



## Energy UK Media response

Emma Pinchbeck, Energy UK's CEO said:

"The energy sector is playing a central role in this Green Industrial Revolution and will be supporting many of the 250,000 new jobs anticipated by 2030. We will continue generating the low carbon power the country needs, upgrading our infrastructure and installing public EV charging, as well as helping to improve homes and businesses and install smart, green technologies for consumers.

"This is a fantastic chance to create opportunities right across the country and we fully support the Taskforce's recommendations to equip the future workforce with the right skills, whether it be those starting their careers or transferring from other roles."

## Key Insights

- Need clear government policy to underpin investment in net zero, creation of new jobs and the ability for businesses to plan for the skills they need in the future and ensure a just transition.
- This report represents a call to arms for government, industry and the education sector. There should be focus on embedding skills for green jobs at all levels of learning cycle.
- The opportunity for green jobs or skills should not be considered as niche, or restricted to certain sectors of the economy; all jobs can be green.
- However, nuclear, road transport, and CCUS have the largest job opportunities and so the energy industry will be crucial in this.

## Future job creation

- CCC research found meeting UK's sixth carbon budget will lead to 300,000 additional jobs by 2050.
- One in five jobs in the UK will require skills which may experience demand growth or reduction.
- UK could produce 1.6 million EVs per year by 2040 and establish seven gigafactories in national territory, creating 78,000 new jobs. However, the transition to electric vehicles creates a gap in automotive sector workforce: 50,000 workers in automotive manufacturing will need retraining or upskilling by 2025.
- Offshore wind sector expected to grow, sector could employ 70,000 workers by 2026, according to industry estimates. This compares to 26,000 presently, but only if investment in skills is followed up.
- Roll out of heat pumps calls for need for between 7,500-15,000 heat pump installers a year to be trained in the next seven years, resulting in ~60,000 workers by 2028. The Heat Network Industry Council estimates that by 2050 the heat network sector could create between 20,000 and 35,000 direct jobs
- The Construction Industry Training Board estimates that improving the building fabric energy efficiency of buildings will require 12,000 workers to be trained every year for about the next four years, before increasing annual recruitment by up to 30,000 workers between years 2025-2030.
- Oil and gas likely to see demand decrease but 90% of UK oil and gas workforce have medium to high skills transferability. 50% of jobs in UK offshore energy projected to be filled by retrained workers from oil and gas sector.
- Regional impact of transition is not uniform, this requires management to ensure a just transition.
- CCUS and low carbon hydrogen will lead to increased employment opportunities in UK industrial clusters, e.g. Merseyside, Humberside, Scotland and south Wales. Jobs impacted could vary from 19% in London to 23% in the East Midlands.

## Summary of Recommendations

Theme 1: Driving **investment** in net zero to support **good quality** green jobs in the UK

The report recommends the government should publish a detailed net zero strategy before COP26 which sets out how the UK will reach its decarbonisation targets for 2035 and 2050. By working with industry, this should include plans on how funding will be used to promote good green jobs. The government should also work with industry to extend its green recovery programmes to areas with rapid job creation potential as well as establishing a UK-wide body to ensure momentum and coherence on workforce transition.

In addition to recognising the huge potential of the offshore wind sector in terms of jobs creation, Energy UK welcomes further detail on strategy to create jobs in hydrogen, CCUS, heating sectors to meet the commitments laid out in the Ten Point Plan and the Energy White Paper with skills gaps being expected to be partly met by the existing work force but with remaining uncertainty around the full extent of skills required.

Theme 2: Building **pathways** into good green careers

The report recommends a focus on improving recruitment processes, improved quality of data on diversity, stretching and sector-relevant targets and initiatives to achieve them, in order to prioritise the creation of a diverse workforce. Energy UK has always strived to drive forward positive change in the industry, including to make it a more diverse and inclusive sector. From that perspective, the recommendation can only be welcome.

As part of a well-sequenced curriculum, the report states that, government, employers and education providers should promote the effective teaching of climate change and the knowledge and skills required for green jobs, with emphasis on attracting and retaining talented teachers. Industry, the education sector, and government should work together to ensure green careers advice and pathways are a continuous offer for all.

Although the report outlines that green jobs and skills should not be considered as niche, the energy sector is a massive contributor to clean jobs and retraining and upskilling in these areas is required.

Theme 3: A **just transition** for workers in the high carbon economy

Building on the *Skills for Jobs* White Paper, the report recommends industry, government, and skills providers should ensure the adult skills system can support the transition to net zero, including being responsive to local demand and supporting workers in high carbon sectors to take opportunities in the new economy. Industry and government should prioritise supporting high-carbon sectors to transition and increase productivity and competitiveness, thereby protecting jobs and local economies.

Where local economies depend on a source of high-carbon employment, government should work with local government, employers and workers to diversify local economies. This should be done by identifying pathways to maintain existing jobs. If this is not possible, the UK should provide funding equivalent to the EU's Just Transition Fund.

We are glad to see that the report recommends employers, industry bodies, government and unions should work together to tackle barriers to retraining and upskilling so that no worker is left behind by the transition to net zero. A just transition remains a key ask from Energy UK.

We are very interested to hear from our members about their perspective on this report. If any member has any thought that they would like to discuss, please do get in touch with Ellen Jennings ([ellen.jenning@energy-uk.org.uk](mailto:ellen.jenning@energy-uk.org.uk)).