Crown Estate lease auctions, Contracts for Difference, and legislation.

Every offshore worker, regardless of contract status, should have union representation and the ability to influence decisions in their union branch and workplace.

Strong and powerful trade unions across the offshore industry will organise and develop leadership within the offshore workforce, in particular its casualised part. Union negotiations on the sectoral collective agreement should be accountable to the membership. Governments should give active support, both by applying conditions to funding, investment and regulatory consents; and through funding the development of trade union capacity to participate in just transition planning and negotiations, as the Scottish Government has started to do.

⁵⁹ https://oeuk.org.uk/wp-content/uploads/woocommerce_uploads/2022/01/OEUK-Energy-Services-Agreement-Issue-5-July-2022-warfuu.pdf

⁶⁰ Interviews with Unite and Prospect organisers.

PATHWAY

To guarantee collectively negotiated terms and conditions for workers offshore,

THE UK GOVERNMENT SHOULD:

- Legislate for a right to sectoral collective bargaining, a right to union representation at work and a right to union access at work, that covers both payroll, off-payroll and self-employed workers.

THE UK AND SCOTTISH GOVERNMENTS SHOULD:

- Use licensing or Contracts for Difference conditions to enforce the above rights for offshore energy workers.
- Convene talks with employers and trade unions across the energy industry, modelled on examples like the NAECI process, to reach a collective agreement on offshore energy terms and conditions, to cover both payroll and self-employed workers, across the offshore oil and gas and renewables sectors.
- Provide funding and support to trade unions to enable worker participation in just transition planning processes, including through learning programmes and training for stewards and health and safety representatives.

There is an opportunity for trade unions to rebuild high union density in the energy sector and rank-and-file participation in leadership by:

- Expanding the resources devoted to the challenge of organising self-employed and off-payroll workers in offshore sectors.
- Strengthening support for rank and file offshore members to participate in existing union democratic structures.

COSTS

The costs of facilitating and enforcing sectoral collective bargaining would likely be negligible on a government budget level.

HAS THIS BEEN DONE ELSEWHERE?

Sectoral collective bargaining predominantly sets wages and working conditions in Italy, where 90% of jobs are covered by a national sectoral collective agreement.⁶¹ In Spain, sectoral collective bargaining was reinstated as a legal right in 2022, and, crucially, covers subcontracted workers.⁶²

In the UK, sectoral collective bargaining exists in some forms, for example,

- The engineering contractor industry, where the National Agreement for the Engineering Construction Industry (NAECI) and associated agreements guarantee common wages and terms and conditions for workers on a variety of infrastructure projects around the UK.⁶³ Similar agreements exist for electrical, plumbing, HVAC and other trades.
- Universities, where agreements on pay are reached on a national level between unions and the Universities and Colleges Employers Association.⁶⁴

⁶¹ <https://wageindicator.org/Wageindicatorfoundation/publications/2021/cetrulo-a-2021-national-collective-bargaining-agreements-in-italy-an-investigation-on-wages-and-remote-working-colbar-europe-institute-of-economics-embeds-scuola-superiore-sant2019anna-pisa>

⁶² <https://www.ier.org.uk/news/spanish-government-restores-sectoral-collective-bargaining>

⁶³ <https://www.njeci.org.uk/national-agreement>

⁶⁴ <https://www.ucea.ac.uk/our-work/collective-pay-negotiations-landing>

But most of these existing UK sectoral agreements only cover certain companies, with little leverage to bring onboard others in the sector, and no legislative foundation.

In Canada, **cabotage laws** protect workers against exploitation by requiring crews on vessels sailing in Canadian waters for more than 30 days to be under Canadian wages and working conditions.⁶⁵

Rights to union representation already exist in the UK but do not extend to self-employed workers. Self-employed workers working for 'platform employers' like Uber and Deliveroo have recently begun acquiring trade union rights, either through legal challenges or through voluntary agreements.⁶⁶

Recognition of rights of self-employed workers to trade union representation based on occupation:

- The City of Seattle in the US locally legislated for the right of for-hire drivers to trade union representation and collective bargaining.⁶⁷
- Freelance journalists are covered by collective bargaining agreements in Austria and France.
- Delivery workers are covered by collective bargaining agreements in Italy and Spain.⁶⁸

In other cases, self-employed workers gain collective bargaining rights based on demonstrating 'economic dependence' on an employer. This is the case in Germany, Ireland, Italy and Spain, with the single-source percentage of income specified at between 50-100%.⁶⁹ Based on these examples, it is conceivable to imagine legislating for collective bargaining coverage for self-employed workers offshore either based on sector (oil and gas or offshore renewables) or dependence on a single employer.

The **right to union access to workplaces** exists in New Zealand, where union representatives have the right to access any workplace where work normally covered by the union happens or where a union member works, with employer consent (and the employer cannot 'unreasonably' refuse consent).⁷⁰ For comparison, in the UK there is no legal right for trade unions to access workplaces, which means that it is legal for employers to eject trade union representatives from a workplace, or change shift patterns for workers in a way that prevents trade union representatives from being able to talk to them.⁷¹

65 <https://www.seafarers.org/canadian-maritime-unions-win-major-cabotage-rights>

66 <https://www.ifow.org/news-articles/evri-uber-deliveroo-collective-bargaining>

67 <https://www.seattle.gov/business-regulations/taxis-for-hires-and-tncs/for-hire-driver-collective-bargaining>

68 https://www.uni-europa.org/wp-content/uploads/sites/3/2022/01/Fulton_UNI_Europa_November_2021-1.pdf

69 https://www.uni-europa.org/wp-content/uploads/sites/3/2022/01/Fulton_UNI_Europa_November_2021-1.pdf

70 <https://www.findlaw.co.nz/articles/4280/union-access-to-workplaces.aspx>

71 <https://hansard.parliament.uk/commons/2019-06-04/debates/EED47F5D-5EA5-48F1-BB3A-0CD255E77AE9/TradeUnionAccessToWorkplaces>

CASE STUDY



Pseudonym: **Matt**

Age: **53**

Job Title: **Deck Crew**

Location: **Aberdeen**

The offshore industry is making horrendous profits, but these big oil companies are still cutting, believe it or not, they're hell bent on cutting. It's incredible offshore, the worst I've ever seen in my 32 years working in the industry.

In the last downturn, in 2015-2016, the deck crew I was working on had a 22% wage drop and our rota changed to three weeks continuous work instead of two. No consultation, take it or leave it. Recently, guys have been putting in grievances, trying to get their terms and conditions back from 2015-2016. The oil and gas industry might have been in a bad place for a short while, but it's in a good place now. They're just not playing ball.

The big oil companies are the only ones benefiting from the current situation. Especially the one I'm subcontracted to at the moment, they used to be a good company to work for, they've gotten so greedy it's incredible. Everything we order gets scrutinised and in most cases rejected, but they made billions in the last quarter.

If they tried to drop your wages in Norway the way they have here, it wouldn't happen. We're not strong and unionised in the UK sector, so they know they can do what they want. And they do. But times could be changing, a lot of workers are joining unions at the minute. And that's good, because if you're not in a strong union you won't get very far, especially offshore.

If we want a renewables industry that is different from the way offshore is now, we need sectoral collective bargaining agreements. The union is the way forward, it's hard to educate people sometimes, but it's the protection we need. The companies are greedy, it's all about money for them. Workers need to build this power and the government needs to step in to keep the companies in check too. The only way the energy transition is going to happen faster is with the government on our side.

The offshore industry won't move forward if we don't have the strength and high union numbers, I know that for a fact. We've got to push it and we've got to push the government to be on our side.



OUR TRANSITION

DEMAND 6

ESTABLISH UNIVERSAL RIGHTS AND A WAGE FLOOR ACROSS THE UKCS

94%

of workers surveyed support this demand

SUMMARY

Loopholes in the law and inferior employment protections offshore allow employers to exploit foreign workers by undercutting wages. With even less protections in offshore wind, this is damaging green job potential. To address this, a set of universal rights should be established, including a wage floor, to apply to all offshore energy workers regardless of nationality, carrying out any work on the UK Continental Shelf or in the UK Exclusive Economic Zone.

“It’s morally wrong that British workers are getting three times the wages as foreign workers. We should all be paid the same even if it means that the big bosses in Shell are getting paid less.”

– Fraser, Catering

CONTEXT

There are offshore workers regularly working at sea for months on end for poverty pay. Work by the RMT Union has revealed that offshore energy companies regularly charter vessels operated by foreign agency crew paid less than the UK legal minimum and well below collectively bargained rates of pay in trade union agreements:

- On SSE’s Beatrice wind farm, crew working for contractor Seaway Heavy Lifting were paid less than £5 per hour while working 12-hour days seven days a week in 2018.⁷²
- On Ørsted, Macquarie Group and Sumitomo Corporation’s Race Bank wind farm, Norwegian contractor Østensjø Rederi paid catering crew £6.75 per hour in 2019.⁷³
- On SSE and Total Energies Seagreen wind farm, crew members working for contractor Fugro were earning as little as £3.60 an hour in 2019.⁷⁴

In 2020, the UK Parliament extended the National Minimum Wage to cover seafarers, including those working in the offshore energy sector.⁷⁵ According to HMRC advice, this covers almost anyone working in UK waters or on the Continental Shelf, including “on ships in the oil and gas and wind farm sectors.”⁷⁶

⁷² <https://www.theguardian.com/uk-news/2018/oct/21/migrants-building-beatrice-windfarm-paid-fraction-of-minimum-wage>

⁷³ <https://www.grimsbytelegraph.co.uk/news/grimsby-news/offshore-wind-minimum-wage-grimsby-2819861>

⁷⁴ <https://www.energyvoice.com/renewables-energy-transition/211782/contractor-in-hot-water-for-mistakenly-underpaying-workers-at-giant-scottish-wind-project>

⁷⁵ The National Minimum Wage (Offshore Employment) (Amendment) Order 2020

⁷⁶ <https://www.nautilusint.org/en/news-insight/telegraph/national-minimum-wage-know-your-rights-help-your-fellow-seafarers>

However, Government guidance in 2022 excludes seafarers working in the offshore wind sector and wind farm workers from this minimal protection:

“A worker is eligible for the national minimum wage if they are working in the United Kingdom sector of the continental shelf in connection with:

- the exploration of the sea-bed or subsoil, or
- the exploitation of their natural resources: those being mineral and other non-living resources of the seabed and subsoil together with living organisms belonging to sedentary species.”⁷⁷

Trade unions, including Nautilus, have since uncovered multiple adverts for seafarer jobs paid at rates below the National Minimum Wage, including in the offshore energy supply chain.⁷⁸ The UK Government has granted the offshore wind industry other concessions that allow them to undercut wages at the expense of all workers. Salary thresholds set by the UK Government as part of immigration rules have been waived for the offshore wind sector for the last five years, allowing companies to cut wage bills for dangerous and fatiguing work in construction and maintenance projects in UK waters.⁷⁹

⁷⁷ <https://www.gov.uk/guidance/minimum-wage-seafarers-and-other-people-working-at-sea>

⁷⁸ <https://www.nautilusint.org/en/news-insight/news/nautilus-condemns-poverty-wages-in-job-ad-minimum-wage-breaches>

⁷⁹ As of the time of writing, the current Offshore Wind Immigration Rules Concession lasts until 31 October 2022. <https://www.gov.uk/government/publications/offshore-wind-workers-immigration-rules-concession-2017/offshore-wind-workers-immigration-rules-concession-2017-july-2021-update>

⁸⁰ <https://www.itfseafarers.org/en/look-up>

⁸¹ <https://www.howellslegal.co.uk/news/post/The-Quick-Guide-to-Self-Employed-Workers-Rights>

Monitoring of seafarer working conditions is limited and under-resourced, with regulators and unions both relying on inspectors from the International Transport Workers Federation (ITF) to uncover breaches. At the time of writing only two registered ITF inspectors are based in the UK.⁸⁰

In terms of other rights at work, UK law extends some protections to offshore workers (see Section 5) but they do not have:

- Rights under the TUPE regulations, i.e. rights to retain working conditions when a workplace is taken over by a new firm.
- The right to request flexible working.
- Whistleblowing rights under the Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998).

As offshore workers on installations or turbines are often self-employed, they also do not have a full suite of employment rights in relation to the National Minimum Wage, sick pay, working time, pensions, parental rights, unfair dismissal, redundancy pay, rest breaks, holiday, night work, and unauthorised deductions from pay.⁸¹

Laws should guarantee all workers across the UK Continental Shelf and across energy industries:

- Full employment rights, including a National Minimum Wage of £15 per hour by 2024 and uprated in line with inflation, annually.
- The same basic rights and protections as workers onshore enjoy.
- Full monitoring and enforcement of workers' rights offshore, provided by the Health and Safety Executive, Maritime and Coastguard Agency, HMRC NMW Inspectors and ITF Inspectors.
- Cabotage laws to extend domestic employment protections for all maritime workers in the offshore energy supply chain on the UK Continental Shelf and the Exclusive Economic Zone.

PATHWAY

THE UK GOVERNMENT SHOULD:

- Correct the guidance on National Minimum Wage: seafarers and other people working at sea to expressly cover all Continental Shelf activities including renewable energy within the UK Exclusive Economic Zone.
- Increase the National Minimum Wage to £15 per hour by 2024 and uprate it in line with inflation, annually.
- In the next Budget, increase funding to properly monitor and enforce National Minimum Wage and other employment rights at work offshore.
- Scrap the Offshore Wind Immigration Rules Concession. Instead, correct the Immigration Rules to ensure that foreign workers do not face obstacles to applying for offshore jobs, while enforcing contractual conditions in line with the UK economy and collective agreements.

THE UK PARLIAMENT SHOULD:

- Legislate to extend the workers' rights that currently do not apply offshore (including TUPE, whistleblowing legislation, flexible working) to all workers in UK waters, including the UK Continental shelf and UK Exclusive Economic Zone, including self-employed and off-payroll workers.

THE SCOTTISH GOVERNMENT SHOULD:

- Allocate funding for adequate monitoring and enforcement of National Minimum Wage and other rights at work offshore, by funding ITF Inspectors.
- Crown Estate Scotland to include domestic employment conditions in leasing agreements for fixed and floating offshore wind and other renewable energy projects in waters off the Scottish coast.

COSTS

The necessary legislative changes have no cost to the government. The annual cost of providing one inspection per year per offshore work site is estimated at £450 million.

HAS THIS BEEN DONE ELSEWHERE?

There is ample precedent in laws that protect seafarers and offshore workers' rights at work. As described above, the UK has recently changed legislation to extend the National Minimum Wage to offshore oil and gas workers but has failed to protect seafarer jobs in the offshore renewable sector. There are already existing rights extended by UK law to apply to offshore workers: the right to be represented by a trade union, the right to not be unfairly dismissed in relation to trade union activity, the right to not be discriminated against at work, and the right to automatic pension scheme enrolment.⁸²

In Norway, a new law guarantees local Norwegian wages and terms and conditions across all ships operating in Norwegian waters, regardless of flag, except ships that are only directly sailing between Norway and another country.⁸³ Minimum wages in a number of industries in Norway, including maritime construction, are set by generally applicable collective agreement negotiated with unions⁸⁴ - so as a result the new regulation extends these collective agreements to offshore workers who may have previously been excluded by it.

82 <https://www.lexology.com/library/detail.aspx?g=9b78f369-49d7-4074-9e8e-d5dbaf680f9d>

83 <https://www.nautilusint.org/en/news-insight/telegraph/norwegian-unions-welcome-government-promise-of-local-wages-and-conditions-in-countrys-waters>

<https://blogg.pwc.no/skattebloggen-en/new-requirements-for-shipping-companies-norwegian-pay-and-working-conditions-will-most-likely-become-mandatory-for-seafarers-in-norwegian-waters>

84 <https://www.arbeidstilsynet.no/en/working-conditions/pay-and-minimum-rates-of-pay/minimum-wage>

The EU's Adequate Minimum Wage Directive is generally weak for seafarers but it does include a requirement to promote collective agreements in countries where the proportion of workers covered by collective agreements is below 80%. This requirement would be a very useful mechanism for rapidly increasing good domestic green employment through Crown Estate leasing, ScotWind and Contracts for Difference processes. It also protects wages and conditions in EU countries that do not have a minimum wage but high levels of collective bargaining coverage (e.g. Denmark, Finland and Sweden) from being undermined.

CASE STUDY



Pseudonym: **John**

Age: **60**

Job Title: **Test Engineer**

Location: **Aberdeen**

The oil companies are always in a race to the bottom, they'll cut wages at every opportunity. I'm not a foreign national, so I'm ok with the pay structure I'm on, but I feel for the foreign workers that don't have the same rights.

One example I can give you is when I joined a ship for a wind farm off the coast of Maplethorpe, a lot of the crew was Chinese, Russian or Latvian, being paid a pittance. It was a bloody disgrace. Some of them were on as low as £4.80 an hour and offshore for 4-6 months at a time. The British and Americans working on the same boat would do one month on, one off with much better pay.

It's not right, never getting to see your family or friends. Working so many hours and only connecting with people through Facetime or Facebook, that sort of stress levels and loneliness is no quality of life.

The oil companies are responsible for what is happening right now. They're focused on their fat cat shareholders. It's corporate greed, they don't worry, they don't care as long as they are making millions. They will make cuts wherever they can.

If we set a wage floor and instituted collective bargaining agreements, we'd have a more cooperative, safer and more effective workforce. There is always a compromise on safety when workers aren't getting what they deserve.

Because renewables is new, we could set up the right structures from the get go and everyone would know where they stand now and in the future. We need legislation to hold companies in check. I don't mind if they are making some money, but I think the money should also make it to the local economy and the people working for them.

I want to see people helping each other up and not holding people down. Because it's a dog eat dog industry and it doesn't need to be. We should be trying to help each other to attain a better quality of life.



OUR TRANSITION

DEMAND 7

**EFFECTIVE AND TRUSTED
GRIEVANCE AND WHISTLE-
BLOWING PROCEDURES**

95%

of workers surveyed support this demand

SUMMARY

Working offshore is a high-risk job, whether in wind, oil or gas. Prioritisation of profit over everything has led to an environment where low level reporting of issues is encouraged as a tick box exercise, while workers face reprimands for pointing out more serious issues that may stop production. The offshore energy industry needs trusted grievance and whistleblowing policies, where workers are able to highlight problems freely without negative consequences, as well as a health and safety body and a regulator that has not been captured by the profit motive.

“ If you raise a complaint you’ll just get NRB’d. Blacklisting still happens. I used to be a spokesperson for the group and got stood down, put on standby. [On one job], two scaffolders were representatives for the workers and they got taken off the rig. ”

– Francis, Plater

CONTEXT

Offshore sites are high risk environments, health and safety breaches can be life threatening or result in serious environmental damage.⁸⁵ Workers are the eyes and ears of offshore sites; they are likely the first to spot health and safety risks before they deteriorate or lead to accidents. It is vital that offshore workers feel safe to raise concerns when they arise and that offshore companies listen and act on these concerns. However, offshore workers reported that they were expected to participate in safety procedures in a tokenistic way, but not to report genuine issues.⁸⁶

“ [We were] forced to put in cards to log safety concerns even if you haven’t seen anything... Have to put the cards in to show you are participating in the safety culture. ”

– Michael, Assistant Driller

“ ...but if you have an actual concern about safety you get ignored. ”

– Phil, Marine Technician

⁸⁵ Offshore Drilling in the North Sea - National Whistleblower Center (whistleblowers.org), North Sea oil spills reach record high | HeraldScotland, BBC ON THIS DAY | 27 | 1965: Sea Gem oil rig collapses

⁸⁶ Based on comments made by offshore workers at Platform and FOE Scotland workshops.

“ I wrote on a hotcard form [i.e. safety issue report form] that the fire plan needed to be changed because of an error ... The next day the main guy came down and said ‘show me where’ so I showed him and he just took a sharpie and said ‘here it’s fixed,’ even though the plan was the same everywhere else. Then someone said to me ‘don’t ever put a hotcard in against a vessel again.’ So I just don’t bother anymore ... Folk fill out forms saying ‘thanks very much for the food, it was lovely’. ”

– Brandon, Survey Engineer

Participants in the workshops reported that workers had been victimised and issued a Not Required Back status for raising concerns (i.e. unable to return to work as a contractor for the same employer)⁸⁷, despite North Sea oil and gas companies having publicly committed to root out blacklisting practices.⁸⁸

This type of treatment can have a chilling effect on whistleblowing. Many workers do not feel safe raising concerns, creating a risk to the health and safety of all offshore workers.

UK law protects workers from being dismissed or victimised when they blow the whistle.⁸⁹ But this protection does not apply to self-employed or off-payroll workers, which constitute the majority of the offshore workforce.⁹⁰ Nor does it apply outside UK territorial waters, which excludes any worker

working on the UK Continental Shelf but outside the territorial waters and without a UK based employment contract.

There is no legal or regulatory requirement on offshore companies to have whistleblowing policies, to investigate concerns, or to train managers on how to respond to whistleblowing.

Workshop participants also reported that the raising of a grievance, particularly a collective grievance, could lead to negative treatment, even in cases where the grievance was upheld. In the UK, there is no specific law to ensure grievances are handled correctly and protect employees during the process. The ACAS statutory Code of Practice provides employers with basic practical guidance and a set of principles for handling grievances.⁹¹ More detailed guidance is available in the ACAS non-statutory Guide.⁹² But there is no mechanism to hold employers accountable when they fail to follow the ACAS Code or Guide.

UK legislation (including the Employment Rights Act and the Public Interest Disclosure Act) should be amended to ensure that on-payroll, off-payroll and self-employed workers have legal recourse to protection as whistleblowers, protection against blacklisting, and protection against detrimental treatment in case of a grievance. Employers should be legally mandated to have whistleblowing and grievance procedures in place, in line with statutory ‘codes of practice’.

Truly independent regulators should oversee whistleblowing and grievance procedures, monitor victimisation and take decisive enforcement action.

PATHWAY

THE UK GOVERNMENT SHOULD:

- Task the Health and Safety Executive to have oversight of employers’ whistleblowing arrangements.
- Identify an appropriate independent third party /regulator, such as ACAS, and provide it with the power to intervene and fine companies whose grievance arrangements are in breach of the ACAS Code of Practice. The body should also have the power to monitor victimisation of employees who raise a grievance and should be able to take enforcement action where this occurs such as making orders and issuing fines.
- Employers should be required to provide regular reports to the regulator on the number of grievances received and the number that are upheld.
- Grievance appeals should be handled by an independent third party.

THE UK PARLIAMENT SHOULD:

- Legislate to make the following changes to Public Interest Disclosure Act and the Employment Rights Act 1996 (ERA):
 - Expand the scope to ensure whistleblowing rights and the right to protection against dismissal or detrimental treatment as the result of raising a grievance. This should apply to all offshore workers in the UK Continental Shelf, including self-employed and off-payroll workers and job applicants (to protect against blacklisting), as well as trade union representatives who facilitate the raising of concerns.
 - Place a legal obligation on employers to have whistleblowing procedures in place and to conduct whistleblowing investigations in line with statutory rules or a statutory ‘code of practice’, through the expanded PIDA.
 - Create powers for a regulator to require the offshore energy industry to have effective whistleblowing and grievance arrangements, to monitor whistleblower victimisation and take enforcement action where an employer appears to have allowed or engaged in whistleblower victimisation, or failed to introduce whistleblowing arrangements. These regulatory powers could sit with the Health and Safety Executive (HSE).

⁸⁷ Based on comments made by offshore workers at Platform and FOE Scotland workshops.

⁸⁸ <https://www.offshore-energy.biz/httpwww-worldmaritimeneews-comarticleoffshore12665offshore-blacklisting-to-be-ended>

⁸⁹ Employment Rights Act 1996 (ERA), as amended by the Public Interest Disclosure Act 1998 (PIDA)

⁹⁰ [Oil-Gas-Workers-Report.pdf \(platformlondon.org\)](https://platformlondon.org/Oil-Gas-Workers-Report.pdf)

⁹¹ <https://www.acas.org.uk/acas-code-of-practice-for-disciplinary-and-grievance-procedures/html>

⁹² <https://www.acas.org.uk/acas-guide-to-discipline-and-grievances-at-work>

ACAS SHOULD:

- Expand its Code of Practice to cover collective grievances.

THE RELEVANT REGULATORS (POTENTIALLY HSE AND ACAS) SHOULD:

- Integrate whistleblower support into their functioning on the level of strategy.
- Actively engage workers and trade unions in the drafting of whistleblowing and grievance guidance and procedures.
- Train trade union representatives in whistleblowing law and procedures so that they can assist workers to raise concerns safely and effectively.
- Actively collaborate with trade unions in whistleblower protection and assistance.

THE SCOTTISH GOVERNMENT SHOULD:

- Use Crown Estate leasing auction conditions and any public funding instruments under its control to require participating employers in the offshore energy sector to have whistleblowing procedures in place covering employees, self-employed and off-payroll workers, to conduct whistleblowing investigations in line with a Code of Practice, and to have a grievance procedure that follows the ACAS Code and Guide.
- Institute a National Offshore Whistleblowing Officer position, similar to that in place in NHS Scotland⁹³, to act as a source of support for workers raising concerns in the sector where concerns are not resolved internally by an employer.

Legislative and regulatory reform must be coupled with cultural change within offshore companies:

EMPLOYERS SHOULD:

- Understand the important role whistleblowers have to play as an 'early warning' system that can protect business, livelihoods and lives.
- Provide all workers periodic training on how to raise concerns, and their rights in doing so.
- Engage workers and trade unions in developing organisational whistleblowing policies.
- Ensure that managers receive training on how to respond to whistleblowing concerns and how to prevent victimisation.
- Complete a victimisation risk assessment for every worker who raises concerns. Where a risk of victimisation is identified a plan should be created to minimise this risk. This should be monitored by the relevant regulator.
- Regularly check-in with the worker throughout a whistleblowing investigation.
- Provide a clear and consistent message, across all levels of the organisation, that concern raising is encouraged. Evidence this by listening and acting when concerns are raised and disciplining those that victimise whistleblowers.
- Introduce a system of whistleblowing advocates at all levels of the organisation, including very senior roles, to provide whistleblowers practical assistance and pastoral support.

⁹³ <https://inwo.spsa.org.uk>

COSTS

Regulators will need extra funding to ensure they have the resources for extra oversight and enforcement powers, as well as to provide training. The amount of funding would depend on the scope of the expanded powers in relation to whistleblowing and grievances i.e. whether these only apply to offshore energy (oil, gas and renewables), a wider list of sectors, or across the economy, but is likely to be on a scale of tens of millions of pounds.

Employers will need to fund training programs for both managers and workers which will carry upfront costs and is dependent on the size of the workforce. This could also be argued to be cost neutral given the ability of whistleblowers to detect fraud and accidents early.

HAS THIS BEEN DONE ELSEWHERE?

The EU Whistleblowing Directive has **improved protection to whistleblowers** across the European Union, including protection to self-employed workers, job applicants and trade unions who "facilitate" whistleblower reports.

France implemented the directive and provided enhanced protection to whistleblowers including the right to financial assistance for whistleblowers in certain circumstances and harsher punishments for whistleblower victimisation.⁹⁴

The Financial Conduct Authority (FCA) - the regulator overseeing financial services firms and markets - is a good example of **an active regulator** requiring those they regulate to have whistleblowing arrangements, including a whistleblowing policy, procedures, and board level oversight.^{95,96} These rules led to a considerable increase in the number

⁹⁴ EU Whistleblowing Monitor

France goes above and beyond for whistleblowers (protect-advice.org.uk)

⁹⁵ See also the Independent National Whistleblowing Officer in Scotland's NHS and the Civil Aviation Authority through their 'Just Culture rules' for more for other examples of regulators who take an active interest in whistleblowing arrangements.

⁹⁶ 18.pdf (fca.org.uk)

⁹⁷ Silence in the City 2 | Protect - Speak up stop harm (protect-advice.org.uk)

⁹⁸ Directorate General Control on Social Legislation - Federal Public Service Employment, Labour and Social Dialogue (belgium.be), Belgium (ilo.org)

⁹⁹ Directorate General Control on Social Legislation - Federal Public Service Employment, Labour and Social Dialogue (belgium.be)

of whistleblowers willing to raise concerns internally with their employers, according to Protect research.⁹⁷

In Belgium the Social Legislation Inspectorate is a **regulator able to inspect and monitor employers' compliance with labour laws and collective agreements**, as well as to provide information to employers, workers, and trade unions.⁹⁸ If it is found that an employer has failed to comply with labour law the inspectorate is able to impose penalties such as fines.⁹⁹

CASE STUDY



Pseudonym: **Ryan**

Age: **40**

Job Title: **Offshore Steward**

Location: **Aberdeenshire**

I've seen some really unpleasant things happen to people who file grievances. There was a group of people who had gone on crucial safety training, and then found out they were eligible for pay during the days they were on training, so made claims for backdated pay. The company just weren't paying up, and were disputing what they owed, so the guys filed a grievance with union backing - it had disastrous consequences.

When you're a steward [in the services department], sometimes they downman people if the number of crew onboard drops down - you only need so many stewards per person. Usually it operates on a last in, first out basis. Well, after those guys filed the grievance, at the meeting the next morning the camp boss [head steward] went on a 15-20 minute rant about how angry he was, named and shamed the people who raised the grievance, said they weren't team players, accused them of valuing a few hundred quid in their pocket over people's jobs - essentially saying that if anyone got downmanned it was their fault.

It was intimidating, aggressive and poorly managed - I couldn't believe what I was seeing. These are meant to be confidential issues and it was really clear this was just the beginning. The boss said that, even though some of these guys weren't the last in, when they next had to downman he would use whatever influence he had to make sure the "team players" were picked. It was obvious what he was talking about.

Since then one of the guys ended up on a year of night shifts - usually it's only meant to be one or two trips maximum, especially as a steward where fatigue is a huge issue. Another one got down-manned and basically told he should look for a job elsewhere, even though he had a contract. They just didn't give him any trips out. Another of the guys was so scared he pulled out of the union - so I guess the bosses got what they wanted.

People are definitely reluctant to file grievances on our installation now after we all saw that, and I think it's the same elsewhere. It's a culture of fear, people don't generally speak up or confront anything or anyone. This obviously benefits management and the company as a whole because then they don't have things tarnishing their reputation. If they can keep us in a state of fear the whole time, we'll just suck it up and won't put in grievances. The only way I can see grievances working is if it would be conducted through an external institution or body.

I don't know if there is a similar culture in offshore wind. But I can say for sure that if my company is operating in offshore wind, then there definitely is.

III. OUR ENERGY

Many of the workers we spoke to were from or lived in Aberdeen, a place that is described as 'the oil and gas capital of Europe'. Workers were clear that their communities haven't seen the benefits of the huge amount of money flowing in and out of the city. Like many people living in towns overly-reliant on one industry, they worried their area would be left behind when industry conditions changed. All workers were clear on the need to invest in communities, reduce levels of private profit and stop selling off the UK energy industry to the highest bidder.

This final theme captures demands to build a better energy industry, one that works for everyone. The demands seek to address the impacts of an almost wholly privatised energy industry, and the damage that has been done to society as a whole, not just to those working within the industry.

This theme offers the vision for an energy industry that is owned by, answerable to, and beneficial for the people working in and relying on it.

“ A guy I used to work with at Shell, they did a youth training programme. Maybe 30 years ago. Straight from school leaver, took him there, got a good pension and a good job still - they must have felt an obligation to do that then, to put something back into Aberdeen. They don't feel a need to do that now. ”

– Nate, Systems Design Engineer

“ Offshore wind is going the same way as oil and gas, it's the same model. We are going down the same rabbit hole and it has to be stopped. It has to be at least part publicly owned like in Norway. Scotland sold contracts off on the cheap again. England got more from their deals than the Scottish Government did, £2.4bn for the same acreage in England compared to what Scotland got, how did that happen? ”

– Stuart, Marine Supervisor

“ [Energy companies are using] tax avoidance schemes - they have fake offices to avoid National Insurance. I got taxed twice one year because the money went via Singapore, then the Cayman Islands. It took a month to sort out and I just didn't have any money that month ”

– Michael, Assistant Driller



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OUR TRANSITION

DEMAND 8

PUBLIC OWNERSHIP FOR PUBLIC GOOD

92%

of workers surveyed support this demand

SUMMARY

The UK's North Sea resources have been privatised and sold off, both in oil and gas and in wind. We need to establish new publicly owned national and regional energy companies to build renewable energy generation projects at the pace and scale required to meet climate change targets. Learning the lessons from other countries like Norway, we need to use publicly owned companies to drive best standards and retain economic benefits across the country.

“ We need to make people perceive these [natural resources] as ours. The state is there to facilitate the public good, capitalism can make profits within that but it's about the common wealth and the common good - it's our wind and our good. ”

- Alistair, Rigger

CONTEXT

By privatising its oil resources Britain has missed out on an estimated £400 billion in public revenues from North Sea oil, if compared to Norway's policies.¹⁰⁰ While in Britain the upstream oil and gas sector is fully in private ownership, Norway has retained a majority stake in the oil company Equinor (formerly Statoil), as well as controlling partial stakes in oil fields through the State Direct Financial Interest. This has allowed Norway to build up a sovereign wealth fund which is now one of the largest investment vehicles in the world and funds the Norwegian welfare state, including free healthcare and higher education for all.

Offshore wind is one of Britain's greatest natural resources, and will play a central role in the UK's energy and industrial future in the 21st century. Unlike oil and gas, it will never run out. And yet, our wind - a common resource - is being privatised and risks following the same path as oil and gas. Just one single offshore wind turbine in Fife is owned by the UK Government-funded Offshore Renewable Energy Catapult. Other than this, profits flow to private and foreign public entities that own the wind farms.

Since the spike in gas prices, electricity generators able to sell at the wholesale price have made extreme profits. Leaked Treasury analysis revealed estimates that UK gas producers and electricity generators could make excess profits totalling £170 billion over the next two years, 40% of which is estimated to come from electricity generators, including wind farms like Sheringham Shoal and Hywind.¹⁰¹

100 <https://resourcegovernance.org/blog/did-uk-miss-out-%C2%A3400-billion-worth-oil-revenue>

101 <https://cdn.sanity.io/files/h61q9gi9/global/a1c10cd37fe6ff1b9e1545f966cc2c5b204b001c.pdf?facts-about-our-renewable-assets-july-2022-equinor.pdf>

These vast profits are transformed into dividend payments to private shareholders or to public benefit in other countries. In the UK, families – including the most vulnerable and lowest-income – are paying thousands of pounds each to multinational corporations and state owned companies from other countries.

Measures such as the Energy Price Guarantee and Energy Bill Relief Scheme, designed to ease the burden on households, amount to a sticking plaster for a systemic problem.¹⁰² Transition Economics analysis for Uplift showed that North Sea oil and gas companies could rake in £7 billion in public money over the next six months from these two schemes.¹⁰³

Privatisation of the UK's energy generation has hollowed out the ability of the state to act and its redistributive capacity. It has watered down job quality, and hindered the development of a well-trained workforce large enough to rapidly roll out clean power at the scale needed.

The lack of public ownership of support infrastructure has made the situation worse. As well as having publicly owned companies developing offshore wind, other North Sea countries have benefitted from greater levels of public ownership of ports, as outlined in Demand 4.

Privatised ownership of the UK's ports means that upgrade decisions are based on business confidence in future demand.¹⁰⁴ The rapid rate of offshore wind rollout compared to the relatively long lead-time for port upgrades means there is a continual under-supply in suitable port capacity. The free ports agenda won't resolve this, as it threatens to weaken workers rights and jobs quality, undermine environmental protections and reduce community benefits.¹⁰⁵

New national and regional public energy companies could build new offshore wind farms, like Ørsted of Denmark, Statkraft of Norway, or Vattenfall of Sweden.

POTENTIAL NATIONAL AND REGIONAL ENERGY COMPANIES

GEOGRAPHY	RENEWABLE RESOURCE
South Wales, Cornwall	Floating Offshore Wind
Scotland	Offshore Wind (Floating & Fixed), Tidal Stream
North Wales, North West England	Fixed Offshore Wind, Tidal Stream
North East England, Yorkshire & Humber	Fixed Offshore Wind
London ¹⁰⁶	Investing in all renewables elsewhere

If new public energy companies in the UK aimed to replicate the scale of the planned 2030 clean generation targets of their peers in Sweden, Germany or France, they could build anywhere between 27 GW and 77 GW of renewable generation capacity, accelerating decarbonisation.¹⁰⁷

Public ownership can play a key role in delivering a just transition for energy workers by ensuring employment pathways exist for high-carbon workforces and creating safe, well-paid and unionised jobs.¹⁰⁸ It creates institutions that can drive sustainable industrial strategies, and can give significant influence over procurement and industrial investments, allowing a prioritisation of local supply chains and job creation. Rather than billions of pounds in profits being syphoned over to shareholder dividends or support state-spending elsewhere, revenues could be reinvested in local communities or returned to households.

Additionally, greater public ownership of ports can enable upgrade decisions to be taken sooner and at greater risk than has historically been the norm,¹⁰⁹ leading to more domestic manufacturing and construction in the offshore wind supply chain.

102 <https://www.ft.com/content/984129f9-a133-468b-bc38-e8c4ec7386d6>

103 <https://www.express.co.uk/finance/city/1695556/energy-companies-income-boost-price-guarantee-jeremy-hunt-windfall-tax>

104 <https://www.crownstatescotland.com/news/new-research-on-net-zero-opportunities-for-scotlands-ports>

105 <https://www.unitetheunion.org/what-we-do/unite-in-your-sector/docks-rail-ferries-and-waterways/freeports>

<https://www.tuc.org.uk/blogs/brexit-why-free-ports-are-race-bottom-workers-rights>

106 By investing in offshore wind, London can help achieve its targets of reaching net zero by 2030. This approach has been taken by public energy companies in Baden Wurttemberg and the city of Munich – both of which are more than 250km from the sea, and over 1,000 km from their respective wind farm developments in the UK.

107 <https://www.tuc.org.uk/research-analysis/reports/public-ownership-clean-power-lower-bills-climate-action-decent-jobs>

108 <https://transitioneconomics.net/wp-content/uploads/2022/02/who-owns-the-wind.pdf>

109 <https://www.crownstatescotland.com/news/new-research-on-net-zero-opportunities-for-scotlands-ports>

PATHWAY

New publicly owned energy companies should be created with a remit to co-invest into and develop new clean energy generation and grow shorter supply chains and industrial capacity, akin to Ørsted, Vattenfall or EDF. Public energy companies can work on a national or regional level, with the UK, Scottish Government or local authorities able to establish them. For larger scale projects, the companies can initially begin life as a minority co-investor with private sector partners, to accumulate experience, skills and capacity.

THE UK GOVERNMENT SHOULD:

- Support the creation of new regional public energy companies, focused initially on investing into and developing new regional renewable generation. These should be accountable to devolved governments, combined authorities and local authorities within their region. They should be capitalised by the central government and enabled to borrow sustainably.
- Nationalise or part-nationalise privately-owned ports and strategic maritime support infrastructure, where current owners are failing to upgrade or invest in line with the needs of the climate transition.¹¹⁰

THE SCOTTISH GOVERNMENT SHOULD:

- Set up a public energy company, empowered to invest into and develop new renewable generation, including offshore wind and tidal stream.
- Take ownership stakes in privately owned ports and strategic maritime support infrastructure, where current owners are failing to upgrade or invest in line with the needs of the climate transition.¹¹¹

LOCAL AND COMBINED AUTHORITIES SHOULD:

- Proactively set up regional public energy companies, investing and building new renewable generation within and beyond their local geography.

¹¹⁰ Where existing owners are investing into upgrades to support the renewables roll-out, these efforts might need support from the SNIB. This is described in more detail in Pathway #4.

COSTS

The cost of building up publicly owned clean power will vary depending on the scale and the technologies invested. Focusing on newer, riskier and more expensive technologies such as floating offshore wind or tidal stream will require greater investment than established and mature renewables like onshore and fixed offshore wind - but also have the potential to deliver stronger local supply chains and a global export advantage.

Most clean generation is yet to be built. While nationalising existing wind and solar farms will increase public ownership, the larger cost relates to building new clean power. Identifying the investment plans of publicly owned

energy companies elsewhere in Europe, and scaling these by population, gives an indication for potential costs for the UK.

The investment plans for these public companies in Sweden, Norway, Baden-Württemberg and Denmark are for global investment, not only domestic. All four companies cited here are global players despite their host countries' small populations, with Ørsted the largest offshore wind company in the world. Scaling their annual investment to a UK-level by population - as done in the table below - would be equivalent to growing a UK public energy company 5-10 times the scale of these companies.

COMPANY	COUNTRY	GW TARGET	ANNUAL INVESTMENT (AVERAGE)	DATE	POPULATION (MILLION)	ANNUAL INVESTMENT (SCALED TO UK) ¹¹¹
Vattenfall	Sweden	16 GW by 2030 ¹¹²	£1.8bn ¹¹³	2022/23	10.35	£11.7bn
EnBW	Baden Württemberg	5.2 GW of wind & solar by 2025	£0.7bn ¹¹⁴	2020-2025	11.07	£4.3bn
Statkraft	Norway	2.5-3 GW annual onshore wind, solar & battery storage ¹¹⁵	£0.75bn ¹¹⁶	2022-2026	5.38	£9.4bn
Ørsted	Denmark	50 GW offshore wind by 2030	£5.8bn ¹¹⁷	2020-2027	5.83	£67bn

¹¹¹ Scaled by population, based on UK population of 67.33 million.

¹¹² <https://www.credit-suisse.com/media/assets/microsite-ux/docs/2022/energy/vattenfall-2022.pdf>

¹¹³ <https://group.vattenfall.com/investors/understanding-vattenfall/investment-plan>

¹¹⁴ Further step towards climate neutrality by 2035 | EnBW

¹¹⁵ <https://www.reuters.com/business/energy/norways-statkraft-stakes-out-2030-growth-target-amid-eus-ambitious-green-push-2022-06-28>

¹¹⁶ <https://www.statkraft.com/globalassets/1-statkraft-public/05-investor-relations/4-reports-and-presentations/investor-presentations/2022/investor-update---september.pdf>

¹¹⁷ Ørsted accelerates growth to realise its full potential as a global green energy major (Ørsted.com)

HAS THIS BEEN DONE ELSEWHERE?

The UK is an exception in Northern and Western Europe: France, Belgium, Germany, Denmark, Norway and Sweden all have public energy companies that are investing into and building offshore wind, and other renewables. Some of these companies are municipal companies governed at a city level, others are country-level giants: EDF controls 120 GW of power generation around the world.

Public ownership is standard practice in many other European countries, where national or regional public energy companies have taken a leading role in developing new technology like offshore wind, provide hundreds of thousands of quality jobs, and have shown the ability to reduce household energy bills.¹¹⁸ They play a central role in deploying active industrial strategies – through long term, patient support to grow domestic supply chains, ensuring that homegrown research and development leads to domestic manufacturing and nurturing partnerships with SMEs and large local employers.

Across the EU, the development of port infrastructure is usually a matter for local, regional and national authorities,¹¹⁹ some of whom made speculative investments into ports to secure their role in offshore wind installation and manufacturing.¹²⁰

118 <https://www.tuc.org.uk/research-analysis/reports/public-ownership-clean-power-lower-bills-climate-action-decent-jobs>

119 And even so, other European ports still need €6.5bn of further investment just to deliver generation capacity planned for 2030 - demonstrating just how far behind the UK is.

<https://windeurope.org/newsroom/press-releases/upscaling-europes-port-infrastructure-critical-for-offshore-wind-development>

120 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/277798/bis-14-578-offshore-wind-supply-chain-capabilities-and-opportunities.pdf

CASE STUDY



Pseudonym: **Julie**

Age: **45**

Job Title: **Heli Admin**

Location: **Aberdeen**

Each rig is run by a consortium of different companies, it is only very occasionally that the cost of the rig is taken by just one company. The effect filters down to everybody. The whole sector might bring in a lot of revenue but the profits themselves benefit the companies that own them rather than communities in the UK. I think they have spent the last decade or so shedding responsibilities left right and centre as best as they can.

In the past, you had a job for life and once you were a deck crew you could work your way up. Now it's all short term contracts with offshore companies that no longer need to worry about liabilities for the big owners and companies running them. They tender everything out to different private companies, there are 101 different types of companies providing services offshore.

Under public ownership things would be run for different reasons. It wouldn't be so tied into profit margins. When you are a kite trying to dance with all the different pressures of satisfying the stock exchanges and shareholders, that's when it becomes tricky isn't it. If it was publicly owned, there wouldn't be that huge pressure on profits, it would be more about running something for the future.

I would expect that public ownership would mean decent contracts, permanent work and that workers would be treated with respect. It's less of a danger to that working environment than having someone who is cowed, stressed or worried about their livelihoods. If you look at places like Norway, the attitude of the Norwegians is so different to the attitude in Britain. They own stakes, own rigs themselves. It gives them a greater responsibility. It would be ours, we'd be part of the big machine, we own it, we run it and it's for us.

I passionately hope that this country gets to grips with renewables and gets on with it. If public ownership of energy became a reality then the transition would be much easier. People would be invested in their own energy production. The benefits would be vast and enormous if workers went on to work for a type of energy that was less polluting and going to make life cheaper and easier to live.



OUR TRANSITION

DEMAND 9

REORGANISE THE TAX SYSTEM FOR PUBLIC GOOD

94%

of workers surveyed support this demand

SUMMARY

Companies extracting oil and gas from the UK Continental Shelf benefit from lower tax rates compared to almost any other country in the world, leading to record profits, dividends for shareholders and bonuses for bosses. In the meantime, worker pay is stagnating or falling, and energy bills for the public are skyrocketing, while the UK public has paid taxes to the oil companies in recent years. We need to rewrite the tax regime in the interest of the UK public to ensure companies pay their fair share.

“About the profits and windfall taxes...we have to tell companies they either put money into infrastructure, communities and the workforce, or otherwise it gets taken by the government in tax. Take your pick, the tax [then] goes into the welfare fund.”

– Cameron, Data Engineer

CONTEXT

The UK's lax tax regime for oil and gas means that oil and gas companies extracting on the UK Continental Shelf walk off with the highest proportion of revenue of any country in the world. In 2021, Rystad Energy estimated the UK Government would take less than half of Norway's (40%, compared to almost 80%).¹²¹ In 2019, the UK Government took less than a tenth of what the Norwegian government took in taxes per barrel of oil (a mere \$1.72 compared to \$21.35).¹²²

Norway's taxation and ownership approach to its oil and gas extraction has resulted in the country's sovereign wealth fund worth over one trillion dollars. The UK has extracted more oil and gas than Norway (48.6 billion barrels of oil equivalent up until 2016, as opposed to 43 billion), yet has no comparable fund.¹²³

In recent years, tax income from many North Sea oil companies has been negative - i.e. the UK public paid the companies. This is because oil and gas companies can claim back tax paid

in previous years and decades, to cover around 40% of the costs of decommissioning rigs and infrastructure. As a result, between 2015 and 2020, large oil and gas companies received £3.2 billion in payments, while the UK public remained subject to austerity.¹²⁴ During those years, Exxon was paid £360m on its North Sea operations, BP £490m, and Shell £400m.¹²⁵

¹²¹ <https://geoexpro.com/2021/01/the-uk-offers-operators-best-profit-conditions-to-develop-big-offshore-fields>

¹²² <https://priceofoil.org/2021/05/11/uk-needs-to-act-on-oil-and-gas>

¹²³ https://scote3.files.wordpress.com/2020/02/northsea_neoliberal_experiment_final.pdf

¹²⁴ <https://priceofoil.org/2021/05/11/uk-needs-to-act-on-oil-and-gas>

¹²⁵ <https://news.sky.com/story/revealed-some-of-the-worlds-biggest-oil-companies-are-paying-negative-tax-in-the-uk-12380442>

Negative tax payments are expected to increase over the next twenty years, as ageing fields mean greater decommissioning costs. The UK Government's Oil and Gas Authority estimated the total bill at £48 billion, with HMRC estimating that the cost to the public exchequer would be £19.9 billion.¹²⁶ The principle of Polluter Pays should see the long-term burden of paying for decommissioning oil and gas infrastructure borne by the companies responsible, rather than transferred to the taxpayer.

Since 2022, soaring wholesale gas prices are causing extraordinary profit levels. In response, then Chancellor Rishi Sunak introduced a temporary Energy Profits Levy of 25%. But even after this, the initial UK tax rate still lags behind the global average for offshore oil and gas production.¹²⁷ The levy is also accompanied by a massive investment subsidy. The new allowance means oil and gas companies will now receive a total 91% tax relief on investments, with the majority of it available immediately at the point of investment. This means that investing £100 in the North Sea now will cost companies only £8.75, with the remainder £91.25 paid by the public. The Institute for Fiscal Studies argued that the new super-deduction means that: "a massively loss-making investment could still be profitable after tax. It is hard to see why the government should provide such huge tax subsidies and thereby incentivise even economically unviable projects."¹²⁸

Beyond oil and gas producing companies, massive profits have been forecast for electricity generators as well. The UK Treasury has estimated that oil and gas extracting companies and electricity generators could make £170 billion in excess profits over the next two years. These are in addition to profits based on price projections prior to Russia's invasion of Ukraine.¹²⁹ Renewable energy infrastructure that is financed through the Renewables Obligation as well as nuclear power plants are amongst the energy projects making these excess profits. This highlights both the failure of the UK's tax system to address excess taxes, and that lessons need to be learnt from

the failures of oil and gas for the electricity generation sector as well.

Corporations should be prevented from profiteering from crisis situations - especially when at the expense of the general public. When unforeseen conditions lead to oil and gas and other energy companies making excess profits, then these windfall profits should be taxed at a higher level than normal, so that a significant proportion of the profits can be redirected either to immediate-term redistributive interventions, or to structural solutions to solve the crisis. Rather than temporary windfall taxes that are subject to lobbying and political conditions, this should be a permanent tax on excess profits, that kicks in when corporations make extraordinary and unforeseen profits above a certain level due to a crisis situation.

The UK's future decarbonised energy system must learn from the failure to appropriately tax North Sea oil and gas, and not replicate a system where public resources are exploited with limited public gain. Norway has long had a resource rent tax for hydropower - this is levied on large hydropower plants in addition to corporation tax.¹³⁰ In 2022, the Norwegian Government announced plans to increase the hydropower resource rent tax from 37% to 45%, and to introduce a similar resource rent tax on wind energy generation.¹³¹

126 <https://www.nstauthority.co.uk/media/8038/estimates-of-the-remaining-exchequer-cost-of-decommissioning-uk-upstream-oil-and-gas-infrastructure-march-2022-accessible.pdf>

127 https://upliftuk.org/wp-content/uploads/2022/06/Uplift-Brief-Subsidies-and-the-Energy-Profits-Levy_June22.pdf

128 <https://ifs.org.uk/articles/ifs-response-government-cost-living-support-package>

129 <https://www.reuters.com/business/energy/uk-gas-electricity-industry-may-make-170-billion-excess-profits-bbg-2022-08-30>

130 <https://energifaktanorge.no/en/regulation-of-the-energy-sector/skattlegging-av-kraftsektoren>

131 <https://www.reuters.com/markets/europe/norway-hike-taxes-by-3-billion-power-firms-fish-farms-2022-09-28>

PATHWAY

The UK needs to rewrite its North Sea oil and gas tax rules to create a fair tax system that serves the public.

THE UK GOVERNMENT SHOULD:

- Prepare to robustly oppose claims made by oil and gas companies for compensation. Because the UK has not signed Production Sharing Agreements, it has some protection. But companies will potentially attempt to bring claims through the Energy Charter Treaty tribunal process.¹³²
- Exit the Energy Charter Treaty to reduce the potential for oil and gas corporations to sue the UK Government over improvements to the tax code or policies to improve climate action, as well as supporting a coordinated withdrawal alongside EU countries to protect against a sunset clause that allows for countries to be sued for 20 years after exiting.

THE SCOTTISH GOVERNMENT SHOULD:

- Proactively call for stronger taxation of North Sea oil and gas, and end its support for a low tax and high-subsidy approach to extraction.
- Seek to build up a sovereign wealth fund modelled on that of Norway, beginning with profits from a public energy generator company as described in Demand 8.

132 <https://www.globaljustice.org.uk/news/uk-fossil-fuel-company-wins-over-210m-payout-from-secretive-tribunal-over-oil-drilling-ban>

133 <https://www.ft.com/content/0179860f-818f-42b3-9ac6-1c292b44eeb3>

THE UK GOVERNMENT'S TREASURY DEPARTMENT SHOULD:

- Identify and implement changes to the tax code covering North Sea oil extraction, with the specific aim of attaining the same level of government take per barrel as Norway does. The measures in need of review include: the current permanent measures of ring-fenced corporation tax, the supplementary charge, any Investment Allowances, and zero-rated petroleum revenue tax.
- Change the rules on instruments governing decommissioning costs (including Transferable Tax Histories and Decommissioning Relief Deeds), so that these costs are covered by the oil and gas companies responsible, and do not lead to negative tax payments. Existing Decommissioning Relief Deeds should be cancelled.
- Introduce a permanent "Energy Excess Profits Tax", to prevent excessive profiteering at the expense of the public by oil and gas and other energy corporations during crisis situations. This additional tax should be triggered when an exceptional circumstance arises that leads to unforeseen high profits, and should finance redistributive and crisis response measures. Examples of crises should include pandemics and wars, where these affect energy corporation profit levels. This tax can be at least partially modelled on the Excess Profit Duty that helped pay for the UK's participation in World War One.¹³³

COSTS

There will be some costs in robustly challenging claims made by oil and gas companies for compensation due to changed fiscal conditions. However, these will be negligible in comparison to the greater tax revenues.

The benefits of bringing the UK tax system in line with Norway are dramatic. These are best illustrated through the additional public income the UK would have received if the fiscal regime has been equivalent to Norway's.

HAS THIS BEEN DONE ELSEWHERE?

There is much precedent for states rewriting the rules of oil and gas taxation to increase the government take, when existing rules favour oil and gas corporations at the expense of the public.¹³⁵ This is in addition to the many temporary windfall taxes introduced in Europe in response to the 2022 gas price crisis.

For example, in 2021, Norway decided to overhaul its petroleum tax system by abolishing certain incentives, and phasing out the reimbursement system for exploration costs introduced during the Covid pandemic.¹³⁶

And in September 2022, the Norwegian government announced that it was increasing the resource rent tax on hydropower, and introducing a resource rent tax on aquaculture and wind power. The Norwegian Finance Ministry explained that "Energy producers and the aquaculture industry make billions of crowns on our common resources. The government is now proposing that more of the value created should go back to society."¹³⁷

Over the years, this added up to \$727 billion in income that the UK missed out on by not implementing a similar tax and ownership regime.¹³⁴

While the UK has missed out on most of this windfall, mirroring Norway's regime could lead to billions of pounds of public income during the coming years of managed phase out, and could set us in good stead as we build up a renewables industry.

Several European governments have recently announced their intentions to exit the Energy Charter Treaty, including France,¹³⁸ Spain and the Netherlands.¹³⁹

¹³⁴ <https://resourcegovernance.org/blog/did-uk-miss-out-%C2%A3400-billion-worth-oil-revenue>

¹³⁵ https://scote3.files.wordpress.com/2020/02/northsea_neoliberal_experiment_final.pdf

¹³⁶ <https://www.offshore-technology.com/news/norway-restructure-taxation-oil-gas>

¹³⁷ <https://www.reuters.com/markets/europe/norway-hike-taxes-by-3-billion-power-firms-fish-farms-2022-09-28>

¹³⁸ <https://www.theguardian.com/world/2022/oct/21/france-becomes-latest-country-to-leave-controversial-energy-charter-treaty>

¹³⁹ <https://www.euractiv.com/section/energy/news/netherlands-follows-spain-in-quitting-energy-charter-treaty>

CASE STUDY



Pseudonym: **Cameron**

Age: **31**

Job Title: **Data Engineer**

Location: **Aberdeenshire**

When I started in 2013, just before the oil crash, the wages were poor anyway, but you knew you wouldn't be in that job long and you'd work your way up the ladder and make better wages. Then in 2014 all the companies started making cutbacks, trying to make us as cheap as humanly possible. It got to the point where in 2015-16 they were having to shift all the pay bands up incrementally because otherwise the lowest paid would have fallen below minimum wage legislation.

The UK system is in the toilet. We're hearing now that the likes of Shell and BP are making huge record profits, and for the guys down the line it's just not filtering down. It feels like corruption of the highest order. I don't see how they can be paying people less in 2022 than in 2014. It's obscene.

The same people who are responsible for it have benefited from it - the bosses. Though ultimately is it their fault? If the game's there to be played, it's going to be played. It's the fault of the way the tax system is set up. It's those that set the tax laws and allow for the loopholes to exist that are to blame. That's why the demand has to come from those at the bottom and those that are affected by it, it's never going to be changed by the people that benefit from it now, it has to come from those that miss out. We need to just reset the whole thing and start again.

If this taxation shift doesn't happen then when oil and gas starts to dry up there'll be nothing left for communities. From Elgin to Fife, all down the east coast, across the border in towns and cities that were left behind at the end of the coal industry, ex-ship builders from Liverpool, ex-industrial towns, ex-fishing towns - loads of these people work offshore now. It will be felt nationwide.



OUR TRANSITION



DEMAND 10

NO COMMUNITY LEFT BEHIND

94%

of workers surveyed support this demand

SUMMARY

Today, places like Aberdeen are highly dependent on the oil and gas industry. They risk suffering a similar fate as coal mining towns in the 1980s if industry is not held accountable and governments do not act. Significant investment is needed by the government at all levels to ensure communities diversify and thrive as we move to a zero carbon future.

“ There’s no one looking after Aberdeen, not even the council. Money coming in isn’t staying here. There are some groups who are trying to look after the city, trying to change the city and are independent of the council. The oil and gas [industry] have no interest whatsoever, so we need the people to make the changes for themselves. ”

– Nate, Systems Design Engineer

CONTEXT

Decades on from the closures of coal mines, former coal mining communities are still feeling the impacts of that unjust transition, including “worklessness, low incomes, poor health and wellbeing, and inadequate access to services”.¹⁴⁰ These experiences are similar in areas where refineries or petrochemical plants have closed.

Today, Aberdeen and Aberdeenshire are the areas most dependent on the oil and gas industry for direct jobs, alongside smaller industry hubs in Shetland, Dundee, Fife, along the Tees and Tyne river areas and Norfolk. Direct employee jobs in oil and gas account for 11% of jobs in Aberdeen City and 3% of jobs in Aberdeenshire, according to the Office for National Statistics.¹⁴¹ But beyond these direct employees, there are also self-employed and off-payroll workers, jobs across the supply chain - from catering to manufacturing - and jobs that depend on the spending power of workers who work in the oil and gas industry, e.g. in retail and hospitality.

¹⁴⁰ https://www.coalfields-regen.org.uk/research_and_reports/the-state-of-former-scottish-coalfields

¹⁴¹ Transition Economics analysis of ONS Business Register and Employment Survey for 2021. Figures cited are the proportion of employees in oil and gas extraction plus mining support services to all employee jobs.

Aberdeen and Aberdeenshire were economically worse hit than the rest of Scotland following the economic downturn during the first year of the Covid-19 pandemic. The number of people claiming unemployment benefits went up 136% in Aberdeen and 123% in Aberdeenshire, compared to 86% in Scotland as a whole.¹⁴² This reflects the region's exposure to oil price downturns.

This is compounded by the fact that the oil and gas industry concentrates wealth and value more than other industries do. According to the Aberdeen City Council's Economic Advisory Board, Gross Value Added per worker in 2016 in the energy sector in Aberdeen was £229,807 – more than twice the GVA per worker in the Life Sciences sector and more than four times the GVA per worker in the Creative Industries.¹⁴³ Replacing the economic contribution of an industry with higher wages and higher concentration of wealth could be more challenging.

Shetland, Dundee, Fife, Tyne and Tees river valleys and Norfolk also face the challenge of economic diversification. Workshop participants both in Scotland and in North East England spoke of concern for the future of their local communities as the industry declines.

“ All the money [that]’s been generated here [is] syphoned off. And if s* hits the fan then no one’s gonna come back and support us or the city. ”**

– Ewan, Survival Marine Instructor

¹⁴² <https://www.energyvoice.com/oilandgas/301924/economic-fallout-in-aberdeen-laid-bare>

¹⁴³ <https://www.aberdeencity.gov.uk/sites/default/files/2018-11/Aberdeen%20Economic%20Policy%20Panel%20Report%202018.pdf>

PATHWAY

Local authorities, with funding and policy backing from the UK and Scottish Governments, need to develop regional diversification programmes at the right scale to substitute the economic contribution of the oil and gas industry, with the following elements:

- Contribute to diversifying and retooling for supply chain businesses currently dependent on the oil and gas industry;
- Set up and scale up innovation hubs in new industries (e.g. tidal power, floating offshore wind) in partnership with universities;
- Improve public transport links and active travel infrastructure;
- Invest in local Higher and Further Education institutions to train people up in emerging industries and those with skills shortages;
- Keeps wealth in local circulation, including by supporting local businesses to shorten their supply chains by procuring goods and services locally;
- Incorporate democratic accountability mechanisms such as participatory budgeting.

THE UK GOVERNMENT SHOULD:

- Create dedicated funding streams, including through the UK Infrastructure Bank, to support local authority regional diversification programmes. These should be committed for long periods of time (up to 20 years), and at the right scale in terms of resulting job creation to substitute the declining job creation in the oil and gas industry, with appropriate processes to assure social and environmental benefit of projects.

THE SCOTTISH GOVERNMENT SHOULD:

- Create similar funding streams, including through the Scottish National Investment Bank and expanding the Just Transition Fund to support local authority regional diversification programmes on the same terms outlined above.
- Use its Community Wealth Building Bill (due before the Scottish Parliament in 2023)¹⁴⁴ to require CWB approaches to be integrated in infrastructure spending, and to expand Scottish Government support for local authority implementation of CWB approaches.

LOCAL AND COMBINED AUTHORITIES SHOULD:

- Create regional diversification programmes, particularly in oil and gas industry hubs, aiming to substitute the local economic contribution of the oil and gas industry. These programmes should be designed and governed with genuine accountability to local communities and impacted workers.
- Implement community wealth building strategies, adjusting procurement rules, pension investments, business support schemes, and land management practices in order to maximise the local recirculation of wealth.
- Raise funding to support the regional diversification programmes through issuing their own bonds or attracting pension fund investment.

COSTS

The Scottish Government has already instituted a £500 million Just Transition Fund, of which £51.6 million was committed to 22 projects as of the time of writing, with approximately £20 million spent in the first year. Aberdeen City Council, Aberdeenshire Council and Moray Council, as well as Scottish Enterprise and Highlands and Islands Enterprise provided expertise to assist in the selection of projects.¹⁴⁵ However, by comparison with existing successful regional transition funding programmes this is likely insufficient, and it is unclear what assessment is being carried out of the projects' social and environmental outcomes.

If funding for diversification programmes is allocated similarly to the EU Just Transition Fund, then between £1 billion and £2 billion of funding should be allocated over the next decade, most of which should be invested in Scotland.¹⁴⁶

144 <https://www.gov.scot/policies/cities-regions/community-wealth-building>

145 <https://www.gov.scot/publications/just-transition-fund/pages/year-one-projects>

146 Estimate based on breakdown by country of spending commitments under the EU Just Transition Fund (https://ec.europa.eu/info/sites/default/files/about_the_european_commission/eu_budget/just_transition_fund_allocations_05.11_v2_0.pdf) and on statistics of employment in high-carbon industries (Eurostat Employment and Unemployment database). This could be an underestimate given the paucity of comparative data on spending on long-term economic diversification programmes.

HAS THIS BEEN DONE ELSEWHERE?

Aberdeen City Council and Aberdeenshire County Council already have an **economic development strategy** that recognises the challenge of the dominance of the oil and gas sector, as well as its susceptibility to downturns.¹⁴⁷ But so far, this strategy and the associated action plan rely on assuming that oil and gas extraction continues as far as technically possible, rather than with a managed phaseout in line with climate targets. And the scope of investment made available under this strategy is much smaller than what is needed.

Long-term and large-scale regional investment programmes have helped diversify local economies elsewhere in Europe throughout the decline of coal mining. In North Rhine-Westphalia in Germany, the federal government committed funds to establishing research centres and better transport infrastructure to attract technology-intensive industries into a region previously dependent on coal.¹⁴⁸ In Limburg, Netherlands, EU structural investment funds were allocated for a period of 25 years to help transition away from coal.¹⁴⁹

There are existing examples of different **accountability practices** in just transition programmes. As part of the Scottish Government's £500 million Just Transition Fund, a pot of £1 million is subject to **participatory budgeting** with opportunities for citizens to take part in decision-making, aiming in particular to "empower local people to shape a just transition to net zero".¹⁵⁰ The US state of Colorado has established an Office of Just Transition with the aim of supporting coal communities and workers through the phaseout of coal mining. The Office manages, for example, dedicated funding for supporting small businesses. The Office is governed by a board with representation of workers and "disproportionately impacted communities".¹⁵¹

Based on studying diversification efforts in 10 case studies across the US, the Appalachian Regional Commission identifies the **local reinvestment of wealth** as key to diversifying local economies. Among the means to achieve this, the Commission suggests "connecting local demand for goods and services with local suppliers to increase the amount of money recycled within the community".¹⁵²

The Scottish Government has taken up the language of Community Wealth Building as an economic policy approach and has been supporting local authorities to develop CWB strategies.¹⁵³ For example, Clackmannanshire Council has applied some Community Wealth Building approaches like the reinvestment of local authority pension fund wealth into social housing construction.¹⁵⁴ The Centre for Local Economic Strategies has been developing approaches that local governments can use to encourage wealth circulation locally, including through commissioning and procurement.¹⁵⁵

147 https://investaberdeen.co.uk/images/uploads/Regional_Economic_Strategy_0.pdf

148 <https://www.changepartnership.org/wp-content/uploads/2016/09/New-social-contract-FINAL-WEB.pdf>

149 https://coaltransitions.files.wordpress.com/2016/09/coal_synthesisreport_v04.pdf

150 <https://acvo.org.uk/funding/just-transition-fund>

151 <https://cdle.colorado.gov/the-office-of-just-transition>

152 http://economicdiversityinappalachia.creonline.org/report/Case_Studies_in_Economic_Diversification.pdf

153 <https://www.gov.scot/policies/cities-regions/community-wealth-building>

154 <https://www.clacks.gov.uk/document/6408.pdf>

155 <https://cles.org.uk/the-community-wealth-building-centre-of-excellence>

CASE STUDY



Pseudonym: **Oliver**

Age: **42**

Job Title: **Mud Engineer**

Location: **Aberdeenshire**

Since I arrived in 2008, Aberdeen has gone the same way as the rest of the UK - it could do with a pick-me-up just now. You would think that Aberdeen would be in better shape with the oil and gas revenue that has been generated over the last 50 years but looking around the city, that hasn't been the case.

The whole city is dependent on oil because there's so many people attached to the industry. It's noticeable in Aberdeen when there's an oil price crash, everything's a lot quieter, everyone is worried about their jobs, there's not as much money about. I don't think anyone really likes it, a lot of people who work in industry have been fed up with it for years. Especially lately when the peaks are shorter, the cycles are less in our favour.

If we were to transition and not get any investment, we could see the collapse of the economy, everyone being unemployed or out of work, people having to move away from the area to find employment. If there's not enough work it's going to have a huge negative effect. It's just like we've seen in the old industries - steel and coal. We've seen what's happened to other towns. That would be the fear. If we didn't have something new to come in.

The Scottish Government needs to make sure the North East doesn't become a ghost town. The buildings, infrastructure and engineering expertise is already here so we should be able to transition when the time comes and the whole area can remain a prosperous area to live in.

I would love to see money invested in small local businesses to try to get people back to the town centre. Elsewhere in the city we have all the offshore offices and buildings, they've got the space and the infrastructure already there for the renewable energy industry. I, like most people everywhere just now, want to see the cost of living be affordable and everyone to be paid a fair living wage. More money should be invested in the town and city centres around the country which will create jobs and tempt people back into these centres.



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CONCLUSION

An energy transition is essential - to tackle the climate crisis, to create new opportunities for decent work and to make energy more affordable for all. Despite the importance of energy in all our lives, offshore workers are isolated. Morale is falling. Many are leaving the industry altogether, not out of choice, but through a decision forced upon them by the relentless prioritisation of the companies' profit, rather than the workers offshore. Industry bosses have built an energy system in their image; extractive and exploitative.

Yet demands for a just transition are growing. Climate activists are increasingly finding common ground with the labour movement in their efforts for a rapid shift away from fossil fuels for people and the planet. Through growing climate activist solidarity on trade union picket lines to the regular presence of trade union blocs at climate mobilisations; there is a groundswell of support building.

“ Why not embark on a campaign to portray wind energy and other renewables as a community resource that’s ours?...It is ours and our children’s future, it belongs to us. ”

– Alistair, Rigger

The programme outlined in this report is comprehensive in its scope, transformative in its scale and deliverable now. The workers who created the demands have a vision for the future that works for them, their communities and the planet. More than a vision, these workers are ready and eager to be part of building a new renewable energy system. Their skills and experience are vital to turning government rhetoric on climate and fossil fuels into action.

A just transition must prioritise workers and their trade unions, affected communities and the environment. The 10 demands contained within this report set out a worker-led transition plan which will only be delivered if those same groups come together to organise and campaign for them. The recommendations associated with each demand are for the UK Government, Scottish Government and local authorities across the UK to take forward.

But to make this happen, campaigners should draw on the expertise and demands of the workers demonstrated throughout this report. For the growing number of people interested in just transition, the demands here provide a basis for organising and campaigning wherever you are; to demand action from your local authority or your national government. They provide a foundation from which climate and labour activists can forge new campaigns together, building on the growing solidarity between the two movements.

APPENDIX:

FULL LIST OF RECOMMENDATIONS

DEMAND 1: WORKERS AT THE CENTRE OF TRANSITION PLANNING

THE UK GOVERNMENT SHOULD:

- Restructure the Green Jobs Delivery Group to have greater worker representation as well as more local and devolved government representation. It should be established in legislation as an ongoing body similar to the Climate Change Committee, with formal powers to influence and shape policy that is relevant to climate transition and workforce planning.
- Ensure that all funding for companies, and contracts where relevant, should be conditional on involving the workforce in transition planning.
- Through climate disclosure regulations, mandate every UK listed company to make just transition plans and involve their workforce in transition planning.

THE SCOTTISH GOVERNMENT SHOULD:

- Establish the Just Transition Commission by statute for the duration of domestic climate targets, ensuring it is independent of government and with a responsibility to report to the Scottish Parliament directly. A majority of the members of the Commission should represent key stakeholders in a just transition - i.e affected workers and communities, trade unions and the environment.
- Ensure that all funding for companies, and contracts and procurement where relevant, should be conditional on companies having involved their workforce in transition planning.

THE UK PARLIAMENT SHOULD:

- Legislate for mandatory inclusion of worker representatives on boards of large companies.

THE JUST TRANSITION COMMISSION IN SCOTLAND SHOULD:

- Initiate sectoral participatory-making processes involving a representative cross-section of the workforce to develop sectoral just transition plans.

LOCAL AND COMBINED AUTHORITIES SHOULD:

- Convene their own Just Transition Commissions and participatory policy-making processes.

HIGH-CARBON EMPLOYERS SHOULD:

- Engage their workforces in transition planning. To do this, employers should work with trade unions to convene participatory processes for a representative section of the workforce. The results of these planning processes should be formalised as collective agreements with unions in the workplace, and regularly updated.

DEMAND 2: CLEAR AND ACCESSIBLE PATHWAYS OUT OF HIGH CARBON JOBS

To understand the skills challenges ahead, make retraining options accessible to every offshore worker, and put funding in place to provide paid time off to retrain,

THE UK GOVERNMENT SHOULD:

- Through the Department for Education, conduct and regularly update analysis forecasting long term trends in skills demand in the context of the climate transition.
- Review and expand funding available to Further Education (FE) colleges to develop courses covering emerging skills gaps and shortages for the climate transition in line with this long-term assessment.
- Extend its Lifetime Skills Guarantee and target promotion of courses to eligible workers in oil and gas industries and their supply chains and require courses covered under the Lifetime Skills Guarantee to incorporate Recognition of Prior Learning (RPL) processes.
- Legislate for paid time off to train as a fundamental right for workers across the economy, or, trial and institute a paid time off to train support scheme specifically for fossil fuel workers, or more broadly for workers in sectors shrinking due to major technological change.

THE SCOTTISH GOVERNMENT SHOULD:

- Through Skills Development Scotland (SDS), conduct and regularly update analysis forecasting long term trends in skills demand in the context of the climate transition.
- Review and expand funding available to FE colleges to develop courses covering emerging skills gaps and shortages for the climate transition in line with this long-term assessment.
- Launch a targeted retraining funding initiative for oil and gas workers, available to all workers regardless of their employment status, with fasttrack support available to those under threat of redundancy. Employers who want to participate should be required to demonstrate that they are supporting jobs with pay and conditions in line with national collective agreements (or Fair Work where those agreements don't exist). Courses and qualifications should include RPL processes.
- Through the Green Jobs Workforce Academy or SDS, provide tailored advice to oil and gas workers that takes into account their experience without 'going back to the start'.
- Trial and institute a paid time off to train support scheme specifically for fossil fuel workers, or more broadly for workers in sectors shrinking due to major technological change.

Funding should be guided by analysis of future skills needs as described above, but leave the individual destination occupation at the discretion of individuals.

A government-backed jobs guarantee should support every oil and gas worker leaving the industry as it declines, by

- a) Supporting the conversion of entire supply-chain workplaces to service zero-carbon industries, where possible
- b) Guaranteeing 90% of workers' wages while they retrain, as in furlough
- c) Obligating companies to facilitate workers' redeployment, or else pay a levy
- d) Guaranteeing wages for a defined period of time for workers who leave the industry due to its phase out
- e) Instituting a general Jobs Guarantee (across the economy) for anyone in long-term unemployment, particularly for badly impacted areas

To provide a jobs guarantee to anyone leaving the fossil fuel industry as it declines,

THE UK GOVERNMENT, OR SCOTTISH GOVERNMENT, OR LOCAL AUTHORITIES SHOULD:

- Trial, and if successful, institute for the long term unemployed a general Jobs Guarantee on at least a Living Wage for anyone (regardless of occupation) who has faced unemployment for six months or more, modelled on the Future Jobs Fund but with a focus on retraining in line with the needs of the climate transition.

THE UK GOVERNMENT SHOULD:

- Legislate to obligate companies extracting oil and gas where sites are being wound down, to either re-employ workers (including contractors) to an equivalent position on a different site, or support them with re-employment in another company, or pay a levy that part-finances equivalent government support to workers (i.e. financing the training schemes proposed above).
- Legislate to institute a Short Term Working Scheme, where it subsidises the bulk of wages for a limited period of time for companies affected by economic turmoil (including major decarbonisation-related changes), dependent on part of the subsidised time being used for upskilling in line with the needs of the climate transition. This scheme would require independent assurance and verification so that the business transformations supported are genuinely in line with, or surpassing, climate targets, and are not greenwashing.
- Ensure that Public energy companies (whether instituted by the UK Government, Scottish Government or local authorities - see Demand 8) seek to take over relevant service contractors currently working within the oil and gas industry, and re-purpose to delivering services for offshore renewables, using TUPE regulations to retain or improve working conditions for the people employed.
- Provide income protection support in line with previous earnings for up to three years for any fossil fuel worker who, as a result of the above, has not received a job on an equivalent salary.

DEMAND 3: A TRAINING REGIME BUILT TO KEEP WORKERS SAFE INSTEAD OF FOR PROFIT

An 'Offshore Training Passport' would licence accredited workers to work offshore in any sector through a cross-industry minimum training requirement. The passport should:

- Eliminate duplication of qualifications, ensuring that certification (including 'micro-certification') with one body is fully recognised by the other(s) and no duplication of training or assessment is needed including recognition of prior certificated learning (RPCL).
- Provide proportionate, efficient and robust individual assessment and recognition of competence for experienced workers so that they do not have to attend training in areas where they are already proficient but lack certification (recognition of prior experiential learning, RPEL).
- Guarantee that training is up-to-date, while ensuring that no worker has to redo a course that is still in date.
- Be digital, so that the training and certification record of workers can easily be checked.
- Be accepted as the minimum standard required by industry operators.

Necessary training costs should be borne by employers, including for self-employed and off-payroll workers who spend a significant amount of time with the same employer.

The overall responsibility for maintaining the Offshore Training Passport scheme should lie with a public sector or publicly regulated organisation, with a governing board for the scheme that includes industry bodies, Health and Safety Executive, and trade unions. Various options are possible for this including a public-sector agency or a joint board, or potentially oversight by a body such as Skills Development Scotland (SDS) or the Institute for Apprenticeships and Technical Education (IfATE). The hosting organisation should not have a financial interest in the uptake of training courses or any other specific route to passporting. The Health and Safety Executive, industry bodies, skills providers, and workers/trade unions should be represented in the governing board.

The governing board for the Offshore Training Passport should establish principles and processes for recognising prior learning including crossover between GWO certified and OPITO certified qualifications. This needs to have two elements:

- A comprehensive database of training and certification requirements, cross-referencing those where full and partial recognition must be given automatically (RPCL).
- A common protocol for individual assessment and recognition (RPEL) which enables workers with recent experience, as well as those with training not covered by the RPCL arrangements, to have their current levels of proficiency certificated directly where they correspond to full training elements, or recognised and credited against the training needed to complete an element.

THE UK GOVERNMENT SHOULD:

- Update the North Sea Transition Deal to:
 - Delegate overall responsibility for Offshore Skills Passport to the new arms-length body, hosted by a public sector body such as the IfATE or SDS.
 - Establish a training fund to directly support workers rather than companies, which can be accessed by individual, self-employed and off-payroll workers rather than only through employers. Funding should be open to self-employed and off-payroll workers and cover wages lost as well as training costs.
- Raise funds for offshore worker retraining through a levy on energy companies, which would incentivise employers to eliminate redundant training requirements, and invest in training their own workforces including self-employed and off-payroll workers. Modelled on the Apprenticeship Levy but applying specifically to industries in transition, the levy would create a training costs buffer that can be spent by the companies internally or fund training for others if unspent.

THE SCOTTISH GOVERNMENT SHOULD:

Use its role on the Energy Skills Alliance to steer the passporting scheme towards the model proposed here.

- Offer offshore workers in Scotland training support to meet the requirements of the Offshore Passport if needed for transitioning from oil and gas to other offshore industries (or prior to its setup, to meet existing training requirements for oil and gas workers seeking to work in renewables). This would form part of its commitment to a Skills Guarantee to workers in carbon-intensive industries.¹⁵⁶ Funding should be open to self-employed and off-payroll workers and cover wages lost as well as training costs. This should be part-funded by the new transition skills levy as proposed in Demand 2.
- Establish a programme under the Green Jobs Workforce Academy to support individual workers to access training pathways that suit them, alongside a programme to support workers from underrepresented groups or backgrounds to access opportunities within the offshore energy sector.
- Support Scottish Further Education colleges in receiving industry body accreditation for delivering Offshore Training Passport aligned courses and carrying out RPEL assessments.

¹⁵⁶ <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/pages/7>

DEMAND 4: INVEST IN DOMESTIC MANUFACTURING AND ASSEMBLY FOR RENEWABLES

Creating jobs in renewable manufacturing and assembly is essential to ensuring there are sufficient opportunities for oil and gas workers across the UK. Upgrading and expanding the UK's ports can create the baseline infrastructure to ensure offshore wind and marine renewables can be constructed, manufactured, deployed and maintained from UK harbours. Scaling up

public investments into fabrication yards and factories for nacelles, towers, foundations, cables, blades and substations can create a large manufacturing workforce in the offshore wind sector, including for floating turbines. Expanding this to new marine energy sectors like tidal stream could lay the foundation for new export opportunities.

To improve the UK's baseline port infrastructure to be able to support growth of jobs in offshore wind construction and manufacturing,

THE UK GOVERNMENT SHOULD:

- Clarify that to achieve its two strategic objectives of helping “tackle climate change, particularly meeting the government’s net zero emissions target by 2050” and supporting “regional and local economic growth through better connectedness, opportunities for new jobs and higher levels of productivity”¹⁵⁷, the UK Infrastructure Bank should use its influence as an equity investor (i.e. a part owner), to encourage greater domestic procurement and more local supply chains.
- Expand the scale of the UK Infrastructure Bank, enabling it to make more and larger investments into transition infrastructure.
- Direct the UK Infrastructure Bank to expand on its investment in the South Bank Quay development at Teesworks¹⁵⁸ by investing into and taking equity stakes in more ports.

THE SCOTTISH GOVERNMENT SHOULD:

- Clarify that to achieve its existing core mission of supporting “the just transition to net zero emissions by 2045”¹⁵⁹, the Scottish National Investment Bank can use an active ownership approach towards companies in which it has invested, to encourage greater domestic procurement and more local supply chains.
- Direct the Scottish National Investment Bank to build on its investment into the expansion of Aberdeen Harbour¹⁶⁰ by investing into and taking equity stakes in more Scottish ports. These should prioritise brownfield sites and incorporate community demands for siting.
- Expand the scale of the Scottish National Investment Bank, enabling it to make more and larger investments into transition infrastructure.

To boost domestic manufacturing and support existing oil and gas supply chains to retool,

THE UK GOVERNMENT SHOULD:

- Commit to expanding and renewing, on an annual basis, the existing funding initiatives¹⁶¹ that support sites for offshore wind manufacturing of blades, towers, foundations, cables and other strategic components.
- Provide targeted investment support for large and small workplaces in the oil and gas supply chain like cable manufacturers, scaffolders, vessel support and fabrication yards to retool to support renewable supply chains instead.
- Create public stakes in manufacturing (i.e. rather than providing grants to businesses, invest and take equity stakes in manufacturing sites). Maintaining active equity stakes can ensure that job quality remains high and procurement is supporting further local content from supplier industries.

THE SCOTTISH GOVERNMENT SHOULD:

- Use the Scottish National Investment Bank to build on UK investment schemes supporting offshore wind manufacturing and retooling, with additional Scottish support schemes.
- Create public stakes in manufacturing (i.e. rather than providing grants to businesses, invest and take equity stakes in manufacturing sites). Maintaining active equity stakes can ensure that job quality remains high and procurement is supporting further local content from supplier industries.

In addition to investment into infrastructure, stronger rules and more ambitious targets can boost local job creation and economic activity.

THE UK GOVERNMENT SHOULD:

- Increase the targets required in Supply Chain Plans when applying for a Contract for Difference.

THE UK AND SCOTTISH GOVERNMENTS SHOULD:

- Add conditionality to licensing rounds (administered by the Crown Estate and Crown Estate Scotland), to boost investment into domestic supply chains by making licences conditional on creation of local supply chain jobs.

¹⁵⁷ <https://www.ukib.org.uk/strategic-plan>

¹⁵⁸ <https://www.ukib.org.uk/news/first-ukib-investment-goes-green>

¹⁵⁹ <https://www.gov.scot/news/core-missions-for-investment-bank>

¹⁶⁰ <https://www.thebank.scot/portfolio/port-of-aberdeen>

¹⁶¹ I.e. the £160mn Offshore Wind Manufacturing Investment Scheme and its successor Floating Offshore Wind Manufacturing Investment Scheme

<https://www.gov.uk/government/publications/offshore-wind-manufacturing-investment-support-scheme-investment-programme>



DEMAND 5: STRONG RANK AND FILE UNIONS ACROSS THE WHOLE OFFSHORE INDUSTRY

To guarantee collectively negotiated terms and conditions for workers offshore,

THE UK GOVERNMENT SHOULD:

- Legislate for a right to sectoral collective bargaining, a right to union representation at work and a right to union access at work, that covers both payroll, off-payroll and self-employed workers.

THE UK AND SCOTTISH GOVERNMENTS SHOULD:

- Use licensing or Contracts for Difference conditions to enforce the above rights for offshore energy workers.
- Convene talks with employers and trade unions across the energy industry, modelled on examples like the NAEI process, to reach a collective agreement on offshore energy terms and conditions, to cover both payroll and self-employed workers, across the offshore oil and gas and renewables sectors.
- Provide funding and support to trade unions to enable worker participation in just transition planning processes, including through learning programmes and training for stewards and health and safety representatives.

There is an opportunity for trade unions to rebuild high union density in the energy sector and rank-and-file participation in leadership by:

- Expanding the resources devoted to the challenge of organising self-employed and off-payroll workers in offshore sectors.
- Strengthening support for rank and file offshore members to participate in existing union democratic structures.



DEMAND 6: ESTABLISH UNIVERSAL RIGHTS AND A WAGE FLOOR ACROSS THE UKCS

THE UK GOVERNMENT SHOULD:

- Correct the guidance on National Minimum Wage: seafarers and other people working at sea to expressly cover all Continental Shelf activities including renewable energy within the UK Exclusive Economic Zone.
- Increase the National Minimum Wage to £15 per hour by 2024 and uprate it in line with inflation, annually.
- In the next Budget, increase funding to properly monitor and enforce National Minimum Wage and other employment rights at work offshore.
- Scrap the Offshore Wind Immigration Rules Concession. Instead, correct the Immigration Rules to ensure that foreign workers do not face obstacles to applying for offshore jobs, while enforcing contractual conditions in line with the UK economy and collective agreements.

THE UK PARLIAMENT SHOULD:

- Legislate to extend the workers' rights that currently do not apply offshore (including TUPE, whistleblowing legislation, flexible working) to all workers in UK waters,

including the UK Continental shelf and UK Exclusive Economic Zone, including self-employed and off-payroll workers.

THE SCOTTISH GOVERNMENT SHOULD:

- Allocate funding for adequate monitoring and enforcement of National Minimum Wage and other rights at work offshore, by funding ITF Inspectors.
- Crown Estate Scotland to include domestic employment conditions in leasing agreements for fixed and floating offshore wind and other renewable energy projects in waters off the Scottish coast.

DEMAND 7: PROVIDE EFFECTIVE AND TRUSTED WHISTLEBLOWING PROCEDURES

THE UK GOVERNMENT SHOULD:

- Task the Health and Safety Executive to have oversight of employers' whistleblowing arrangements.
- Identify an appropriate independent third party /regulator, such as ACAS, and provide it with the power to intervene and fine companies whose grievance arrangements are in breach of the ACAS Code of Practice. The body should also have the power to monitor victimisation of employees who raise a grievance and should be able to take enforcement action where this occurs such as making orders and issuing fines.
- Employers should be required to provide regular reports to the regulator on the number of grievances received and the number that are upheld.
- Grievance appeals should be handled by an independent third party.

THE UK PARLIAMENT SHOULD:

- Legislate to make the following changes to Public Interest Disclosure Act and the Employment Rights Act 1996 (ERA):
 - Expand the scope to ensure whistleblowing rights and the right to protection against dismissal or detrimental treatment as the result of raising a grievance. This should apply to all offshore workers in the UK Continental Shelf, including self-employed and off-payroll workers and job applicants (to protect against blacklisting), as well as trade union representatives who facilitate the raising of concerns.

- Place a legal obligation on employers to have whistleblowing procedures in place and to conduct whistleblowing investigations in line with statutory rules or a statutory 'code of practice', through the expanded PIDA.
- Create powers for a regulator to require the offshore energy industry to have effective whistleblowing and grievance arrangements, to monitor whistleblower victimisation and take enforcement action where an employer appears to have allowed or engaged in whistleblower victimisation, or failed to introduce whistleblowing arrangements. These regulatory powers could sit with the Health and Safety Executive (HSE).

ACAS SHOULD:

- Expand its Code of Practice to cover collective grievances.

THE RELEVANT REGULATORS (POTENTIALLY HSE AND ACAS) SHOULD:

- Integrate whistleblower support into their functioning on the level of strategy.
- Actively engage workers and trade unions in the drafting of whistleblowing and grievance guidance and procedures.
- Train trade union representatives in whistleblowing law and procedures so that they can assist workers to raise concerns safely and effectively.

- Actively collaborate with trade unions in whistleblower protection and assistance.

THE SCOTTISH GOVERNMENT SHOULD:

- Use Crown Estate leasing auction conditions and any public funding instruments under its control to require participating employers in the offshore energy sector to have whistleblowing procedures in place covering employees, self-employed and off-payroll workers, to conduct whistleblowing investigations in line with a Code of Practice, and to have a grievance procedure that follows the ACAS Code and Guide.
- Institute a National Offshore Whistleblowing Officer position, similar to that in place in NHS Scotland¹⁶², to act as a source of support for workers raising concerns in the sector where concerns are not resolved internally by an employer.

Legislative and regulatory reform must be coupled with cultural change within offshore companies:

EMPLOYERS SHOULD:

- Understand the important role whistleblowers have to play as an 'early warning' system that can protect business, livelihoods and lives.
- Provide all workers periodic training on how to raise concerns, and their rights in doing so.
- Engage workers and trade unions in developing organisational whistleblowing policies.
- Ensure that managers receive training on how to respond to whistleblowing concerns and how to prevent victimisation.
- Complete a victimisation risk assessment for every worker who raises concerns. Where a risk of victimisation is identified a plan should be created to minimise this risk. This should be monitored by the relevant regulator.
- Regularly check-in with the worker throughout a whistleblowing investigation.
- Provide a clear and consistent message, across all levels of the organisation, that concern raising is encouraged. Evidence this by listening and acting when concerns are raised and disciplining those that victimise whistleblowers.
- Introduce a system of whistleblowing advocates at all levels of the organisation, including very senior roles, to provide whistleblowers practical assistance and pastoral support.

¹⁶² <https://inwo.spsa.org.uk>



DEMAND 8: PUBLIC OWNERSHIP FOR PUBLIC GOOD

New publicly owned energy companies should be created with a remit to co-invest into and develop new clean energy generation and grow shorter supply chains and industrial capacity, akin to Ørsted, Vattenfall or EDF. Public energy companies can work on a national or regional level, with the UK, Scottish Government or combined authorities able to establish them. For larger scale projects, the companies can initially begin life as a minority co-investor with private sector partners, to accumulate experience, skills and capacity.

THE UK GOVERNMENT SHOULD:

- Support the creation of new regional public energy companies, focused initially on investing into and developing new regional renewable generation. These should be accountable to devolved governments, combined authorities and local authorities within their region. They should be capitalised by the central government and enabled to borrow sustainably.
- Nationalise or part-nationalise privately-owned ports and strategic maritime support infrastructure, where current owners are failing to upgrade or invest in line with the needs of the climate transition.¹⁶³

¹⁶³ Where existing owners are investing into upgrades to support the renewables roll-out, these efforts might need support from the SNIB. This is described in more detail in Pathway #4.

THE SCOTTISH GOVERNMENT SHOULD:

- Set up a public energy company, empowered to invest into and develop new renewable generation, including offshore wind and tidal stream.
- Take ownership stakes in privately owned ports and strategic maritime support infrastructure, where current owners are failing to upgrade or invest in line with the needs of the climate transition.¹⁶⁵

LOCAL AND COMBINED AUTHORITIES SHOULD:

- Proactively set up regional public energy companies, investing and building new renewable generation within and beyond their local geography.



DEMAND 9: REORGANISE THE TAX SYSTEM FOR PUBLIC GOOD

The UK needs to rewrite its North Sea oil and gas tax rules to create a fair tax system that serves the public.

THE UK GOVERNMENT SHOULD:

- Prepare to robustly oppose claims made by oil and gas companies for compensation. Because the UK has not signed Production Sharing Agreements, it has some protection. But companies will potentially attempt to bring claims through the Energy Charter Treaty tribunal process.¹⁶⁴
- Exit the Energy Charter Treaty to reduce the potential for oil and gas corporations to sue the UK Government over improvements to the tax code or policies to improve climate action, as well as supporting a coordinated withdrawal alongside EU countries to protect against a sunset clause that allows for countries to be sued for 20 years after exiting.

THE SCOTTISH GOVERNMENT SHOULD:

- Proactively call for stronger taxation of North Sea oil and gas, and end its support for a low tax and high-subsidy approach to extraction.
- Seek to build up a sovereign wealth fund modelled on that of Norway, beginning with profits from a public energy generator company as described in Demand 8.

¹⁶⁴ <https://www.globaljustice.org.uk/news/uk-fossil-fuel-company-wins-over-210m-payout-from-secretive-tribunal-over-oil-drilling-ban>

¹⁶⁵ <https://www.ft.com/content/0179860f-818f-42b3-9ac6-1c292b44eeb3>

THE UK GOVERNMENT'S TREASURY DEPARTMENT SHOULD:

- Identify and implement changes to the tax code covering North Sea oil extraction, with the specific aim of attaining the same level of government take per barrel as Norway does. The measures in need of review include: the current permanent measures of ring-fenced corporation tax, the supplementary charge, any Investment Allowances, and zero-rated petroleum revenue tax.
- Change the rules on instruments governing decommissioning costs (including Transferable Tax Histories and Decommissioning Relief Deeds), so that these costs are covered by the oil and gas companies responsible, and do not lead to negative tax payments. Existing Decommissioning Relief Deeds should be cancelled.
- Introduce a permanent “Energy Excess Profits Tax”, to prevent excessive profiteering at the expense of the public by oil and gas and other energy corporations during crisis situations. This additional tax should be triggered when an exceptional circumstance arises that leads to unforeseen high profits, and should finance redistributive and crisis response measures. Examples of crises should include pandemics and wars, where these affect energy corporation profit levels. This tax can be at least partially modelled on the Excess Profit Duty that helped pay for the UK’s participation in World War One.¹⁶⁵



DEMAND 10: NO COMMUNITY LEFT BEHIND

Local authorities, with funding and policy backing from the UK and Scottish Governments, need to develop regional diversification programmes at the right scale to substitute the economic contribution of the oil and gas industry, with the following elements:

- Contribute to diversifying and retooling for supply chain businesses currently dependent on the oil and gas industry;
- Set up and scale up innovation hubs in new industries (e.g. tidal power, floating offshore wind) in partnership with universities;
- Improve public transport links and active travel infrastructure;
- Invest in local Higher and Further Education institutions to train people up in emerging industries and those with skills shortages;
- Keeps wealth in local circulation, including by supporting local businesses to shorten their supply chains by procuring goods and services locally;
- Incorporate democratic accountability mechanisms such as participatory budgeting.

THE UK GOVERNMENT SHOULD:

- Create dedicated funding streams, including through the UK Infrastructure Bank, to support local authority regional diversification programmes. These should be committed for long periods of time (up to 20 years), and at the right scale in terms of resulting job creation to substitute the declining job creation in the oil and gas industry, with appropriate processes to assure social and environmental benefit of projects.

THE SCOTTISH GOVERNMENT SHOULD:

- Create similar funding streams, including through the Scottish National Investment Bank and expanding the Just Transition Fund to support local authority regional diversification programmes on the same terms outlined above.
- Use its Community Wealth Building Bill (due before the Scottish Parliament in 2023)¹⁶⁶ to require CWB approaches to be integrated in infrastructure spending, and to expand Scottish Government support for local authority implementation of CWB approaches.

LOCAL AND COMBINED AUTHORITIES SHOULD:

- Create regional diversification programmes, particularly in oil and gas industry hubs, aiming to substitute the local economic contribution of the oil and gas industry. These programmes should be designed and governed with genuine accountability to local communities and impacted workers.
- Implement community wealth building strategies, adjusting procurement rules, pension investments, business support schemes, and land management practices in order to maximise the local recirculation of wealth.
- Raise funding to support the regional diversification programmes through issuing their own bonds or attracting pension fund investment.

¹⁶⁶ <https://www.gov.scot/policies/cities-regions/community-wealth-building>



Friends of the Earth Scotland

