

Minutes: Oil and Gas and Energy Transition Strategic Leadership Group on Thursday 8 October 2020

Attendees

Members

- Paul Wheelhouse, Minister for Energy, Connectivity and the Islands
- John Pearson – Petrofac
- Andrew Gardener – INEOS
- Melfort Campbell – Imes Group
- Trevor Garlick – ONE
- Paul de Leeuw – RGU
- Gordon McGuinness – SDS
- John McDonald – OPITO
- Andrew Ritchie (in place of Steve Phimister) – Shell
- Ian Donald – ENPRO-Subsea
- Peter Black – Energysys
- Terry Savage – GE Group
- Kathryn McKee (in place of Emeka Emembolu) – BP
- Craig Shanaghey – Wood
- Stuart Payne – OGA
- Richard Knox – EC-OG
- Rozanne Foyer – STUC
- John Boland – Unite
- Jake Molloy – RMT
- Colette Cohen – OGTC
- Emma White (in place of Arne Gurtner) – Equinor
- Audrey MacIver – HIE
- Andy McDonald (in place of Linda Hanna) – SE
- Jenny Stanning (in place of Deirdre Michie) – OGUK
- Mike Smith – NECCUS

Facilitator

- Andrew McCallum – Aspect

Secretariat

- Linsey Wilson – Scottish Government

Guests/Observers

- Sian Lloyd Rees – Aker Solutions
- Gordon Stirling – OCA
- David Rennie – SDI
- Gwen Folland – Petrofac
- Kirstin Gove – Step Change In Safety
- Liz Rattray – University of Aberdeen
- Mark Abby – CHC Helicopters
- Helena Carlton – BEIS
- Sonja MacMillan – SE
- Gavin MacKay – HIE
- Kevin Taylor – SE

- Kim Hendry – Aspect

Apologies

- Sir Ian Wood – ONE
- Damien Yates – SDS
- Andy Samuel – OGA
- Deirdre Michie – OGUK
- Emeka Emembolu – BP
- Arne Gurtner – Equinor
- Steve Phimister – Shell
- Phil Simmons – SubSea 7
- Jim Savage – Aberdeenshire Council
- George Boyne – University of Aberdeen
- Steve Dunlop – SE
- Linda Hanna – SE
- Neil Gordon – Subsea UK

Meeting Minutes

1. Ministerial opening remarks

- The Minister welcomed everyone to the seventh meeting of this SLG in 2020.
- Advised that the Scottish Government's 2020/2021 Programme for Government outlined plans for a five year £100m Green Jobs Fund to support new and increased opportunities for green job creation across Scotland.
- Explained that the Fund, all of which is capital, consists of:
 - £50m through Scottish Enterprise agencies to help businesses which provide sustainable and/or low carbon products and services to develop, grow and create jobs.
 - A further £50m to support businesses and supply chains to take advantage of public and private investment in low carbon infrastructure, and the transition to a low carbon economy in Scotland, boosting green employment.
- Noted that we will make focused investments in, for example, sectors such as manufacturing, engineering and construction and this adds to the previously discussed £62m energy transition fund that has largely arisen from this group.
- Advised that within the last few weeks he has engaged with the energy sector by co-Chairing a number of key SLG meetings, including two meetings of the Scottish Offshore Wind Energy Council (SOWEC).
- The Minister has asked the SOWEC to assess the impact that COVID-19 has had on the offshore wind sector in Scotland. He reported that there have been no project cancellations to date. However, there have been some project delays.
- SOWEC now has two tasks:
 - Support the offshore wind sector in Scotland as it continues to recover; and
 - Provide leadership to the sector as opportunities from the buildout of projects and, indeed, the energy transition appear on the horizon.
- Last month's meeting of the Renewable Energy SLG (RESLG) provided an opportunity to reflect on how the renewable energy sector has been progressing through the green economic recovery over the past few months.
- Concerns were raised on the skilled workers and apprentices leaving the sector – an issue he said was being tackled through the Green Jobs Fund to ensure there are 'green skills' requirements within the Energy Efficient Scotland Programme.
- Decarbonisation of heat in buildings was a prominent topic of discussion with concerns raised on the viability of large-scale renewable heat projects after the closure of the UK Government's Renewable Heat Incentive. Although the follow-up of this scheme is largely dependent on the UK Government, we discussed the

£1.6 billion allocated by the Scottish Government to heat and energy efficiency programmes over the next parliament.

- The hydrogen sector was once again a key point of interest at the RESLG, a discussion topic at the last SLG meeting. Although producing hydrogen from renewable sources is a priority for the RESLG, there is an appreciation that blue hydrogen can play an important role in introducing hydrogen into Scotland's energy mix. Leaders within the renewables sector are therefore very keen to maximise opportunity for collaboration with the oil and gas industry on hydrogen matters.
- As part of the wider review of the Scottish Energy Advisory Board (SEAB), a refreshed structure will be put in place to ensure alignment between the industry Co-Chairs of all Scottish Government Energy SLGs. There will be a focus on identifying cross cutting key actions, including the broader energy supply chain.
- All SLGs will now include an update from these meetings and include a dashboard identifying key milestones and expected outcomes on progress. This will deliver enhanced collaboration across all of the energy Groups reporting to SEAB, ensuring a coordinated approach in the Scottish Government's broader engagement with the energy sector.
- Last month the UK Government's announced the content of its winter economy plans. While some of the announcements made to support businesses and the workforce have been welcomed we are only a few weeks before the ending of the furlough scheme these announcements have not given businesses the certainty which we were hoping for. He understood that Oil and Gas UK are consulting with their wider members and he is looking forward to hearing their view in due course.
- As this is this Group's seventh meeting in its reformed approach and building on the views gathered in August and he believes that this is the right time for this Group to take stock, reconfirm its approach and priorities, and direction of travel which will be the focus of the second part of this morning's meeting.

2. Clearance of minutes from previous meeting

- Attendees were invited to note the minutes from the previous meeting and make comments. No comments were made and as such the minutes from the previous meeting were approved.

3. SLG Dashboard

- Attendees were invited to note the updates to the Action Dashboard. It was confirmed that all actions are either completed or on track for completion. Members were asked to direct any offline comments to Linsey Wilson or Robert Dunn.

4. Update from SDS

Gordon McGuinness, SDS

- Attention was drawn to the two slides in the pre-read pack.
- Noted the Group's comments around the end of the furlough scheme and SDS's anticipated increase in the number of HR1's given the timing and legislative requirements, redundancy notifications and consultations. Advising that so far that has not materialised, and the majority of the regional activity for the PACE team is in the hospitality sector which is indicating the biggest loss in numbers.
- In terms of future support, there has been a community of practice that has continued to run and develop since the last downturn across PACE partners, local authorities, universities, colleges and other providers. Current restrictions have ensured content is delivered via Webinars with 500 people registering and 120 participants taking part. Feedback has shown this was well received. These will be run again, across the North of Scotland including the Islands.
- The first phase of the National Transition Training Fund will go live today, providing £11m of support in the current financial year. There is great demand and the team have been working with customers and through other channels of funding. The model will have some regional brokers appointed so once the formal notifications have gone out, SDS will ensure there is a circular distributed outlining how the programme will work.
- There is an expectation of a further announcement on Adopt an Apprentice scheme. The oil and gas industry have always shown strong support for the recruitment of apprentices and hopeful that the industry's level of contribution will be retained despite the challenging backdrop. Confirming that the scheme will be re-advertised via a programme with industry and through social media channels.
- SDS continues to work with the Government on the Employer Recruitment incentive for new apprentices and happy to say the number of engineering apprentices in the North East remain relatively healthy compared to other sectors within the Scottish community.
- Statistics show a time lag and COVID has created operator recruitment restrictions, so hopeful that any additional incentives into the system will boost recruitment.
- SDS is working with partners to look at pathway apprenticeship model which would put more emphasis around young people undertaking a programme of study and workplace learning to cover any additional downturn from traditional recruitment model.
- The Minister raised a question on the figures held by SDS on the furlough scheme to understand if this sector was particularly reliant on the scheme compared with other sectors. Gordon noted that the supply chain figures are much higher than in other areas and is the one giving the most concern, The

figures have been developed from business outlook and consultation with trade bodies and key employers. It's a projection but definitely higher than other sectors.

5. Update on Progress from OGA Supply Chain and Exports Taskforce

John Pearson, Taskforce Chair

- Attention was drawn to the two slides in the pre-read pack.
- The OGA have taken a clear view on where they should be focusing their efforts. It was agreed this should be on making sure the short-term survival was foremost. This was then split into four separate working areas. All of these areas are work in progress, with the tasks shared amongst the OGA and other groups.
 - **Stimulating Activity:** Ongoing work with OGA and OGUK to look at valid activity requiring a nudge to get started – i.e. brownfield projects that are viable, however operators don't have the funds instantly to do it, or well plug and abandonment where we can stimulate that.
 - **Visibility of Work:** Incredibly important that the supply chain realise there is work coming and that understanding what 2021 will look like will allow them to interpret their business planning to ensure readiness.
 - **Frictionless Tendering:** Focus required on awarding work promptly without vast protracted tendering exercises.
 - **30-day Payment:** Trying to ensure that all invoices within the supply chain, starting with operator, are paid within 30 days and that where there are disputes only the disputed amount is withheld. We need to keep cash moving to the smaller companies in the supply chain.
- Petrofac advised that any movement on the above topics will make a difference to the survivability and health of the supply chain, and this is hoped for before the end of 2020.
- The Minister thanked the Taskforce for the level of support.

6. Ministerial remarks and introduction to discussion

- The Minister thanked everyone for their updates.
- The next discussion would remain focused on identifying the future direction, outcomes and actions that this Group should take, which would allow the Group to focus on the following priorities:
 - reflecting on the past 6 months of the group,
 - take stock of the current economic landscape,
 - confirming whether the current focus and actions are still fit for purpose and

- looking ahead to the programme of future meetings, including identifying future outcomes for the Group in the next 6 – 12 months.
- This Group had a unique role in the energy landscape – this is in part due to its unique membership which is not replicated elsewhere – with the bringing together of the industry regulator, representatives of the workforce through the Trade Unions, trade bodies but also across wider industry from operators through to SME – recognising the breadth of the sector and its wider supply chain.
- One of the clear values of this Group is its broad range of membership and the ability to showcase specific Group actions that are underway to support the sector. And critically identifying and closing off any gaps.
- The Group has been meeting monthly since April, and had achieved a number of achievements including:
 - The creation of sector specific guidance, and the £62 million Energy Transition Fund focused on supporting key energy projects located in the North East.
 - Recognising the integral role of SMEs within the supply chain.
 - Ensuring that the critical work of the Energy Skills Alliance is informing the outcomes of the key industry recovery workstreams led by the OGA and OGUK. The wider work of ESA remains critical, and must continue to move at pace, in terms of ensuring that the broader energy sector is ready to support the transition to Net Zero.
 - Ensure that steps are taken now to continue to protect the highly valued and skilled workforce that this sector currently has.
 - Showcasing funding support that is available, the action taken by the enterprise agencies to identify opportunities to support innovation opportunities for the supply chain to transition to new and low carbon opportunities; including international support available through SDI.
- Commented on the Scottish Government's activity across the broader energy sector this past year, including though not limited to:
 - the recently launched CES and Scotwind licensing round, which is still to conclude but the Offshore Wind Policy statement is close to publication.
 - Scotland's Programme for Government, published in September, set out a broad range of commitments across the breadth of the energy sector. Some of which are highlighted and demonstrate the Scottish Government's range of strategic engagement and commitment across the whole energy system.
 - In 2021 the Scottish Government will update the Scottish Energy Strategy, first published in December 2017, to reflect current thinking around developing technologies such as hydrogen, CCUS and the current state of play in energy markets and also to reflect the Scottish Government's Climate Change Plan update pathways which will by then been in the public domain when published in December.
 - The Energy Efficient Scotland route map and the draft Heat Policy statement are likely to be presented simultaneously to give a more comprehensive and coherent picture on heat in buildings which is not only important for this sector but also forming our engagement with OFGEM as

the regulator or the gas/electricity markets around investment plans for transmission and distribution infrastructure.

- In reflection of where the oil and gas sector is now, the Minister asked the Group to consider if the current aims were still correct and fit for purpose. Noting that since April, there has been significant activity across all aspects of the sector in responding to both the immediate response to COVID, but also looking at the critical immediate longer-term impacts the Group had agreed earlier this year the following aims:
 - Recognise and address the immediate challenges of COVID-19;
 - Look ahead and support the restart and recovery;
 - Understand the new normal and co-create a sustainable industry for the future;
- Noting that the group will encourage and monitor cross-sector collaboration to achieve these aims. The Minister highlighted that there had been lots of good work done with the offshore wind sector and work undertaken by OREC working with OGTC, this showed strong collaboration was taking place.

The Minister invited members of the SLG to give feedback on these points he had just outlined.

There were a number of points raised in the discussion, including:

- A continued focus on the visibility of work to understand what does 2021/22 look like for the sector and how is this accelerated?
- Recognition of the work undertaken by OGA to stimulate activity is an absolute priority - a £100m loan proposal has gone to the UK Government and this is currently being considered. In parallel 100+ open water wells have been identified that should be plugged and abandoned. OGA have contacted every operator who owns one of those wells and are working with them to develop plans which should help stimulate activity. Ultimately these two pieces of work will overlap as they develop.
- Recognition that the supply chain are looking out for marine engineering opportunities and this is very energy focused. Therefore there should be a cross sectoral element as an objective that the Group drives.
- To capture and understand what's happening outside the sector but also to continue to showcase the positive work within the sector – with networking/signposting continuing to be important
- Acknowledgement that the supply chain needs a minimum base standard that can be applied, acknowledged and supported by the energy industry.
- The Minister noted that understanding the landscape as we go into 2021/22 and recognise the scale of the challenge in terms of job losses is crucial, therefore the Group the current aims still remain fit for purpose.

- Welcomed the point on minimum standards and asked the Group to consider how do we attract people into the industry – practices of low pay and high volume of redundancy that the sector is facing is not conducive to making this attractive to recruiting individuals.

Wider Group Discussion Points

- OGA remain focused on providing practical diversification support to the sector, citing the example of working with the NDA who have nuclear decommissioning work which will be advertised through the OGA's pathfinder – this automatically goes out to 1000 registered supply chain companies – and is a way of pushing work out and might generate work and keep people employed. Advocating also that companies look at the Energy Services Agreement very seriously – this could be the route to getting a standard agreement that would help move things forward.
- Wood provided further support for the Energy Service Agreement noting that the question is how effective are we at mandating and benefiting from these, to move with agility and influence meaningful change and progress. There is wide support for the Energy Services Agreement, but there is no mandate in getting the agreement. This Group can collectively, directly influence. We need to solve these things to allow us to move forward with the momentum.
- STUC welcomed the comments from the Group on the Energy Services Agreement noting that it is very encouraging that people see the benefits that could come from proper collective bargaining arrangements across the sector, particularly at this time when difficult decisions need to be made. There is a need to buy in from across the industry and the key decision makers and clients to support the supply chain. The sector needs to make sure that they are committing to creating sustainable jobs, with good decent pay and conditions. The key lessons are that we are better when we work together, talk together and have proper bargaining machinery – it is also important to have a set of minimum standards.
- OGUK also confirmed that they are supportive of the Energy Services Agreement.
- Petrofac noted that the key fact is that to preserve jobs, we have to drive as much demand as we can to create real work for people. Then we need to contract for it in the fastest possible way, at a rate that's sensible to companies and individuals and make sure the funds travel quickly to the people who need it at the end of the day. Medium and longer term looks good, but we need to get through 2020/21 to make sure the capability is preserved for that longer term. We need to stimulate activity and transact quickly.
- ONE confirmed support for the original three aims and the wider point on broader energy supply chain focus. Asking to the Group has there been enough done to support the sector's testing requirements is there any more action to be done on that? Also, there are a variety of approaches carried out by companies, and questioned if there was any standardisation or best practice coming?

- The Minister asked if OGUK if there was anything on standardisation that being adopted through the PSG?
- Noting that on the asymptomatic point, the First Minister (FM) signalled yesterday, and underpinned by the evidence paper and additional measures announced yesterday, there is the potential that by the end of October we will be back where we were in March, in terms of scale of transmission and infection. The FM is looking at widening out the number of groups that asymptomatic testing is available for. There was a discussion in August between OGUK and the Scottish Chief Medical Officer (CMO) so the issues for the sector have been flagged up with the CMO and Public Health Scotland.
- OGUK noted that there is no standardisation around testing at the moment, it is something that can be put to the Pandemic Steering Group (PSG). Sector specific guidance referenced earlier on is back with the PSG to ensure it is fully up to date and reflects any changes that were announced by the FM. The sector still believe that asymptomatic testing will be important for recovery and continue to press for that, mindful of the fact we need to prioritise NHS and front-line care staff.
- The Minister noted that there will be an update to the group on any progress around asymptomatic testing, or any update from PSG around the standardisation point identified.
- Noted that we retain these aims, but ensure we don't lose sight of the immediacy of the challenges of COVID-19 and the potential for a significant gap in workload for the sector before the medium-term positive news story kicks in, and welcomed the Group's confirmation for the development of a 4th aim on wider energy cross collaboration.

Action:

OGUK- Standardisation around offshore testing to be considered through the PSG, and if any good practice / wider learning can be shared.

SLG Secretariat to finalise development of 4th aim - *continue to promote cross sector working and collaboration, including continuing to monitor and encourage ongoing oil and gas activity including energy transition*

- The Minister provided an overview on the Priority Actions, that had been presented to the Group, recognising that these were ties into the earlier discussion, and welcomed comment from the Group on if these were fit for purpose. Noting that whilst there are other groups directly taking forward actions to support the sector will take into account any concerns on duplication.
- GEG noted that whilst focus on some of these areas are welcome need to be clear that there is value add and that there is no duplication given work by both by other organisations. Feel there is a real importance to up the ante and concerned it may be duplication. Noting that consideration should be given to

tasking the existing bodies - OGA, OGUK, Subsea UK – if there are clear actions on additional work that should be taken that can also be measured.

- SE updated the group on the work they are undertaking to pull together short-term opportunities to bridge the gap to the longer-term opportunities in the energy sector. Looking at this as a comprehensive set of opportunities for supply chains across the engineering space. There is a need to understand if there are skillsets that could be turned to other opportunities – short term or long term to support diversification of business. Critically avoid duplicating the work going on. We need to look to see if there are any gaps that can be filled. There are opportunities emerging in both short and long term, we need understand is there more we need to do just now to bring forward discussion on impact digital technology will have across the sector in the future.
- OGTC reinforced the points around cross sector working and opportunities – however the critical gap in the 20's is really big and is being aggravated by the COVID situation – where the sector is losing jobs and not replacing them yet in the new emerging sectors. The sector requires greater clarity from Government around CCUS and the Hydrogen economy – that will allow investment from supply chain as an opportunity. We now need to invest in the use of hydrogen. There will be a major gap in the jobs between mid 20s and mid 30s – clarity is needed on how we will operate from an energy perspective in the next 10 years.

The Minister advised that between now and Christmas the Scottish Government will be publishing the hydrogen session project. That will put some ballpark numbers around the scale of blue/green hydrogen use. This will feed into a hydrogen action plan for Scotland and hydrogen policy statement. Role recognised that certainty needs to come from Government.

- OGTC welcomed these policies but noted that the ultimate aim is to see the manufacturing / installation work coming to Scotland / the wider UK - within the new emerging hydrogen plan would actively encourage there is a requirement to engineer, design, manufacture and install within our own country.
- The Minister endorsed this view commenting that Scottish Government had been lobbying for this as part of the former CFD process. The Scottish Government has put in place supply chain development agreements through Crown Estate Scotland, but we can't be prescriptive on content for legal reasons, but it will allow a partnership approach.
- STUC noted a multi-faceted approach to this; we need to move quickly and learn the lessons from the wind experience – we can't afford to miss the opportunity of hydrogen jobs. Comments very welcome about thoughts going forward on contracting as we need to knock down barriers to allow us to grow, get investment and create jobs. Absolutely crucial part of the economic growth plan and we must get this right.
- The Minister agreed with the STUC noting the Green Jobs fund was launched to assist businesses who are trying to transition into the sector. We should try and maximise the ability of the sector to assist the energy transition to use its real

strength and translate that into companies that can win work in the offshore wind and hydrogen sectors.

- The Minister advised that it would be the intention to have a session with the SLG and stakeholders to look at the energy strategy refresh with consideration towards holding a one-off meeting to look at this.
- OGUK commented on the forward plan – that this group would be a fantastic forum to champion the role for oil and gas now and the part we would play in the transition going forward. It is such a specific Scottish initiative there is not a group better placed, it also links to point 4 on the priorities.
- Echoing also the points made on duplication and making best use of the groups supporting the supply chain. There are forums set up already and we need to look to improve the links between these groups and ensure we are influencing the agendas for these groups going forward.
- The Minister agreed that we are looking at supporting collaboration across sectoral boundaries - suggesting that there might be a role for the supply chain ambassador working group to foster that collaboration between this sector and other sectors like offshore wind.
- IMES Group commented that we need to be careful not to set up a group that duplicates but that ties in with the excellent work going on. Constantly find disengagement from companies who are agnostic as to which sector they take it into. Looking for a supply chain body that sits above the sectors.
- The SLG must not cut across, interfere excellent work being done on supply chain. There is a need for a hybrid, interplay of cross sectoral. We are not engaging with them.
- BP recognised the various industry initiatives underway which they were keen to support but would just ask that new groups do the test is there already another group working in that space? Do the groups have a clear deliverable and outcome that is enhancing/filling a gap another group is unable to. BP are happy to provide their expertise but even for an organisation of their size it is becoming increasingly difficult to resource various initiatives/groups.
- The Minister explained that from recent meetings there has been considerable interest and discussion on the Priority Actions.
- In May the SLG undertook to carry out a mapping exercise of activity across the energy landscape to capture new, existing projects to identify if there are any barriers or any gaps. Aspect had been commissioned to undertake this mapping exercise and invited Andrew McCallum to present the work they had undertaken.
- Aspect provided an overview of the Value Creation: Project Mapping exercise was provided. The Aspect team have been working on this, taking input from a

number of Government agencies, Government officials and from companies and individual across industry.

- The aim being to capture relevant information in one place, which is easily updated and scaled, all relevant information in terms of support and activities across the broader integrated energy sector. This will be used to provide high level information with lots of signposting of to application forms, competitions etc available to ensure everyone has this information at their disposal.
- The intention is to organise helpful information in a way that we can drill down into different activities for different audiences and present in an easily updated and scalable online format. There are currently 120 initiatives captured already, with further information awaited from Scottish Enterprise and Highlands & Islands Enterprise.
- Aspect asked for the SLG's support, over the next 10 days, to feed in anything else that you think should be captured, then we will lock it down, work on it further and bring it back to the group before the December meeting, so it's live as soon as possible. All comments from the Group are welcome.
- Petrofac noted it was a really good piece of work that feeds into many other things. However we need to think about drawing on the wider set of resources to keep things current as we go forward. Maintenance will be key.
- Aspect noted that until the document is live we will keep it within the Aspect team, working with Linsey Wilson, Scottish Government and her team. When its live will need a name in the frame for each of the different types of activity, to help and take some accountability for maintaining and feeding through the information. That will be done to a central point to avoid multiple people inputting.
- OGA noted that the format looks very good. It will help in placing the work of this group and signposting people which stops the duplication. We need a focus on a library of historic/archive but keep the top 10 as a priority.
- Aspect welcomed the archive idea, and that keeping the system so that there are date parameters attached and to automate the system as much as possible.
- Keen to get input from STUC and the unions as there is a slight risk of capturing initiatives that are industry wide or specific technology or innovation competitions. Want to ensure there is a real workforce focus and it is practically helpful to people employed within the sector. Would welcome feedback and happy to have a separate conversation.
- RMT noted that as well as engaging the workforce we need to look at the NGO's. Engaging with them to try and work with them. RMT recently had a meeting with Friends of the Earth Scotland who are planning a number of events around a just green recovery. We need to communicate this wider and engage the wider society, especially the NGO's to get them in behind this, otherwise we risk that detracting from what we are doing and impacting on investment etc.

- The Minister thanked RMT for this update, recognising that the sector have faced press interest from a Friends of the Earth campaign recently, and that wider engagement with NGOs on energy and wider energy transition activities must remain at the forefront – this should be carried out proactively around Just Transition and supporting the energy transition in the workforce.
- OGUK commented that they have reached out to authors of the report Jake talked about and have offered further engagement to try and ensure they have a broader reach into industry. The survey pool they had was small.
- Aspect noted that the exercise is two-fold – it will show us what is out there for us to promote and make accessible and will also critically show us where the gaps are and where we need to focus our efforts.
- ONE were supportive of this work, with a recognition that it needs to be simple to use or won't be accessible. Will need resources to curate it. People need help to navigate the landscape so think it's very useful. Offer of help from ONE if required.
- Energysyst agreed with earlier comments on the broad scope and interest of the supply chain - a lot of SME's focus is much broader than individual vertical market segments and we need to ensure and understand we are building a country that is addressing the future opportunities not just trying to fill the gaps with the skills we currently have. We need to look beyond where we are and how we build a group of companies who are able to attack opportunities both within the UK but also globally. One of the opportunities is the current skillset we have is very valuable in a lot of global marketplace, finding the opportunities to export is important.
- Project mapping – really important we understand who will use this and how they will consume it. There are a lot of underutilised resources, so how do we enable companies, particularly smaller companies, to start in these market spaces so we need to address this.
- The Minister confirmed that everyone seems to be supportive of the Project Mapping and there was positive comments around the approach being taken, a number of good points made by Peter. He pointed out the need for networking and ensuring people in the oil and gas sector have opportunities to engage with other sectors..
- HIE welcomed the project mapping exercise and will work with the team on that, acknowledging how difficult a landscape that is. Take on board Energysts comments on how businesses can be supported. Point around sharing with other strategic leadership groups is valuable to get input.
- In terms of SME engagement – keen to work out how we can do that more effectively, avoiding duplication from other forums/groups. Key is we need to link those as best we can.

- OCA – noted that the suggested actions were still necessary, but need to be directly linked to the forward plan and into more specific tangible outcomes – one suggestion was linking the forward plan in with the aims and providing additional shape around that.
- The Energy Services Agreement is a really powerful enabler for a lot of what we are talking about. We are talking about strengthening the supply chain, broadening it to be multi sector and bringing investment. The Energy Services Agreement is a powerful enabler for all of those things because if we don't have a level playing field then companies won't see the advantage/return in investing in innovation or technology if they see they can be undercut on other factors. If we don't have the right landscape international investors will see the sector as being a much less attractive place to bring their investment. The enabler is there, the level of support is there we have just to make sure we make it happen.
- The Minister asked the meeting to return to the Forward Plan to see if there were any further comments around value creation and vision how that will be pulled together?
- Shell noted that in light of COP26 next year, the Scottish Government will want to be able to point to tangible activity that we are doing as a country recognising the global spotlight that will be on us. Is there anything you can share on the Governments aspiration for COP26 and what does that mean for a group like this that help enable some of that tangible delivery in a fairly short order which could impact jobs and supply chain?
- The Minister explained that COP26 offered a number of opportunities for Scotland, in terms of pitching Scotland as a location for investment. Showcases Scotland as a country which is embracing technology. There will be a significant amount of attention on the sector, and focus on Scotland's track record on climate change and the contradiction between being an oil and gas producer and significant activity and aspirations of low carbon. There is therefore an urgency about seeing us corral and bring forward commitments made by a number of leading companies in oil and gas sector and to highlight what the supply chain is doing on Energy Transition and Just Transition.
- The Minister advised that there will be a lot of interest from other oil producing nations as to how we are tackling this. There are restrictions from COP President's perspective on the role of the sector in the event itself. However, there will be plenty of parallel events and opportunities to pitch Roadmap 2035, work of OGA, work of Scottish Government through the Energy Transition Fund and all the innovation going on in the supply chain showcasing opportunities for investment in offshore wind in Scotland and OPITO training opportunities for renewable energy transition.
- The Minister said we need to get the narrative right, specific areas from upstream to downstream and retail where we have the opportunity to get some positive commitments from the sector. Also we need to ensure we are flagging and highlighting these as positive moves and to try and remove some of the negativity of Extinction Rebellion types of events. It is something we can come back to, we

could perhaps add to the agenda for December meeting or perhaps the February event as that might be a suitable opportunity to discuss.

- Energys noted that we need to recognise we as an industry have lifted billions globally out of poverty. The positive benefits of oil and gas were huge. We need to take action now in terms of transition and the messaging is critical. We need to find a way to deliver that message that doesn't come from vested interest is really important.
- In terms of the supply chain and project mapping – would place myself in the agnostic camp as it does not seem to be clear on what it's going to do. The key to understanding it's not enough to say we have a supply chain activity, it's to understand what value it's delivering to the individuals. We need to ensure that the opportunities we are providing through these mechanisms are addressing these concerns. The project mapping work has to really define the manner in which it will be consumed and the benefits it will bring.
- The Minister asked the meeting to move onto discussing suggested future meetings. He said that the proposal for the December meeting is that we cover the employability and skills theme, specifically what skills support mechanisms are in place to retain / support talent and skills within the sector, including for diversification? Noting that the next proposed meeting would be February 2021 with proposed themes of North Sea Transition Deal within the Scottish Energy Landscape. This would be the last meeting before the Scottish Parliament election.
- Confirming that a June 2021 meeting will avoid clashing with the elections in May and to allow any Government to be established. Concluding that SLG Secretariat will take on board the need to look at the energy strategy, we have committed to updating the energy strategy in 2021.
- Wood commented that recognition of technical skills are critical but would encourage some discussion/support around diversity and inclusion at the December's meeting.
- ONE noted that consideration should also be given to sharing recent project commitments, including on the Energy Transition Fund – time could be considered to be set aside for an update on how these are doing and if there are any challenges
- The Minister thanked the Group for their engagement and noted the comments in relation to:
 - Future updates on the work of the ETF
 - OGUK December Economic Report
 - Inclusion of Diversity and Inclusion as part of the employability and skills agenda in December.
- The Minister welcomed comments from the SLG on the proposal to move a meeting frequency of every two months – this was accepted.
- IMES Group noted that there should be recognition of the Blue economy plan being driven – this is one of a number of opportunities for the supply chain to

engage out-with or beyond energy. Would there be an opportunity to get others in to discuss what they are doing on blue economy, maritime enterprise etc.

- OGTC noted that technology innovation needs to be included in the North Sea Transition Deal session in February as well as Roadmap 2035, as it is essential we address how we can help ensure we deliver real jobs and a real future in this transition.

7. Ministerial closing remarks

- The Minister thanked everyone for their contributions and asked that any thoughts on outcomes for the next 6 to 12 months please do feed them in. Noting that it was a really good and useful discussion around the mapping exercise which is very positive through to the aims.
- Agreed to take on board the comments around the forward plan and look beyond the headlines and at a level of detail necessary to help prioritise, like what OGA have done with their supply chain export activity plan, an example of focusing on those things that will make the biggest impact in timescale. Confirming that there is a need to avoid duplication of work in terms of supply chain work proposed.
- Requested that any further thoughts should be feed back Linsey and the team. He said we will try and ensure these are taken on board. He would welcome any thoughts on monitoring and evaluation and again requested that these are also shared with Secretariat.
- Concluded with thanks to the SLG for all of the input from the Group over the last 6 or 7 months, he believed it is making a difference and providing the opportunity for discussion.

Instant Chat Messages

[09:20 2020/10/08] Andrew:
Good morning everyone
Looking forward to positive, wide-ranging discussion today.
The meeting will begin promptly at 0930. Please put your mics on mute.

[09:30 2020/10/08] Gordon McGuinness:
Apologies Folks,

[09:37 2020/10/08] Wheelhouse P (Paul):
Apologies Andrew for the surprise to you in asking you to deal with the minutes! PW

[09:37 2020/10/08] Andrew:
No problem.

[09:41 2020/10/08] Andrew:
Coming to John Pearson next for an update on the work of the Supply Chain and Exports Taskforce...

[09:42 2020/10/08] TREVOR GARLICK:
is it worth re advertising the apt and readvertising the Adopt an apprentice scheme?

[09:48 2020/10/08] Liz Rattray:
That would be useful Trevor

[09:51 2020/10/08] Gordon Stirling:
Not a question - but just to acknowledge the clarity of focus of the OGA workgroup. As John rightly said moving those 4 points forward will make a difference to the supply chain

[09:51 2020/10/08] Andrew:
Thanks Gordon

[09:52 2020/10/08] John Pearson:
Thanks Gordon. Our test was to make a material difference "in the real world" in a timeframe that would help challenged supply chain companies.

[09:54 2020/10/08] Paul de Leeuw (eti):
With 2021/22 plans and future activities still being firmed up, is further action required to mitigate the risk of further job exposure/losses?

[09:57 2020/10/08] John Boland:
Jobs and skills are still been lost on a weekly basis, new activity is need to stop this loss.

[09:57 2020/10/08] Trevor Garlick:
John, Is the P and A project progressing?

[09:57 2020/10/08] Stuart Payne (Oil & Gas Authority):
Trevor - the P&A project is still being considered by UK Government
In parallel, the OGA is increasing activity to use existing regulatory powers to stimulate P&A activity, especially for open-water wells

[09:58 2020/10/08] Melfort Campbell:
should we not harden the need for the cross sector working? suggest we consider it is item 4, with more action and delivery oriented working - drive, enable and ensure cross sector collaboration is happening?

[09:59 2020/10/08] Wheelhouse P (Paul):
will bring you in next, Melfort

[10:00 2020/10/08] Jenny Stanning:
Cross sector collaboration would be a good fourth aim in itself and I'd suggest broadening that "monitoring and encouraging" to include all the great work that is going on by various groups inside our own sector too.

[10:01 2020/10/08] John Pearson:
Melfort I agree

[10:02 2020/10/08] jake molloy:
Acknowledging I am repeating myself, we need regulatory/licensing protections for our domestic supply chain, jobs are being lost now in the absence of protection. Also need conditionality in terms of minimum standards, the Offshore Energy Services Agreement being an example (Fair work).

[10:02 2020/10/08] Stuart Payne (Oil & Gas Authority):
With regards to Melfort's point: Agree absolutely, and the GUA obviously is a key part of helping the supply chain see across a wider range of marine/subsea sectors. In addition, as an example (from yesterday) of the "visibility" action of the taskforce, we agreed with the Nuclear Decom Authority that projects they're promoting will now be advertised through the OGA's Pathfinder tool - giving visibility to oil/gas supply chain companies.

[10:04 2020/10/08] SHANAGHEY, Craig:
can I come in on Jake's point please

[10:06 2020/10/08] Rozanne.foyer:
Completely agree with Jake and the Minister - we need to be creating / supporting jobs with decent pay and conditions where workers have a voice. The offshore Energy Services agreement between unions and employers would be a good start.

We need business and political backing for this and conditionality around any state support should be built in.

[10:06 2020/10/08] Jenny Stanning:

Agree with the focus on the Energy Services Agreement from Jake - a great initiative that reflects industry's commitment to working fairly.

[10:06 2020/10/08] Richard Knox:

With both CCUS & Hydrogen being medium term prospects and working on the assumption that the stimulation of O&G activity will be unable to close the gap between work force requirement and availability, should we look at what we can do to accelerate the 'heat & buildings' programme? The goal is to mobilise a temporary work force requirement that can then return or move to the new energy related jobs once the market demand picks up.

[10:07 2020/10/08] Terry Savage:

Forward Plan: Supply Chain Ambassador & Working group. I am concerned that we might be duplicating current bodies current activities. Would like this group to identify and really emphasise what bodies they need to 'steer' to meet this groups' objectives. Task them to deliver & 'join up' cohesively. Put clear objectives and performance criteria in place.

[10:09 2020/10/08] Andrew Ritchie (Shell):

Support comments from Craig and Jenny about importance and opportunity of ESA

[10:10 2020/10/08] Andy McDonald:

Reflecting Richard's comment, we are working to identify and raise awareness of the supply chain opportunities in heat, low carbon transport and wider low carbon engineering opportunities, both in Scotland and internationally with SDI.

[10:10 2020/10/08] Kathryn McKee:

Similarly, supportive from bp perspective - we support the intent and direction of travel of the ESA.

[10:14 2020/10/08] Colette Cohen:

work we are currently doing on different scenarios to deliver a net zero North Sea all indicate at the high level that there will be more jobs overall - but that hides the detail that there is a major gap coming in the 2020's until the 'new energy' jobs emerge in the numbers we need. IN addition, if we do not step into the engineering/manufacturing and installation related to these new energy sources, then the jobs wont be here

[10:15 2020/10/08] Gordon McGuinness:

Richard, to some extent that happens at present through the ebb and flow of the

Labour Market and in the last down turn we support for example large numbers of Electricians move back into on-shore contractors and attain the required certification - but agree the more that could be co-ordinated the better e.g. Infrastructure Commission

[10:15 2020/10/08] Jenny Stanning:
Support Colette's note of caution about the gap in the 2020s and therefore the importance of sustaining industry now in addition to looking to the future.

[10:17 2020/10/08] Paul de Leeuw (eti):
Agree with Colette's point. We did model next few years and gap is very real, depending on how we emerge from the current downturn.

[10:19 2020/10/08] jake molloy:
There is no standardisation around testing and a reluctance to consider it.

[10:21 2020/10/08] Melfort Campbell:
Really good set of points led by Jenny, none of the plans can be moving from one sector to another - we need to develop them all and my point was that there will need to be coordination to enable. dropping the push for oil and gas activity to any degree would be disastrous from all angles, but particularly sustaining industrial capability and capacity as well as employment.

[10:22 2020/10/08] Rozanne.foyer:
STUC supports and has raised the calls for asymptomatic testing in this sector.

[10:23 2020/10/08] SHANAGHEY, Craig:
The proposed supply Chain Ambassador and Working Group – how does this action tie in with existing groups, i.e OGA MER Supply Chain & Exports Task Force; OGUK Supply Chain Forum? Are we at risk of duplicating effort/diluting success by spreading similar actions across similar groups?

[10:24 2020/10/08] Trevor Garlick:
Re testing-less about standardisation.. more about sharing best practice & everyone benefitting.

[10:25 2020/10/08] John Pearson:
On the supply chain working group, my question would be "what are we trying to deliver beyond that which we are already doing?" Less, better focussed groups would get my vote

[10:25 2020/10/08] Stuart Payne (Oil & Gas Authority):
Similar to Craig's point, my encouragement would be for us to look at what this group, or our stakeholders are NOT currently getting from existing groups - and we

then agree to task/request/push for those existing groups to deliver these needs. The risk is that you have the same people just in a different "room"

[10:25 2020/10/08] Jenny Stanning:

I do share the concerns expressed by Terry and Craig re: possible duplication on point 3. Could we instead focus on improving links and supporting the existing groups? We already have some formidable ambassadors from the supply chain on this call.

[10:26 2020/10/08] Gordon Stirling:

The group endorsed the 3 aims and added the fourth. Which is good. I think we need to be able to map the actions and the forward plan to be clear on which aim they are helping to deliver

[10:26 2020/10/08] Rozanne.foyer:

Thanks for raising the matter of supply chain in this. You are right STUC believe this is vital. Huge SSE contract for offshore wind and the work went abroad when we have yards like Bifab in Fife lying empty. CS Wind being asset stripped. We need to directly intervene to support business to create the local supply chains for renewables

[10:27 2020/10/08] jake molloy:

Agree Trevor, we have always advocated adoption of best practice, but we were told this might be seen as implying the actions of others could be seen as "bad practice".

[10:27 2020/10/08] SHANAGHEY, Craig:

Absolutely support Stuart's point.....should we be drawing the 'critical' activities from these key groups and getting them implemented in order to satisfy the immediate needs

[10:27 2020/10/08] Paul de Leeuw (eti):

North Sea Transition Deal probably good catalyst to enhance role of supply chain. Rather than duplication can this be added as specific workgroup/focus area to existing fora?

[10:28 2020/10/08] Rozanne.foyer:

STUC would hope that there can be a union input to any supply chain working group as this is a huge issue for our members.

[10:30 2020/10/08] David Rennie:

from my perspective we need to ensure that we are doing all that we can re

international opportunities - despite the current situation we are seeing some emerging signs in some overseas markets (asia etc) for emerging ops!

[10:31 2020/10/08] Rozanne.foyer:

We need to be focussing on skills, tendering support, knocking down barriers, and direct investment in strategic suppliers to really make a difference here and stop work going abroad.

[10:32 2020/10/08] Andrew Ritchie (Shell):

Very well expressed Colette - agree with your remarks

[10:33 2020/10/08] Jenny Stanning:

In terms of gaps, when we look at upcoming SG policies that were highlighted earlier - is there a role for this group in, for example, shaping the energy strategy refresh? This is a great forum to make sure the strategy reflects the role of oil and gas now, what our people need in terms of jobs and also looking ahead to the role we play in achieving these tough net zero figures. Rather than develop a narrative, what about develop the policy first from which the narrative will come?

[10:34 2020/10/08] Rozanne.foyer:

Couldn't agree more with Collette on the manufacturing supply.

[10:35 2020/10/08] jake molloy:

Spot on Colette, we need a manufacturing base.

[10:36 2020/10/08] Rozanne.foyer:

Welcome comments from the Minister on this.

[10:36 2020/10/08] Melfort Campbell:

i think Colette has just made the point of the need for the "hybrid supply chain" to have a forum and voice. we are good at the sectoral but not achieving what we need on the cross sectoral SC.

[10:37 2020/10/08] Colette Cohen:

also allows us to develop and innovate on our own technology and IP for export as well as use at home. Also, Scotland has a clearer commitment to a Just Transition than most locations and innovating the technology here will also allow us to deliver the next generation of affordable energy

[10:39 2020/10/08] Trevor Garlick:

The ETZone proposed is aimed at bringing the ORE / H2 suppliers here...hopefully an obvious pt.

[10:39 2020/10/08] SHANAGHEY, Craig:

Absolutely support Colette's point on seizing the opportunity to innovate, own and export taking advantage of our unique position

[10:41 2020/10/08] Melfort Campbell:
with my comments on the SC, i believe item 2 here should not be energy sector but UKCS wide, marine, blue etc.....

[10:42 2020/10/08] Kathryn McKee:
Appreciating that it is important any uniquely Scottish aspects are duly covered, we would support streamlining industry groups wherever possible to concentrate combined attention on key outcomes. We are very committed to supporting industry-wide initiatives, but increasingly find it difficult to adequately resource a growing number of industry groups.

[10:43 2020/10/08] Wheelhouse P (Paul):
Going to go to Andrew next to take us through the vision work which addresses a lot of this, then we can come back to the gaps and leadership issues.

[10:44 2020/10/08] sian:
I agree with Melfort. The knowledge and reach is broader than sector and role also needs to have leverage/voice on future policy/approach

[10:48 2020/10/08] Wheelhouse P (Paul):
Sorry missed your comment, Sian - noted by me.

[10:51 2020/10/08] John Pearson:
Andrew, great piece of work Maintenance will be key

[10:53 2020/10/08] Stuart Payne (Oil & Gas Authority):
On maintenance - one thing to consider having a "ranking" whereby we maybe ensure live/up-to-date versions of top 10 projects etc

Looks very good

[10:56 2020/10/08] John Boland:
Andrew, happy to engage further.

[10:56 2020/10/08] Rozanne.foyer:
No need to come in but thanks for this piece of work. STUC will be happy to engage with this and to circulate to all of our relevant affiliates.

[10:56 2020/10/08] Jill Glennie (OPITO):
OPITO happy to support the discussion, Jake on our launch of Renewables Products

[10:56 2020/10/08] Jenny Stanning:

I think Jake makes a really good point re: wider engagement - off the back of the FOES/Platform/Greenpeace report we have written to the authors offering to engage with them in their next phase.

[10:58 2020/10/08] Gordon McGuinness:
Apologies - folks I need to drop from the call. Andrew, happy to pick up on the Mapping model, I think there are issues around interdependencies that can be explored

[10:58 2020/10/08] Melfort Campbell:
Jakes point is really important. we are getting our heads around companies, employment, and Colettes's point on technology in Scotland enabling the SG ambitions. we need to not only get clarity and understanding amongst ourselves, but we need wider stakeholders to understand that the green energy agenda is not attainable in isolation.

[10:58 2020/10/08] Paul de Leeuw (eti):
Can we use the mapping to identify what is missing for the new world ahead of us and what we don't need anymore?

[10:58 2020/10/08] Jill Glennie (OPITO):
Happy to support you on this, too, Jenny

[11:00 2020/10/08] David Rennie:
sorry but like Gordon i need to come off the call - look forward to reading the transcript of the rest of the call and Andrew i have sent info on what SDI do re the mapping project

[11:01 2020/10/08] Peter Black:
Can I add a comment ?

[11:03 2020/10/08] Jill Glennie (OPITO):
Very supportive, thanks, Andrew

[11:04 2020/10/08] Audrey MacIver:
Welcome this, keen to support - encourage sharing and discussion with the other SLGs too.

[11:05 2020/10/08] Audrey MacIver:
Apologies, problems with mic

[11:08 2020/10/08] Gordon Stirling:
can I come in on this?

[11:09 2020/10/08] Peter Black:
We need to understand that supply chain is not a single thing. Or, at least, it is not a

single set of concerns. The concerns of Tier 1 suppliers is not the same as the truly small suppliers, and the concerns for high quality employment are different again. We need to ensure that we address all of these concerns, as the actions might be different.

[11:10 2020/10/08] Andrew Ritchie (Shell):
Minister, I have a question in connection with the forward plan?

[11:11 2020/10/08] Wheelhouse P (Paul):
Will bring you in next Andrew, then offer Peter chance to come back in.

[11:14 2020/10/08] Jenny Stanning:
Fully support Andrew's point about Cop 26 and the need for us to consider what we do next year to reflect this.

[11:17 2020/10/08] Terry Savage:
Just wanted to clarify my previous comments on Ambassador role. I was emphasising the fact that every part of what we can call 'traditional' energy are no looking to expand their definitions of cross-sector opportunities in line with an energy sustainability model. OGA, GUK, SSUK for example have all identified how they shape their respective organisations for the future. Also Melforts point is well made and understand his thinking.

[11:21 2020/10/08] Gordon Stirling:
I agree - as we talk about 'THE' supply chain and about multi sector maybe we need to start talking about service providers who can operate in a number of supply chains. That may be more empowering and open new actions

[11:23 2020/10/08] Jenny Stanning:
I think the forward plan looks good - just a heads up that OGUK intends to publish our Economic Report in December and would be pleased to update the group (either by pre read or update) then.

[11:23 2020/10/08] TREVOR G:
Beyond mapping ..could a future SLG devote some time to update/share/help the progress on the 5 ETF projects?

[11:24 2020/10/08] SHANAGHEY, Craig:
Within the December meeting on 'Employability and skills' would also put forward the importance of diversity and inclusion – the technical skills piece is critical but attracting new people with different perspectives and backgrounds will also be a key part of the future

[11:25 2020/10/08] Jenny Stanning:
Fully support Craig's points about including D&I in the December meeting.

[11:25 2020/10/08] Jill Glennie (OPITO):

Likewise - very supportive, Craig

[11:25 2020/10/08] Rozanne.foyer:
Yes absolutely STUC would support

[11:27 2020/10/08] Melfort Campbell:
would it be worth looking at the non energy opportunities

[11:28 2020/10/08] Colette Cohen:
would like to ensure technology innovation is included in the NSTD session in Fed as well as the roadmap 2035, as its fundamental to our ability to lean into this job gap

[11:29 2020/10/08] Jenny Stanning:
Re: Melfort's point - there's good link to Trevor's point about an update on the ETF projects (e.g. global Underwater Hub) - that would be a good way to look at the blue economy too, which is broader than energy?

[11:31 2020/10/08] Andrew:
Thanks for your helpful feedback on the mapping project, everyone. We'll be in touch.

[11:32 2020/10/08] Colette Cohen:
thanks - good session. Have to go

[11:32 2020/10/08] Peter Black:
Thanks. Excellent meeting.

[11:32 2020/10/08] Jenny Stanning:
Thanks for a great meeting.

[11:32 2020/10/08] Andrew Ritchie (Shell):
Thank you - good discussion

[11:33 2020/10/08] SHANAGHEY, Craig:
Thank you

[11:33 2020/10/08] Jill Glennie (OPITO):
Thanks - great discussion