

**Oil and Gas Industry Leadership Group
Minute of Meeting
Tuesday 10 December 2019, 08:00 – 11:30
Hilton Doubletree, Boulevard Beach, Aberdeen**

Confirmed Attendees

- Minister for Energy, Connectivity and the Islands
- Melfort Campbell, Co-chair
- Andrew Ritchie is attending for Steve Phimister - Shell
- Andy Samuels – OGA
- Arne Gürtner – Equinor
- Colette Cohen – OGTC
- David Rennie – SE
- Esther Hayes is attending for Peter Black – EnergySYS
- Gareth Wynn is attending for Deirdre Michie – OGUK
- Gavin MacKay is attending for Audrey MacIver – HIE
- Grahame Smith – STUC
- Jake Molloy – RMT
- Jenny McDonald is attending for Gordon McGuinness - SDS
- Jim Savege – Aberdeenshire Council
- John Boland – Unite
- John McDonald - OPITO
- Murdo MacIver – Peterson
- Neil Gordon – Subsea UK
- Nigel Lees – Wood Group
- Paul De Leeuw – RGU
- Richard Knox – EC-OG
- Simon Slater is attending for David Brooks – Ineos
- Terry Savage – Global Energy
- Tim Smith is attending for Ariel Flores - BP
- Trevor Garlick – ONE

Observers

- Allison Carrington - SDS
- Andrew McCallum – Aspect Reputation Management
- Jill Glennie - OPITO
- Kevin Taylor – SE

Guest

- David Holman – SE
- Gareth Jones - Xodus Group – FILP Member

Apologies

- Andy McDonald – SE
- George Boyne - University of Aberdeen
- Neil Sims – Expro Group
- Phil Simons – Subsea
- Sian Lloyd-Rees – Aker Solutions

Secretariat

Scott Bradley, Scottish Government
Linsey Wilson, Scottish Government

1. Welcome, apologies and actions, Melfort Campbell

- Welcome, thanks, apologies noted above.
- Previous minute from ILG on 17 September 2019 approved with actions completed.
- STUC highlighted the format of the minutes in terms of acknowledging attendance.
- Melfort highlighted the Supply Chain subgroup meeting taking place in January 2020 which is looking to take forward the supply chain agenda.

2. Ministerial update

- Acknowledged that this was the last meeting of the ILG this year, recognising input from colleagues in taking forward the agenda of the new revised group, the Oil and Gas, and Energy Transition Strategic Leadership.
- Welcomed Gareth Jones from Xodus Group to the meeting who is representing the Future Industry Leaders Programme.
- Recognised the recent AGCC survey and OGUK/PwC reports which highlights the rising number of oil and gas firms engaged in energy transition, and diversification into other markets out with oil and gas; and the leading role that the North Sea could play in the transition to cleaner energy.
- Recognised that the new SLG name change makes a strong statement in light of COP26, and that it is important that industry is seen to lead and take control of their role in the changing energy transition.
- Recognised that there will be fundamental changes to our energy system but with that comes opportunities.
- The sector can, and has, committed to helping Scotland and the UK achieve our net zero targets, working with governments, industries and communities to transform our energy system.
- Melfort provided an update on his engagement with Scottish Offshore Wind Energy Council, confirming that two lines of work will be taken forward between the two groups:
 - Creation of a project looking at the electrification of the North Sea – this will be undertaken by a limited subgroup.
 - Creation of a wider energy vision for the UKCS – again to be carried out through a subgroup.
- The Minister provided an update on progress on the Scottish Government's Climate Change Plan, internal discussions are continuing with Ministers discussing in January. There will be wider industry engagement on the plan. The draft Sectoral Marine Plan for Offshore Wind and the draft Offshore Wind Policy Statement will be released on 18th December for consultation.
- The OGA raised the question whether the climate change plan should be renamed the climate change emergency plan, and challenged industry to do more to support CCS opportunities in Scotland and the UK. Noting that the sector needs to have a stronger narrative by Q1 in 2020, ahead of COP26.

3. Oil and Gas, and Energy Transition SLG

- As from 2020 this group will now be known as the Oil and Gas, Energy Transition Strategic Leadership Group.
- This change reflects the critical role which the oil and gas industry has to play in driving forward and delivering Scotland's transition to a net zero economy. It also reflects the increasing focus of the existing Oil and Gas ILG on the new industrial and supply chain opportunities which the transition represents for the sector – through leadership and

skills development, technological innovation, the development of hydrogen and the establishment of CCUS in Scotland.

- Noted that there have been changes to the Terms of Reference to capture this change regarding the new role, remit of the group, recognising that everyone will have a view on how this group should operate going forward, and also importantly views on how this group can contribute and support the critical role oil and gas sector has to play in driving forward and delivering Scotland's transition to a net zero economy. The Minister noted that it was unlikely that there would be any changes to current membership but that consideration should be given to what additional energy sectors should be represented on the group.

2019 Energy Transition Report

- OGUK provided an update on the key findings within the report, which noted the changing energy landscape in the UK and the opportunities and challenges it presents to all industries, businesses and people. OGUK's main policy recommendations are:
 - Unlocking investment into Carbon Capture, Use and Storage (CCUS) at scale
 - Pursue the opportunities that hydrogen offers the UK
 - Work with the offshore industry in its commitment to deliver Roadmap 2035
- The group agreed with the messaging in the report, with RMT noting that within their own internal discussions it would be useful to engage with OGUK around the industries messaging, particularly in terms of promoting pension investments and the wider narrative of the sector. This was agreed to by OGUK.
- STUC raised two issues:
 - The first was focused on the future availability of the workforce, and how people perceive the industry as a good place to work, and how employers are perceived as fair and active employers
 - The second point was on the language around MER, this is now considered as the wrong messaging and narrative for the sector, there needs to be a wider objective than purely economic.
- The Minister noted that the MER language does not support the current industry narrative, and it should be for industry to lead on changing the narrative, and to find a way to communicate the industry's narrative on energy transition. It was agreed that the OGUK had a strong narrative which should be shared wider across the sector.
- STUC noted that the best people within the industry to share that narrative are the workforce themselves, however they are largely focused on Fair Work conditions which need to be addressed and therefore sometimes don't portray the positivity of the sector, these things are fundamentally linked.

Hydrogen Vision for Scotland

- David Holman from Scottish Enterprise provided an overview of the Hydrogen opportunities and projects in Scotland, and where hydrogen could play a role in the Energy Transition. Scotland is already considered a world leader in this area, with a strong supply chain already in existence in the North East, and has the resource where hydrogen can be produced at scale. An update was also provided on GIS datasets showing broad energy opportunities on and offshore.
- An overview was provided of a number of hydrogen projects in Scotland. The SGN H100 project, which is looking to construct and demonstrate the UK's first network to carry 100% hydrogen. A decision is expected imminently with, ground broken early next year.

- The Minister noted that there is significant opportunities for hydrogen, both for the oil and gas sector and for Scotland as a whole, particularly in terms of decarbonising rail by 2035. It was agreed that it would be useful to pull the GIS data together with the work that is being led by OGA, and also OGTC in terms of wider energy integration. The Minister noted that SGN were actively pursuing the H100 projects, however there is a funding gap. This is a clear opportunity for industry to support these projects.
 - **Action 3.1 – All - Request to the group to consider how the H100 demonstrator projects can be supported? Can this group collectively provide resource to support a safe and positive energy transition project for the industry?**
 - **Action 3.2 – All - How can Scottish Government engage with the wider supply chain family – can this group provide any recommendations?**
- The Minister noted that the new SLG needs to be clear on what this group can do and achieve. Clarity is also required on the structure, and on the specific issues that the group is trying to address. This will be presented to the group at the next meeting in March 2020.
 - **Action 3.3 – All - Is the group content with the OG&ET SLG Terms of Action Reference, are there any gaps/comments/clarifications?**
 - **Action 3.4 – All - It was agreed that the SLG has a role to contribute, collaborate, monitor, challenge and engage in the energy transition – what challenges should the group address and what will success look like?**
 - **Action 3.5 – All - What membership experience and expertise is required in the SLG to effectively support oil and gas, and the energy transition?**
 - **Action 3.6 – All - What is the SLG’s role in supporting the sector for COP 26 in Glasgow?**

4. Industry Skills and Leadership

- The Minister opened the item, referencing the key findings of OPITO’s Workforce Dynamics reports. Noting that the sector is dealing with a number of new challenges, and going through significant change including the reality of adjusting to a new oil price, the coming of the digital oilfield and the energy transition to a Net Zero future.
- Ensuring that the sector continues to attract and retain talent will continue to be a key priority, which is why skills and the OPITO’s ongoing work on the Energy Skills Alliance is on the agenda. Reiterating the message that the Scottish Government wants to work with industry to ensure that it has the skills and remains fit for a sustainable future going forwards.

Skills Landscape in Scotland

- SDS provided an overview of their engagement approach, explaining the workings of a partnership approach to prepare Skills Investment Plans and Regional skills Assessments. This work is supported by key engagements with employers and trade bodies across the sector. This work is evidence based which supports a responsive skills system in terms of:

- Short term - working with industry to design impactful interventions that help address immediate skills gaps
- Medium term - influencing provision through better alignment of skills provision to the needs of industry
- Long term - influencing careers choices around critical skills and occupations
- SDS are involved in supporting the Climate Skills Action Plan, which will provide the framework for the skills investment needed to meet the global climate change challenge and successfully support Scotland's transition to a low carbon economy in a just and inclusive manner.

OPITO and the Energy Skills Alliance

- OPITO provided some background to the group on the organisation highlighting their success as a Scottish export success, and their focus on:
 - Driving global standards
 - Creating workforce development
 - Exporting Scottish skills models overseas
- OPITO are carrying out a review of the OGTAP Apprenticeship Scheme and are looking to create an energy wide apprenticeship scheme. They are currently leading and funding work with BEIS on how to agree common energy standards. And are working on creating digital learning products that are short and sharp pieces of learning which are of value and credit rated. OPITO have also created the My Energy Career website. This is a cross energy approach showing the different career options available within the energy sector as a whole and will be launched officially in October 2020.
- The Energy Skills Alliance met for the first time at the end of November, and is focused on 2 / 3 specific goals including developing a career pathway for the broader energy industry. There will be a number of specific task and finish groups which will sit underneath the ESA, and will include representation from other organisations including ECITB. OPITO are currently working with NMTB and STCW to try and recognise a common standard, and will be looking to meet with global wind to achieve similar.
- OGUK noted that communication is key for the sector whether it is through sharing successes or learning. It was recognised that this needs to be driven by industry. OGUK are continuing to ramp up their work on Roadmap2035, and are engaging with FILP where it was noted that there is a recognition from this group that a strong narrative for the sector does not currently exist. OGTC noted that it was important to have a balanced narrative, focusing on transition but also continued role of oil and gas and how the sector can deliver net zero, and enable the development and support of other industries.
 - **Action 4.1 – SG – To consider the SLG's communication role and strategy with an update to be provided at the meeting in March 2020.**

5. Industry Update

- SE provided an overview of revised industry update infographic now focusing on the 3 main activities that each of the partners are doing to support the sector. FILP has achieved considerable success, and has been supported by the sector with a three year agreement in place with support from a range of partners. Thought is also being given to widen the programme out with the sector.
- In terms of R&D discussions, SE are having early dialogue with companies to understand how the proposed technology can support industries out with the oil and gas sector. HIE

commented that low carbon has been a feature of their appraisal process for a couple of years, and are now looking to build in further conditionality (this is also the case for SE). By April 2020 it is expected that there will be a fully-fledged approach to how projects are appraised.

- STUC commented that they were supportive of the FILP programme however there has since been a lack of engagement with the trade unions over continued engagement with the programme, and that this was a missed opportunity to understand workforce issues. SE acknowledged this and agreed to take forward in future programmes.
 - **Action 5.1 – SE – To engage with STUC and the offshore unions on ensuring that union engagement is part of FILP going forward.**

6. Fair Work

- The Minister highlighted UNITE's 'Executive Summary' of their offshore report on Membership Engagement 'Your Future, In Your Hands' - OCA Member Companies and Bilfinger Salamis. The full report will be made available, along with reports from COTA and UKDCA companies by January 2020. Throughout the summer of 2019 Unite offshore undertook to engage with members working for the OCA Companies and Bilfinger Salamis. Surveys were carried out on Rotas, Job Security, T&Cs, Health & Safety and Mental Health Offshore. This is an important piece of work with a union engaging with its members, and will present a picture of what's good and challenging about working in the sector. It's important to see how this aligns with other evidence around perceptions of the workforce. A key finding from this work is on job security.
 - **Action: 6.1 - UNITE - To circulate Your Future, In Your Hands' report to the group once available.**
- OGUK are working with the University of Strathclyde's Business School on a Work Experience Survey. This is an important piece of work which will go beyond the anecdotal experience and present an industry wide picture, and will present some insight where an action plan could then be developed to address some of these issues.
- STUC also noted that it might also be useful to provide a broader presentation to the group on Fair Work and the Fair Work Convention at the next meeting, offering a broader insight into what the concept of Fair Work is about, how it is defined, and what others are doing to drive change in their sectors. The Minister commented that this was a very positive idea and will be taken forward through SG Secretariat.

7. AOB

- The Minister noted that there have been difficulties in bringing together the offshore wind sector and the environmental NGOs to get more movement on the planning and licensing side of things to allow offshore wind expansion. Out of this discussion has been a need for that industry to invest in the work and research on predator control to try and reduce the impacts on the seabird population.
- There is a proposal emerging on creating a Marine Nature Fund, Scottish Renewables and the Offshore Wind Sector are happy to contribute to that fund. They see the positives in terms of de-risking the planning environment, consideration of the marine environment which could be of use to offshore wind developers in the progression of projects.
- There is also a broad ask to the sector, given their involvement in offshore wind, if contributing to this fund is something that would be of interest to the sector. Access to

the fund would also be of interest to those companies in oil and gas who are looking to diversify into offshore wind.

- OGTC noted that they are carrying out energy basin modelling, and that contributing to the proposed fund would be of interest and would ultimately aid their ability to create useful simulation models and scenarios for the optimum energy opportunities on the UKCS.
 - **Action 7.1 – SG - Circulate further information to the group on the Marine Nature Fund**
 - **Action 7.2 - OGUK to consider if this is an opportunity that would be of interest to them and their member companies.**
 - **Action 7.3 – SG and OGTC to engage with Marine Scotland on the Marine Nature Fund.**
- There was a request from FILP to consider how best this group can be engaged going forward. Are there key topics or projects that they should be involved in. There was a feeling from the group that is being underutilised. OGA noted that the group should be engaged more and would be interest in securing their time on specific pieces of work.
 - **Action 7.3 – SE will take forward engagement, connecting with OGA and OGUK, on how this group could best be engaged with going forward.**
- HIE provided an update on the DeepWind Cluster, its main purpose is to help its members achieve greater benefit from the current and future development of offshore wind in the UK and internationally, specifically focused on deep water. The developers who are the core members of the cluster, includes EDPR/Engie, SSE, Vattenfall, Equinor and KOWL (Kincardine Offshore Wind Limited). This group is already creating a strong narrative, working collaboratively to address offshore wind challenges. Further information on DeepWind can be accessed [here](#).
- **Date of next meeting – Tuesday 10 March 2020, 08:00 – 11:30**