

**Oil and Gas Industry Leadership Group  
Minute of Meeting  
Tuesday 11 December 2018, 08:00 – 11:30  
The Hilton Doubletree, Aberdeen**

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**Members present:**

- Paul Wheelhouse MSP, Minister for Energy, Connectivity and the Islands – Co-chair
- Melfort Campbell, Chief Executive, IMES Group – Co-chair
- Jim Savege, Aberdeenshire Council
- Trevor Garlick, ONE Deirdre Michie, OGUK
- Gareth Wynn, OGUK
- Collette Cohen, OGTC
- Andy Samuel, OGA
- Stuart Payne, OGA
- Andy McDonald, SE
- David Rennie, SE
- Gavin McKay, HIE
- Grahame Smith, STUC
- Peter Black, EnergySYS
- Neil Gordon, Subsea UK
- Paul De Leeuw, RGU
- Hedda Felin, Equinor
- David Brooks, Ineos
- Terry Savage, Global Energy
- Neil Sims, Expo
- Nigel Lees, Wood Group
- Murdo McIver, Peterson
- Christine Currie in place of John McDonald, OPITO
- Andrew Ritchie in place of Steve Phimister, Shell
- Robert Cowman in place of Richard Knox, EC-OG
- Tim Smith in place of Ariel Flores, BP
- Tom Bryce in place of Ian Donald, Enpro

**Observers:** Jenny MacDonald, Skills Development Scotland

**Secretariat:** Scott Bradley, Scottish Government

**Apologies:** Gordon McGuinness, SDS  
John Bryce, Awilco Drilling

## 1. Welcome, Apologies and Actions, Melfort Campbell

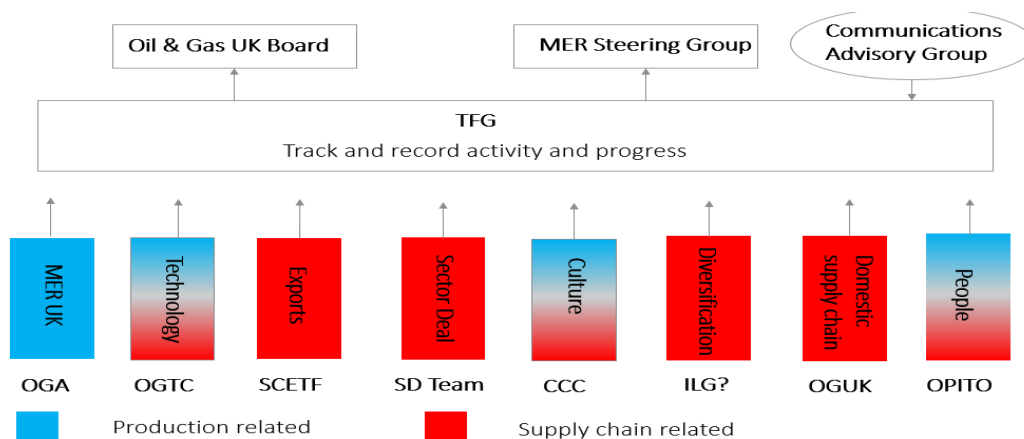
- Welcome, thanks, apologies noted above.
- Previous minute from ILG on 21 September 2018 approved with actions completed.

## 2. Ministerial update

- Thanks to members for their continued support.
- Scottish Government supports the oil and gas sector and MER.
- Vision 2035 offers opportunities and challenges.
- This group can and should actively support the delivery of the Vision.
- Scottish Government will work with industry and UK Government on sector deal proposals.
- The supply chain and it'sits people are important, there are opportunities from supply chain innovation and diversification.
- The ILG Supply Chain Sub-group will support delivery of Vision 2035.

## 3. Vision 2035

- Vision 2035 will add a generation of productive life to the UK offshore oil and gas industry, expanding supply chain opportunities at home, around the world and into other sectors.
- The Deloitte Collaboration Survey showed that only one-third of respondents were aware of Vision 2035 and only 13% of respondents said their organisation is strongly behind the Vision 2035 strategy.
- A model for Vision 2035 governance was presented, see below:



- SE/ONE have a role and strong capabilities in diversification:
  - **Action 3.1, SE/ONE to discuss diversification delivery role with Vision 2035 Shaping Group and update at next ILG meeting.**
- A scorecard concept with example metrics was presented with broad support:
  - **Action 3.2, OGUK to consider a metric of Scotland/UK supply chain share of total UK sector spend.**
- Vision 2035 communications will include an engagement campaign and an agency has been retained to support the implementation programme.
- A Vision 2035 website will be launched.
- A sample Vision 2035 brochure was shared, comments included:
  - More on technology including low carbon technologies.
  - More on the oil and gas sector's place in the energy transition.
  - More to attract and retain talent.

- **Action 3.3: Vision 2035 Shaping Group to consider what support ILG can offer in delivering Vision 2035 and update at next ILG meeting.**
- Vision 2035 would benefit from illustrating its narrative through relevant case studies.
- Further group discussion included, the Vision:
  - Should define why the sector deserves a social license to operate.
  - Should illustrate the sector's long term future.
  - Should align with the oil and gas sector deal.
  - Should outline issues and opportunities in all-energy skills, diversification and subsea engineering.
  - Should consider workforce engagement.
  - Could be considered as a series of engagements with a focus on energy as a force for good.
- The Minister commented:
  - The oil and gas sector can be low carbon and can contribute to the investment and skills required for the energy transition.
  - Oil and gas shareholder divestment is an issue. Vision 2035 can illustrate how the sector is relevant in a low carbon future and remain a long term investment.
  - Vision 2035 could educate the public on oil and gas dependence and its place in Scotland's energy system.
  - Scotland's Energy Strategy maps out a transition that is consistent with our Paris climate change commitments. In scenario planning CCUS is required to meet our climate change commitments and is an opportunity for the oil and gas supply chain and investors.
  - Vision 2035 is an opportunity to describe a future focussed, technological, engaged oil and gas sector that has a place in the energy transition that can attract the next generation of workers.
  - Continued targeted investment in the oil and gas sector and its skilled workforce will more readily enable the low carbon transition.
- Final Vision 2035 comments:
  - Positive industrial relations such as recent multi-year offshore worker agreements provide employee confidence and security that support the Vision.
  - The oil and gas sector is in the early stages of positioning itself in the energy transition. Some operating companies are actively making the transition and others do not recognise the need to change as there will be a requirement for oil and gas for decades to come.
  - Short term corporate objectives are typically not aligned with longer term climate change targets.
  - The current workforce and the next generation of workers can be strategic in their choice of sector or employer which may be to the detriment of the sector if the long term narrative is not clear and strong.
  - Consider learning from the ONS conference that is branded as a festival, embracing diversification and attracting talent from outside the usual oil and gas sources.
  - The MER strategy does not differentiate between operators that are active in the energy transition or those that are purely focussed on oil extraction. There is still a need under the MER strategy for operators that are solely focussed on extracting hydrocarbons in the most efficient and effective manner possible.

#### **4. Energy Jobs Task Force**

- Summary papers circulated of post-taskforce legacy workstream actions and support.
- Review of UKCS Skills Strategy 2018-2025:
  - RGU and OPITO, are undertaking a significant project to develop a skills strategy for the UKCS by analysing the current labour market and considering

factors that are increasingly likely to affect the future supply and demand of labour.

- The work follows on from the UKCS Workforce Dynamics Review in 2018 which assessed current labour trends and the potential impact of automation and technology on job families.
- The work will be launched on the 2 May 2019:
  - **Action 4.1, SG secretariat to forward online skills survey to the ILG membership group for further dissemination.**
- Transition Training Fund update:
  - The fund has supported just over 3,600 approved funding applications.
  - A survey of those who had been approved for TTF funding at least 6 months previously (3070), show that of the 39% of customers who were contactable and participated in the survey – 68% are in employment. Of that 68% - 48% have transitioned to work in new sectors, whereas 52% have sourced employment back into the Oil and Gas sector.
  - The fund will close in March 2019 and SDS/Scottish Government are considering fund lessons for other initiatives.
- Business resilience:
  - Efficiency Task Force Cultural Change and Leadership update.
    - Efficiency Task Force Roadshows, 12 companies hosting 800 employees.
    - Efficiency Hub - over 100 case studies.
    - Efficiency Champions Network - more than 150 champions.
    - **Action 4.2, SG to disseminate further Efficiency Task Force information including case studies to ILG members to inform their own organisations.**
- Future Industry Leadership Programme (FILP):
  - **Action 4.3, SE and Trade Unions to discuss FILP programme scheduling to incorporate a presentation.**
  - **Action 4.4, ILG secretariat to invite FILP representative to a future ILG meeting.**
- ILG to consider how to monitor and report EJTF work streams going forward:
  - **Action 4.5, SE/SG to propose updated EJTF monitoring and reporting framework at next ILG meeting.**

## 5. Supply Chain Sub-Group

- The supply chain sub-group's aim is to set the agenda and suggest/provide actions which will increase supply chain capability and impact to help reach Vision 2035.
- The group's objectives are:
  - To seek to generate more value for the Scottish/UK supply chain.
  - To increase the international value and capability of that supply chain.
  - To make a positive and measurable difference to the competitiveness of the sector and the basin.
- The group reviewed suggested areas of focus, including:
  - Demand side market awareness.
  - Supply chain code of practice.

- Innovative business models / contracts.
- Cross-sector learning.
- Performance indicators.
- It was highlighted that it was important not to duplicate work already in progress:
  - **Action 5.1: Supply Chain Sub-group to meet OGUK and Supply Chain Task Force to identify gaps in existing supply chain initiatives.**
  - **Action 5.2: Supply Chain Sub-group to familiarise itself with the work of other ILGs, Catapults and sectors to shape supply chain development.**
  - **Action 5.3: Supply Chain Sub-group to familiarise itself and capture lessons from case studies of successful collaborative business approaches.**
  - **Action 5.4: Supply Chain Sub-group to update members on progress at the next ILG meeting.**

## 6. ILG communications

- There is a need to raise the profile and activities of the ILG:
  - **Action 6.1: OGUK to collate a note of key industry messages and events. OGUK, SE and ILG secretariat to develop an ILG communications plan to present at the next ILG meeting.**

## 7. AOB, including Future ILG Agenda Items

- OGUK are leading a Workforce Engagement review and will report the members in due course.

**Date of next meeting – 7 May 2019.**