Minister for Just Transition, Employment and Fair Work Ministear airson Eadar-ghluasad Ceart, Cosnadh agus **Obair Chothromach**



F/T: 0300 244 4000 E: scottish.ministers@gov.scot

Claire Baker

Economyandfairwork.committee@parliament. scot

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Dear Claire,

Many thanks for your email regarding the Economy and Fair Work Committee's work programme and the interest in the just transition portfolio. I have provided updates below where possible, noting that I will be able to provide a more fulsome update on some of these areas in September.

Just Transition Plans and engagement

Our response to the first Just Transition Commission set out our approach to just transition, including our National Just Transition Planning Framework. We are now implementing that approach. Having accepted all the first Just Transition Commission's recommendations, we are taking forward implementing these over the next Parliament, including within our Just Transition Plans where applicable. As you will be aware, we have set up a renewed Just Transition Commission to advise and scrutinise us on our approach to delivering Just Transition Plans. That Commission has already developed and published its interim report, Making the Future, which sets out initial strategic priorities from the Commission. We continue to engage with the Commission as we develop our Just Transition Plans, and are considering their recommendations in closer detail.

Our intention is to prioritise certain sectoral Just Transition Plans in alignment with work preparing the next Climate Change Plan, which is due for publication in draft form by November 2023. These will be the Agriculture and Land Use, Buildings and Construction, and Transport Just Transition Plans alongside a final ESJTP. Additionally, our Retail Strategy committed to a Retail Just Transition Plan to be developed by its ILG.

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Our approach to developing Plans follows the National Just Transition Planning Framework, which emphasised the need for meaningful engagement with citizens, places, businesses and workers.

Throughout the summer we've been working with a wide range of stakeholders to inform the development of a draft Energy Strategy and Just Transition Plan, which will be published for consultation later in the year. This engagement has taken a variety of approaches, reflecting the need to hear from a wide range of different groups with levels of background knowledge and different capacity to get involved.

We will continue to develop and refine our approach as work progresses on sectoral plans. Workers voices are crucial and we have funded additional STUC capacity to organise engagement with workers as just transition plans are developed.

Skills to support our transition

The Climate Emergency Skills Action Plan, published in December 2020, is central in defining our ambitions to create a future workforce that can support our transition to a net zero economy. The plan is driven forward by an Implementation Steering Group which includes representatives from local government, public bodies, skills providers, industry, and independent experts. Skills Development Scotland and the Scottish Funding Council ensure that our annual investment in skills through work-based learning, further and higher education and upskilling and reskilling is fully aligned behind our economic ambitions for a net-zero transition through their joint Skills Alignment team.

The National Strategy for Economic Transformation makes clear that a skilled population is fundamental to business productivity and economic prosperity. An agile and adaptive skills system will ensure we are able to meet our net zero ambitions.

We are integrating our focus on skills into our sector specific work, including our focus on supporting a just transition for the oil and gas sector. Over the coming months, we will engage widely in the development of our refreshed Energy Strategy and Just Transition Plan - the importance of a transition for our highly skilled oil and gas workforce will be critical to our wider approach to transition planning.

The Scottish Government is continuing to work closely with the oil and gas skills and training body, OPITO, which has delivered an Integrated People and Skills strategy – a key commitment within the North Sea Transition Deal. The Integrated People and Skills Strategy will play a fundamental role, alongside the Scottish Government's Climate Emergency Skills Action Plan, in supporting the transition, and the Action Plan on Aligning Offshore Energy Standards will be critical for ensuring skills transferability across the offshore energy workforce. The wider strategy will develop clear pathways across each sector of the offshore energy industry to improve the visibility of opportunities.

There are five industry action plans sitting below the Strategy with the first published focused on Aligning Offshore Energy Standards. OPITO will publish four others in the coming months on skills demand, skills development, diversity and inclusion and skills and data intelligence.

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This Strategy and accompanying Action Plans will look to build on the important transferable skills and knowledge of our oil and gas workforce, as we look to the opportunities and challenges of energy transition, that will support a diverse skilled workforce to capitalise on the employment opportunities of net zero energy and shape our future energy system.

Just Transition Fund

The Just Transition Fund launched a call for year one projects on 31 May 2022 and set out guidance and criteria alongside this call, which is set out <u>here</u>. The Fund closed for expressions of interest on 15 July 2022 and had an excellent response. The Scottish Government is not able at this time to share details of "key projects" as officials are currently undertaking an assessment of Expressions of Interest against the published criteria. The Scottish Government is looking to finalise the awards in the coming weeks and I shall write to the Committee again once awards have been finalised.

Yours sincerely,

Richard Lordbeard

RICHARD LOCHHEAD

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Taigh Naomh Anndrais, Rathad Regent, Dùn Èideann EH1 3DG St Andrew's House, Regent Road, Edinburgh EH1 3DG www.gov.scot





