



OFFICIAL REPORT
AITHISG OIFIGEIL

Economy and Fair Work Committee

Wednesday 1 March 2023

Session 6



The Scottish Parliament
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.parliament.scot or by contacting Public Information on 0131 348 5000

Wednesday 1 March 2023

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
JUST TRANSITION (GRANGEMOUTH AREA).....	2
SUBORDINATE LEGISLATION.....	46
Diligence against Earnings (Variation) (Scotland) Regulations 2023 (SSI 2023/27)	46

ECONOMY AND FAIR WORK COMMITTEE

6th Meeting 2023, Session 6

CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

DEPUTY CONVENER

*Colin Beattie (Midlothian North and Musselburgh) (SNP)

COMMITTEE MEMBERS

- *Maggie Chapman (North East Scotland) (Green)
- *Jamie Halcro Johnston (Highlands and Islands) (Con)
- *Fiona Hyslop (Linlithgow) (SNP)
- *Gordon MacDonald (Edinburgh Pentlands) (SNP)
- *Graham Simpson (Central Scotland) (Con)
- *Colin Smyth (South Scotland) (Lab)
- *Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- Cliff Bowen (Unite the Union)
- Gordon McGuinness (Skills Development Scotland)
- Ronnie Palin (Skills Development Scotland)
- Dominic Pritchard (GMB Scotland)
- Pat Rafferty (Unite the Union)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament
Economy and Fair Work
Committee

Wednesday 1 March 2023

[The Convener opened the meeting at 09:33]

Decision on Taking Business in
Private

The Convener (Claire Baker): Good morning and welcome to the sixth meeting in 2023 of the Economy and Fair Work Committee. Our first item of business is a decision on whether to take items 4 and 5 in private. Are members content to do so?

Members *indicated agreement.*

Just Transition (Grangemouth
Area)

09:33

The Convener: Our next item of business is the second evidence session of our inquiry into a just transition for the Grangemouth area.

Industry is the second-highest carbon-emitting sector in Scotland, after transport. There is currently a target for Scotland to cut greenhouse gas emissions to net zero by 2045, and Grangemouth has a significant role to play in achieving that. The committee wishes to look at how we can support, incentivise and de-risk that transition, first of all in the Grangemouth area, to benefit companies and individuals. Today's session will focus on the current workforce in Grangemouth and the skills that are needed to facilitate a just transition.

I welcome Cliff Bowen, executive councillor, and Pat Rafferty, regional secretary, from Unite the union; Gordon McGuinness, director of industry and networks, and Ronnie Palin, regional skills planning lead for central Scotland, from Skills Development Scotland; and Dominic Pritchard, national organiser for the GMB union.

As always, it would be helpful if members and witnesses could keep their questions and answers as concise as possible.

Prior to questions, I invite members to recognise my voluntary registration of Unite membership. Does anybody else wish to declare an interest?

Colin Smyth (South Scotland) (Lab): I refer members to my voluntary registration as a member of Unite and the GMB.

Maggie Chapman (North East Scotland) (Green): I will do the same—I am a member of Unite.

The Convener: We move to questions, and I will start with a question for Pat Rafferty or Cliff Bowen from Unite.

The committee is looking at a just transition, and there is some debate around definitions of a just transition. What do you understand a just transition to mean? Particularly in relation to Grangemouth, is it principally about the plan or the wider economy? The Government is about to publish its draft plan for Grangemouth; it is due out in the spring. Do we have a shared understanding of what a just transition will look like?

Pat Rafferty (Unite the Union): It is a good question, and I suppose that my answer is twofold. What do you see as being just, as far as a workforce is concerned? Grangemouth in

particular has a big oil and gas workforce based around the Grangemouth area. Unite has a big membership in the offshore oil and gas sector. Of course, the offshore sector is linked into Grangemouth because we have the Forties fuel pipeline coming into the plant.

When we speak about a just transition, it is about how we ensure the longevity of the workers in those sectors, in the sense of their ability to move from sector to sector. As the renewables sector begins to grow—and, we hope, manufacturing bases are created within that sector—the skills that we have in the oil and gas sector can move seamlessly, if possible, into those new sectors that are created.

Part of that is about terms and conditions. If somebody is earning £50,000 to £60,000 at a refinery or offshore, what sort of job or skill base can they transition into, where they would earn that sort of income and have that quality of life? When we speak about a just transition, it is about trying to instil confidence in the oil and gas sector and workforce that there will be a transition and it will be just.

I do not know how you measure that—it will be difficult. We would measure it by seeing where the 31,000 people who are working directly offshore on an oil platform have gone in a just transition and asking how many of those people have employment elsewhere in the economy in different areas in Scotland.

Focusing on Grangemouth in particular, how do we work with employers to try and reach the net zero targets, at which point we will all be driving electric cars? There will not be the same liquidity in terms of the Grangemouth refinery. Some 250 jobs have already been lost in the refinery, so what other jobs will be lost as we move to more and more electric cars? At this point, we are not flying about in electric planes or driving big trucks that use electric power—I think hydrogen will be the thing for that. Where does that workforce go in a just transition?

For us, in a general sense, it is becoming difficult to instil confidence, particularly in the oil and gas workforce, that there is something that workers can move to quite quickly within that just transition. The just transition is probably moving at a faster pace than the pace at which we are creating jobs. I do not think that we are creating enough jobs to keep pace with the just transition. The war in Ukraine and the situation as regards security of supply have slowed down the process in oil and gas, for obvious reasons. At one point, “oil and gas” was becoming a toxic term.

It is a case of instilling confidence in the workforce in relation to a just transition. For us, a just transition is about having security of

employment as people move from one sector to another sector, and keeping the terms and conditions that people have been used to over the years.

The Convener: I have a question for Dominic Pritchard that is similar to the one that Pat Rafferty addressed. What are the challenges or the barriers? Pat said that there is a lack of confidence that jobs will move over. Is there a framework in place whereby people’s skills can be transferred to other sectors? At the moment, are we clear about what those other sectors are? From the evidence that we heard last week, it seems that there are a lot of energy plans that have not yet been developed or are not yet feasible or commercial. Is it clear where the workforce would move to and what its just transition future looks like?

Dominic Pritchard (GMB Scotland): To be honest, there is no clarity on where those men and women will go. Before I took up my role with GMB, I was one of those guys who worked on the likes of Grangemouth refinery—I was a welder. Most of the workforce for the contractors is made up of short-term, transient workers. I never qualified for redundancy money, as I never had two years of full employment. I will be 63 this year. When I served my time as a welder, I never qualified for redundancy money because I never had two years of constant work.

From speaking to my members, I know that there is no confidence in a just transition. Before I took up my current role in GMB, I was in the offshore sector for three years. The vast majority of the workers in the offshore sector are short-term, transient workers who are stood up and stood down as the work comes in and out. With the just transition, if those workers want to get any further qualifications so that they can move over to another sector, they have to pay for that themselves. Companies will not invest in their workforces because they are made up of short-term, transient workers. There is a total lack of confidence in a just transition throughout the sector among the guys on the shop floor.

Pat Rafferty touched on the likes of electric vehicles. As I was coming down from Montrose, I heard on the BBC that Jaguar Land Rover has no facilities to make electric batteries for its cars. There is talk of sending them out to Spain, yet there are issues with their volatility in transport. This country needs to consider such issues before we know what to do by way of a just transition. We are supposed to be moving away from oil and gas to green energy.

This week, 177 men have been paid off at Methil. On Monday, they were told that there was a 45-day notice period, but if they wanted to volunteer there and then, they could. Where is the just transition?

The Convener: I think that other members will probably come on to the situation at Methil and Burntisland Fabrications Ltd. We had hopes about the situation there. I think that it was Unite's submission that said that, when the new owners came in, it was promised that upwards of 1,000 jobs would be created. However, as you have said, there have been recent redundancies at the yard. If that is a microcosm of where the just transition is headed, that is concerning. I really hope that that is not the case, but that yard was turned around to provide for the offshore wind sector. Over the years, we have lost the industrial heart of that community as a result of what has happened at BiFab.

Dominic Pritchard: I have no doubt that Pat Rafferty is aware of the situation at Methil and Arnish, where Harland & Wolff opposed joint trade union recognition tooth and nail. My senior officer and I went out one day and we were basically insulted by a guy out there. That changed when the foreign labour was not getting paid. Although the agreement says that there are to be regular meetings with the trade unions, up until now, we have never had one. One day in the yard, they had welding consumables for their welders to work with, but the following week, they did not have grinding stones for the platers to clean steel because they were not paying their bills. It got to the point that they had no toilet paper in the place one week.

09:45

The Convener: I was going to bring in Pat. Other members will have further questions on BiFab.

Achieving a just transition involves Government policy, and trade unions have a role, but it is also about business and industry. Do you feel that the businesses and industries that are based in Scotland are committed to the programme and that they have a shared understanding of what it means?

Pat Rafferty: I think that the BiFab yards are a good example of where things can start to collapse when you are looking to get work generated into it. That it is not all doon to Governments—sometimes, employers need to invest and put their hands in their pockets. We saw that with the Canadians who took over the BiFab yards—their lack of investment in the yards and being prepared to put money up front themselves.

The concerns with Methil and the Harland & Wolff yards, in my judgment, is that they are likely to concentrate mair on shipbuilding than on renewables and offshore. That is where their base comes fae, and it fits with their portfolio across

Ireland and the rest of the United Kingdom. You can see them daein mair in there as opposed to trying to bid for the big contracts.

When you look at aw the offshore wind contracts, such as for Seagreen and Neart na Gaoithe—NnG—oot o aw o thaim, we have five jackets, and I think that we are struggling to dae the five jackets in the BiFab yards.

We just do not have the infrastructure in place right now to compete in the global free marketplace, which is where those contracts go. The big developers will get the contracts for difference, they will contract oot to tier 1 contractors and that is where it all collapses. The contracts go to the global free marketplace and we cannae compete. We do not want to compete with the labour costs in any event, but we do not have the infrastructure tae dae it due to the lack of investment in the BiFab yards.

If we look at the wind farms that are on the sea bed, we see that the Seagreen project is the deepest offshore wind farm in the world. The technologies that are being used right now are world leading, but we are no daein it. Some of the turbines are 59m deep. The BiFab yards do not have the cranage to even lift things that size.

It links into Grangemouth. Aw these things are interconnected—you need the manufacturing base and supply chains tae dae that. We have got the green freeports now. Forth Valley is one of them, which we should be capitalising on. There will be concerns that we will just be shifting labour to a green freeport from somewhere else in Scotland, so an area will suffer as a result of that. You hope that the green freeports will generate new work that will come internationally fae across the globe, which will create new jobs.

We have ScotWind, which is a big opportunity, but the difficulty will be where that manufacturing base is gonnae land. If it goes oot to contract for difference, I am very sceptical. CS Wind in Machrihanish went under—it went into liquidation. It was the only manufacturer in the UK of onshore wind towers and the bit that you see on the ground, which is up there with the thingmies. The Koreans came in, took the company and ran it into the ground to such a degree we had interim interdicts placed on the site to stop them asset stripping it.

To go back to the just transition, that does not instil confidence in a workforce. We are not hearing announcements every other week about there being 500 jobs here or there, although there might well be. I can see that there are big opportunities in the Cromarty firth to get involved but it might well be that things will just be assembled there. They are going to be manufactured elsewhere, come into Scotland on a

big diesel-powered ship, get assembled there and then pit out.

The Convener: Other members will come in about green freeports and some of the broader issues, so we will return to that later.

I have a question for SDS. The “Climate Emergency Skills Action Plan 2020-2025” was published in December 2020 and the Government has promised that a refreshed plan will be produced in 2023. What evaluation has been done of the 2020 plan? Has it achieved the desired outcomes? It is quite a short time to be looking at a refresh. December 2020 to 2023 is not much time.

Gordon McGuinness (Skills Development Scotland): When we initially undertook the climate emergency plan, SDS was going to focus on the areas of high-carbon employment, but the Government asked us to align with its work on the climate emergency, so it became a broad document.

Through the work that we have done, we have tried to focus on the key areas. We have had two work packages. This might sound daft, but one has been about defining what a green job is. That report was published in November last year and tries to bring some sense to the matter.

We reckon that about 40 per cent of jobs in Scotland will be impacted by the transition to net zero in some way, because there will be changes to existing job roles as a result of the technology that will come into use. Either completely new roles will emerge as technology is implemented or there will be a requirement for more staff of a particular discipline. In one of the submissions to the committee, Select, which is the trade body for electricians, flagged that there is a demand for more electricians because of technology such as ground-source heat pumps. There is a need for more technicians of that level.

That has been a key piece of work. The other piece that we have been doing is looking at the changes that further and higher education might need to make to some of their provision as we move on.

To make a real impact in that space, from a Government and SDS point of view, we probably need a bit more investment in direct action into some of those areas. We have worked on measures such as the greening of apprenticeships, but we could do more with a bit more resource. However, we appreciate that public funds are under pressure across the board, so we have tried to adapt our programme to meet those needs.

The Government has indicated that it will do the refresh by the end of 2023. We are working with it

and with industry to help with that refresh programme.

The Convener: Last week, we had Forth Ports at the committee and we questioned the witnesses about the jobs figure. Unions have expressed frustration about confidence in the workforce, and some of that is because we hear lots of high numbers and are told, “There will be 10,000 more jobs here,” but people struggle to see them materialise. Does SDS attach targets and jobs figures to the plans? Do they have the confidence of the workforce?

Gordon McGuinness: Scottish Enterprise and the Scottish Government made a submission on behalf of the Grangemouth future industry board. We are working alongside them on that. In my opinion, it is probably too early to be specific about what the opportunities might be and when they might materialise. We can only work alongside them.

Pat Rafferty made a point about the oil and gas sector. I did a lot of work with the sector when prices took a serious dip. Pat Rafferty was right to say that the sector was viewed as toxic and that people were looking to move out of it, which goes back to the idea of a just transition. That has changed because of what has happened in Ukraine and the effect on security of supply, which has probably extended the life expectancy of Grangemouth as a petrochemical plant. I do not think that the transition to new technologies will necessarily move that back. There will be a need for space on the Grangemouth campus to utilise existing technologies and new ones as they come in.

The Convener: Ms Hyslop has a similar line of questioning.

Fiona Hyslop (Linlithgow) (SNP): Just transition is clearly a massive area. We will look at the subject more broadly, but we want to focus on Grangemouth as an illustration.

The committee has heard that we already have a fairly developed understanding of the skills that are required for the next five years of the transition. Do you agree with that? How confident are you that Scotland’s skills system will provide the necessary skills to the right extent and at the right time to meet the anticipated demand? I am asking about the short-term—the next five years.

I ask Gordon McGuinness from SDS to respond to that question first.

Gordon McGuinness: Of all the colleges in Scotland, Forth Valley College, which responded to the consultation, probably works most closely with a range of industrial partners. There has been huge investment in a new campus and the college delivers the majority of our engineering

apprenticeships. The complex is well served by further education and there are also relationships with higher education. I am confident that there is strong provision for the next five years.

There will be a need to work with industry to anticipate and plan for what happens next. How will hydrogen become a product for domestic households? The technology is still evolving. We are not technical experts, so we need to engage with industry and work with Scottish Gas, Scottish Power Energy Networks and others to understand how hydrogen systems will be implemented.

Carbon capture and storage will also be important. I was explaining to Ronnie Palin that, when we produced our first energy skills investment plan in around 2012, we anticipated that around 18,000 people would be employed in carbon capture and storage by now. There has never really been any investment from the UK Government to realise those initial projects. That whole industry is still to develop and mature, and some of the skills that are used now will be deployed on different technologies.

Fiona Hyslop: Based on what you said earlier, would it be fair to say that your focus for the next five years will probably be on electricians, heat pumps and areas like that?

Gordon McGuinness: It will be on engineering and technical skills.

Fiona Hyslop: Let us move on. Forth Ports noted that it is less clear what will be required after 2030. New and emerging technologies, particularly hydrogen, might demand new skills. How confident are you that Scotland's skills system can put structures in place to identify and respond to those potential and emerging demands for skills in a timely manner? Much of the focus is on apprentices and younger people coming in, perhaps through colleges. To go back to the idea of a just transition, what can we put in place for older workers?

Gordon McGuinness: There are organisations where that has worked really well. SSE has published two reports on deep engagement with the workforce about what that transition means for them as individuals and what kind of support people need so that they can move across from carbon-intensive roles to greener ones. That is a good example of communication and of skills enhancement and support.

You are right: the workforce that is there now will probably be there in 10 years' time, so the process of explaining new technologies and taking the fear out of that is important. There will be concerns about issues such as job security and there must be comfort and assurance about that. The indications for job growth are all positive.

You asked about confidence levels. One of the challenges just now is labour supply and the availability of people; it is less about the technical competence of our colleges and universities in being able to support people and work with them. We have a fantastic college estate across Scotland. I would like to see it open a few more evenings a week and even at the weekend, because that is when people have time to engage in learning and face-to-face stuff. That is something that we need to look at, particularly for a site of Grangemouth's size, with the concentration of workers in that area.

10:00

Fiona Hyslop: I ask, first, Unite and then Dominic Pritchard whether they have any reflections on that in both the short term and the longer term. What does that mean for older workers? Part of what we want to do is to come up with suggestions about what it should look like. Is the SSE model perhaps a good way forward for the Grangemouth area?

Cliff Bowen (Unite the Union): Good morning. I cannae tell you how happy I am tae be here. I am the executive councillor for Unite for the sector, but I am also the convener at Ineos in Grangemouth. I live in Grangemouth and I have worked there for 31 years, so I am pretty well set to give you the background on where we are heading.

First, I would like to say that people within our sector, but within Grangemouth particularly, realise and recognise the need to decarbonise. We have been talking about that for a long time in the sector. When I left the school 30 years ago and I fell into the refinery at Grangemouth, I would have ripped your arms off for the life that the industry has gave me and that I have had—a working-class kid fae Grangemouth. My mission statement, if you like, is to try to encourage and engender that for working-class kids in that area for the 20 or 30 years.

We talk about just transition and about skills and stuff. At Grangemouth, we talk about the Grangemouth site being a net exporter of talent for the oil and gas world and for chemicals. With the highly skilled workforce that we have there, with transferable skills, it is pretty easy. Everybody talks about just transition, carbon capture and hydrogen—there is a lot of talk—but what does it mean? We took all our lead conveners and activists from chemicals, pharmaceuticals and refineries across the UK and we went down to Imperial College London, which has a carbon capture and storage facility, because we wanted to explore exactly your point.

We have done a lot of work on mental health. We talk about just transition, but what does that mean for older workers? What does it mean for the workers that the GMB is talking about? I can only talk to the people who work in the installations, but that is more the contract workforce. I am talking about the core workers who work on these sites and in my sector.

We talk about upskilling, the constant need to upskill and all that, but what does that mean to somebody who is a mechanically-minded person? Everybody in this room has got a niche that they are good at, right? Everybody around here will be comfortable in the space that they work in. If you are a mechanically-minded person, you are a maintenance person. You like getting your hands on stuff. You like bolts, nuts and spanners and stuff. If you are an instrument person, you are a bit more analytical. An electrical person has a different skill set again.

We are telling people who are electrically minded, "We need you to change, and by the way, we need to change pretty quickly." I have never seen a sector change at such a rate of knots as it is at the minute. Everything is changing day by day. We are saying, "We need you to change", but what does that do to their mental health? What do we do with the workers who cannot upskill and cannot transition?

We took all the key activists and we went to Imperial College to have a look at carbon capture, which is actually pretty straightforward. Hydrogen is pretty straightforward, and it is a byproduct of a lot of the systems that we have at Grangemouth, so we understand these things.

What happens if we move people from plant to plant? If I, as a technician, was to move from an ethane plant to a benzene plant, for instance, all I need to understand as an engineer, a technician, an electrician or a maintenance person is what pressure it is at, what temperature it is at, what it looks like if there is an escape and what else I need to know. Is it toxic? Is it a carcinogen? Once I understand that, if you give me three to six months, I will be able to run that plant for you.

I am not saying that the transition to hydrogen, carbon capture and project Acorn will be simple for us as a workforce at Grangemouth, because it is complex. On hydrogen, there is £1.2 billion of investment in the Grangemouth site. It is big cash, but these are jobs for the future.

I am the convener at FPS, which is the Forties pipeline system. It is the most critical piece of infrastructure for the UK's oil and gas supply. Sorry if I am preaching there and youse all know that—it is just for those who do not know. We are open to the 2040 and 2045 targets; we understand the need to decarbonise. We get it, but we are on

this—we are doing it already. We have a Grangemouth energy network, and all the key young technicians and engineers in that network echo the stuff that I have heard in this committee.

For a bit, we were seeing people maybe wanting to leave the industry, but now people are staying, because we are the ones who will be decarbonising it. We have set up teams and said, "Can you have a look at this process here and tell us how we can decarbonise it?" We already have 10 or 12 projects going on at the Grangemouth site that are about decarbonising it. We have the long-term targets for 2030 and 2045.

Fiona Hyslop asked about skills and older workers. All we really need is the STEM—science technology, engineering and mathematics—stuff. We need the investment in the colleges. We have great apprenticeships and stuff like that—our apprentice programme is first class. The kids who do those apprenticeships are highly skilled people when they come out. They can go and work anywhere on the planet at any time, but they are staying at Grangemouth because they see the future there.

We talk about the Acorn project, carbon capture and hydrogen. It really is quite a simple transfer for us, but we need investment in infrastructure. Businesses up and down the country are saying to me, "We're willing to invest in hydrogen, but where is the infrastructure?" In Germany, for example, there are something like 90 hydrogen filling stations for cars and there is a phone app that shows where they are. In the UK, there are 10, and only two of them work. Why would business invest all that money in hydrogen?

A lot of real money is going to go into the Grangemouth site—£1.2 billion is a lot of cash—that will create long-term jobs for the future. They will be good, well-paid manufacturing jobs that working-class kids like me will be able to enjoy, and they will put all that money back into the economy. We will be working with clean and decarbonised fuels, but why will businesses do that if there is no plan for infrastructure? We need a bit of that as well.

On the skill set stuff and the just transition piece that we are speaking about, the truth of the matter is that, for both older and newer workers, it will not be that difficult for us. At Grangemouth, we have quite a bright outlook on that stuff. As I said, I really welcome these conversations, because we have been talking about this for a long time within Unite, particularly in my sector.

As a Portonian who lives in the town, I really welcome the transition. It is pretty straightforward. We are on the mental health stuff—we get it, and we understand it—but the transferability of skills will be quite simple for us. We just need the

pipeline of kids coming through fae the Grangemouth area—from the central belt, if you like. When our apprenticeship advert goes in the *Falkirk Herald*, I am everybody's best friend, because everybody wants their kids in there. People will tell you that people are turning away from the industry, but that is not what we see. We get thousands of people applying for these apprenticeships because they understand that there is a long-term future there.

We are looking through that lens. We are all trying to get to a decarbonised site. I grew up in Grangemouth and so did Pat Rafferty. When I was little, the sky in Grangemouth was orange; it used to vibrate with the flares. Last year, we had some of the lowest flaring totals that we had ever seen, and we are putting more money into ground flares, so emissions are being cut all the time. The future is bright for the site.

On skills and the pipeline, we just need to continue with where we are going on the STEM stuff. There is some stuff that we need to do with the schools. I have a 14-year-old, and when he was picking his subjects last year, I spoke to his guidance teacher about green jobs, green energy and green skills. I said, "Where is this stuff? Which science should he be studying? Is it still chemistry and physics or is it biology? Is it general science or environmental science?" When I was at school, it was physics and chemistry—that was all that you needed. You never worried about the rest if you wanted to go and work in my industry.

God bless the teachers and nurses and the working-class people who kept us afloat during Covid, but the girl didnae know what I was talking about. She didnae understand where I was going with the conversation about green skills and green energy. There is a disconnect between the education piece and what industry is telling us.

I will finish on this point, because I appreciate that I have spoken for a bit there, but I have been waiting a long time—

Fiona Hyslop: I can tell. *[Laughter.]*

Cliff Bowen: This is just to illustrate my point. When we went to Imperial College, we were dealing with the cream—the real boffins ae science. All the young kids were very enthused. It was great to see. We had a professor there with more letters after his name than you can care to imagine—Colin Hale. He is a very interesting guy. We had them in the morning and we had the chief executive of the Chemical Industries Association in the afternoon. He told us, "Look, we're worried. We can't get kids to come into this industry. Business is telling us it's struggling to attract talent."

When we took all the key activists and conveners to Imperial College with aw these wee

boffins, they were superb. They were very enthused. They were talking about decarbonisation and saying, "Let's get after this stuff". They are only kids, but they were running plants. They had pumps going and aw that kind of stuff. When we were leaving, they said to us, "Can we give you our CVs? We're struggling to get jobs."

Pat Rafferty and I had a meeting with Ed Miliband in Birmingham to talk about exactly what we are talking about today, and I said to him what I will say to youse now. How can it be that a union convener fae Grangemouth is having to have a conversation to join up Imperial College and the CIA? How can it be that we cannae get people and people cannae get jobs? How can that be? We need something tae join aw that up.

I illustrated that with the example of me talking to my kid's guidance teacher. There is a wee breakdoon here. We dinnae want to be seen as a sunset industry; we want tae be seen as a sunrise industry. We want tae be known as green workers, because we are gonnae decarbonise. People can protest, and that is very laudable. They can glue theirsels tae roads and chuck stuff at paintings. I get aw that and I understand the frustration, but we will be the ones who will do the decarbonising. It will be the Government, the employers and the unions that will help to decarbonise and save the planet.

Fiona Hyslop: Thank you very much, Cliff. That was definitely worth the wait. We certainly want to put that spotlight on what is possible and how it can be done. Thank you again for that contribution. We have learned a lot from it.

Pat Rafferty: On the digital passport stuff, which we are doing a lot of work on, this is, as has been said, about upskilling the older workforce in the oil and gas sector. We are concentrating mainly on what is happening upstream and the offshore platforms just noo, but that is no tae stop that fae coming downstream. In fact, we are speaking to Ineos about being part of that digital passport. We can see that the transferable skills are there, and we know what skills will be required to move from oil and gas to wind or whatever; we just need to upskill people to make that transition. In short, we are looking at going downstream as well as upstream.

Fiona Hyslop: Dominic, you said that the GMB is focusing more on the short term and concerns about people having to pay for their training at a time when we need their labour and skills. What do you suggest is needed here?

Dominic Pritchard: I left school in 1977 and started my time as a welder. At that time, a lot of kids did not get their apprenticeships. I know that people went on to the youth opportunity schemes

and so on, but full generations were lost to training and apprenticeships. A lot of guys I went to school with came into the industry as semi-skilled workers et cetera.

The engineering and construction agreement that we and Unite are joint signatories to includes a continuous improvement scheme in which semi-skilled guys can move up into trades with training that is not as academically onerous as what an apprentice at 17 would get. It is based more on core manual-labour skills.

Only one engineering and construction company in Britain has proper facilities for training people; none of the rest has, so they have to rely on colleges. We are in the worst skills shortage that we have had in more than 40 years. There are guys who are happy and willing to be trained up, but we just do not have the facilities. They are also struggling to get funding for that training, because although they pay their Engineering Construction Industry Training Board levies, that is money that everyone can draw on. Moreover, if you do not use the money in your own industry, it goes to other places. A company such as Motherwell Bridge might want to train people up, but it has nowhere to send them, so Tesco can then take that funding and use it elsewhere. As a result, we lose the funding that people pay into through their levies.

That is happening throughout the engineering and construction industry, whether it be in Grangemouth or elsewhere. We have guys who could quite quickly fill the skills shortage—for example, pipe fitters' mates, who work alongside pipe fitters day in, day out and actually do a lot of their work—but because they do not have the funding to move them on, these guys are not progressing and we are not able to fill the hole in the skilled workforce.

10:15

Fiona Hyslop: That is very helpful. I ask Gordon McGuinness to respond to Dominic Pritchard as to what the solution is for skills development.

I also have another question. We understand that, according to the latest sectoral skills assessment for the energy sector, the workforce is expected to reduce by 2.5 per cent by 2032. What needs to be done to ensure that there are sufficient opportunities in other sectors to offset that reduction? How can we ensure that those new opportunities will be in the form of highly skilled, high-quality jobs?

There are people who are prepared to move and to train, but they cannot get trained, and you know that there will be a shortfall in the future, so

how do you join up the dots with what Dominic Pritchard has been saying?

Gordon McGuinness: Part of what Dominic has described involves short-term contract work. There is certainly a challenge there. Some of the situation might change, as the labour market is getting tighter. We have evidence of companies dramatically shifting the balance of their core workforce to their contractors. Prices are going up and, if they offer job security, there is more reliability and more likelihood that the workers will stick with the company.

What Dominic has described represents a challenge around people with a mid set of skills, and we would be looking to upskill people. We can do mature apprenticeships, although that requires resource. There is a bit of a gap with that mid skill set.

As for colleges, we have been having discussions with the Scottish Funding Council, and we can do more in that space, particularly for people who are in shorter-term contracts and who might not be earning as much. I am happy to follow that up with Dominic and to have conversations with Forth Valley College to see whether we can do something on a regional basis in that area.

Under the national strategy for economic transformation—NSET—the Government is considering a lifetime learning offer, and we are working with colleagues in our sponsor division to explore what that might look like in the future. That offer, or the need for it, is presenting itself in different ways. Pat Rafferty mentioned Cromarty, where there is a need for coded welders. That involves short, sharp training. It is not a long course: I think that it takes a week, and there is then an assessment. It probably costs about £2,000. Currently, there is nothing in the skills system that offers that. We do not have a career development loan system anywhere in the UK that people could tap into to reimburse such costs.

We need to consider a whole range of things constructively. It might be a matter of making a contribution towards costs for individuals who are going to upskill themselves, as opposed to paying for the full amount. Ideally, the employers who will benefit from the enhanced skills would contribute.

Fiona Hyslop: We are hearing about what we do not have. What do we need?

Dominic Pritchard: In the engineering and construction sector, the guys who I was talking about are on pay grade 3, which is 20 per cent less than an advanced craftsman. Realistically, an advanced craftsman in Grangemouth is on £19.11 an hour, plus a second-tier payment bonus, which is quite an attractive wage for a semi-skilled operative. For the financial part of that guy's wage,

while he is doing his learning, he is still getting paid 20 per cent less than an advanced craftsman. It isnae as if he is having to take a drop in wages to get trained.

We've no got a problem with the financial aspect for the operative; where we have the problem is with getting those guys trained. The only company that does it at any scale is Babcock. It has a massive school down at Tipton, where it takes guys in and gives them training. The welders are in there constantly. I have been in there myself many a time. The other guys might get sent down for a block release for pipe fitting, plating, rigging and so on, and they then do a lot of on-site training. As I said, it isnae as if it is the financial side of it. It is more about getting these guys actual trainers with the likes of Balfour Beatty or Motherwell Bridge.

Fiona Hyslop: I am conscious that it has been a long exchange, so I will hand back to the convener.

The Convener: We value the contributions, and Fiona Hyslop and I are to blame, but we have already used 50 minutes of the evidence session, so I ask members to be concise. The discussion has been broad so far, so areas that members intended to cover might have been dealt with.

Maggie Chapman: Good morning, everyone, and thank you for joining us. I will pick up on a couple of points in Unite's submission, which states that the just transition "must be worker led". You have also talked about some of the issues that you face. Will you give us more detail about what worker leadership looks like, what is missing and what we can do to ensure that we get a worker-led just transition?

Cliff Bowen: I have never been so violently in agreement with an employer in all ma life, when it comes to this stuff, and it is—

Maggie Chapman: Are you sure that you want that on the record? [*Laughter.*]

Cliff Bowen: It is true. As I said at the start of my previous reply, everybody recognises the need to decarbonise—we get it.

Ineos at Grangemouth—if you are talking about Grangemouth—wants to stay in business. People who live in the locality want those good well-paid jobs. People can talk about green jobs, but, to me, a green job isnae deliverin pizza on an electric bike—there is a tenuous link there. When I think about a green job, I think about a 25 to 30-year career that is gonnae lift working-class kids—I am no quite sayin that they are in poverty, but I live in Grangemouth and there are areas that are impoverished.

This isnae a tale of woe is me, but I wis a working-class kid that didnae come from much,

and I would have ripped yer arms off fur the house that I stay in, the car that I drive and the future that I have been able to give ma kids. The job of work for us is about being able to keep that going.

On your point about how it works, this is about worker voice. It cannae be seen as being just about industry trying to make cash, because it is about worker voice. We have had discussions on it with the company at every single level, and I talk about this stuff aw the time. I am everybody's best pal the noo—this is like apprenticeship week at Ineos. We have discussions at European works council level. The way that Ineos is set up means that it is the owner, and it has a guy who works for it—a director called Tom Crotty—and we have discussions about this aw the time, and Pat Rafferty and I have met him. We have met the Labour Party and we are here to speak to everybody here today.

All that is done with a joint aim. The country is still gonnae need the goods that we create at Grangemouth. It is still gonnae need energy. That is one thing that we have learned as a result of Putin—just look at the way that people's bills have been affected by these global issues that affect us all. We talk about security of supply, energy and aw that stuff. In a decarbonised world that we can create through these changes at Grangemouth and our processes and systems—whether it be through electrification, carbon capture or hydrogen plants—we need to be at the centre, and we really are. Employers are listening to us, and we are talking at all levels. We are out talking to younger workers and convincing them that there is a future for them. We talk about apprenticeships, which are first class.

We need to continue to get into schools and talk to the young kids who are coming through and say, "Look, there is a future for you here". I have friends who are contractors—my brother-in-law was a contractor for years—and people want these jobs, but they need to know that they are there. Pipe fitter's mates are well paid, but if the kids dinnae know that the jobs are there, they dinnae know where to look or where to go with their skill set.

To come back to your point about our involvement in the just transition, it is key that workers are listened to. As an example of how this can move into different areas of the economy and different sectors, I think that we have got the Grangemouth model pretty spot-on. I have been involved in this game for 31 years; as I said to you right at the start, I was with BP for 25 years, and I didnae ever feel as engaged in a process as I do at the minute—I am at the heart of all this stuff. I can go to the company and ask for information. For example, I said that I was coming here the day, and they asked, "What do you need?".

We have a joined-up approach that asks, “How are we gonnae keep this site open for the next 20 or 30 years for the good of everybody?”. Although it sounds a bit ironic, we are asking how to do that for the good of the planet, too.

The easiest thing for us to do would be to shut down all those sites in the UK and then import from China, India and elsewhere. Everyone in this room recognises that that is not the way to go. Those countries are not as regulated as we are. As I said, we are well up for decarbonisation and we have the processes in place. If you want to know more about the projects that are running, you can visit the site. Anyone who wants to come can come. We have Ed Miliband and a Labour delegation coming on 24 March. We will talk to anyone about this, because it is not a party-political issue; it is about the future of the planet and the future of Grangemouth.

Pat Rafferty: Cliff Bowen has given an example of good engagement with an employer that wants to reach out and listen to the workforce about how best to make the transition.

There are difficulties with other employers. They are not all like that, although I wish that they were. Offshore is particularly difficult, because of the logistics. There is a huge workforce in offshore oil and gas and its supply chain. There are more than 200,000 people in the supply chains that are linked to oil and gas. The challenge is to take models such as the Grangemouth one and use them across different sectors.

Maggie Chapman: What can we do to help with that? You are right that it is a challenge. If the Grangemouth model is working, how can we transfer it? What are the barriers that prevent that happening?

Pat Rafferty: The fair work agenda is fundamental. The Government can apply political pressure on employers to ensure that they engage with the workforce and the recognised trade unions that represent those workers. Any political pressure that can be applied through the fair work agenda would be helpful.

Maggie Chapman: Dominic Pritchard, you talked about companies’ failure to recognise trade unions. Other than applying political pressure, what role do you see for us in supporting a worker-led just transition?

Dominic Pritchard: It is not only companies that are getting in the way of unions in Scotland at the moment. Green energy began with biomass plants, including the one at Millerhill, which is just along the road. Councils in Aberdeen, Dundee, Edinburgh and Glasgow put obstacles in the way of having recognised trade union agreements for engineering and construction. Every one of them did that, and we have seen what a train crash

every one of those waste-to-energy plants has been.

One of my first tasks for the GMB was to link up with colleagues from Unite in Aberdeen, Dundee and Edinburgh to try to get those projects done in line with national agreements. Politicians of all colours kept telling us that it would be fine as long as we paid the Scottish living wage. However, foreign workers came in and were totally exploited because they were here as a cheap option, which also kept our members out of work up and down the country.

There is mistrust about the just transition because we have not gained anything from it. That is why we are sitting here now, waiting to see what is going to happen.

Maggie Chapman: How do we ensure that contracted workers and the transient workforce are brought into those conversations? What do we need to do?

Dominic Pritchard: Realistically, national agreements should be part of every discussion. Those agreements should be mandatory and not just an invitation that is followed by someone explaining why they are not going to happen.

10:30

We brought national officers—Bernard McAuley fae Unite the union and Stevie Kemp—up to Aberdeen and were met with resistance. We took our officers up to Baldovie in Dundee and were met with resistance. Those councils were handing jobs out to engineering procurement contractors who then brought people in to stop the unions, and the councils had no engagement with them. That did not happen only in Scotland; it happened right across Britain.

As I said, there is a transient workforce who see green energy jobs being built on their doorstep but are locked out. I live in the east end of Glasgow and couldnae get on the job at Polmadie.

Maggie Chapman: Pat Rafferty and Dominic Pritchard talked about Burntisland Fabrications. Given the job losses that have happened over successive periods, what should the Scottish Government and other public bodies and agencies do to prevent that kind of job loss from happening again at BiFab or equivalent sites elsewhere?

Dominic Pritchard: It is Harland & Wolff now—BiFab does not exist. Investment is needed to totally revamp those yards. I worked in Methil back in the early 80s, and, when the situation at BiFab was going on, I was part of the GMB party to oppose that. When I walked into the yard, I was absolutely shocked by how filthy it was, whereas when RGC Offshore Construction was building big jackets for the North Sea, the place was in pristine

condition. It was still hard work, because there wisnae a great deal of investment in it, but, if anything, it has gone backwards from what I saw then. From what I saw the last time that I walked around the yard, it is even worse now.

Those yards need a total revamp. Places abroad build those jackets in specialised conditions. I liken it to a Rolls-Royce production line against one for the cheapest car that you can get—that is where Harland & Wolff is. It tells us that it is gonnae build a couple of barges that it is gonnae get from Belfast, but, with the workforce that is left there, I cannae see how it will dae it. It tells me that it has—I have the paperwork here—13 welders and 13 platers. That is not a proper skills match, because there should be at least two platers to every welder. That rings alarm bells in my mind. I do not think that that place will be open much longer; it will be mothballed.

Pat Rafferty: There has been a complete lack of investment through the years at the BiFab yards. Other countries have invested heavily in infrastructure to get themselves ready for when the market comes their way. The danger for us in Scotland is missing the boat—has that ship sailed?

We have mentioned Machrihanish, CS Wind and BiFab. I struggle to see it. You need deep water to put in the jackets for some offshore wind platforms, and I do not think that the water at Methil is deep enough to take those jackets. They would need to dredge the water. The Cromarty Firth is probably deeper, so there is an opportunity there, although there is no investment.

To go back to what Cliff Bowen said in relation to Grangemouth, if you cannae get Acorn up and running and carbon capture taking place, that puts a blocker on hydrogen at Grangemouth. Depending on what hydrogen path we go doon, we need carbon capture. If we go doon the blue hydrogen path, we need carbon capture. We would all like to go doon the green hydrogen path, but we are not quite there yet. There is also pink hydrogen, which is nuclear based. There are all these different colours of hydrogen. Ineos would like to use a small nuclear reactor to get pink hydrogen, but that is not gonnae happen.

If we do not make those capital investments, we will miss the boat in the same way that we are missing out on offshore wind contracts. We just do not have the infrastructure.

Cliff Bowen: That is right, because we had meetings with the Norwegian oil minister two weeks ago and talked about aw the same stuff—the same rhetoric I have given youse this morning—and people like that get it. We speak to our colleagues in IndustriALL, which is a UNI Global Union federation that Unite is part of, and

we know that the Germans are miles ahead of us on this.

As I said earlier, industry is ready to hit the button on hydrogen, with £1.2 billion going into Grangemouth on the back of hydrogen and the Acorn project. However, there is real frustration. Ineos makes the Grenadier car, and it is bringing out an electric version and another with hydrogen fuel cells. However, no one in the UK would try to buy a hydrogen car today, because, first, you probably couldnae get one and, secondly, there is naewhere tae fill it up. I speak to my German colleagues, and I know that in Germany the mantra—or policy—is that no German town or city should be more than 30km away from a hydrogen filling station. The Germans are away—they have 90 of them, and you can buy cars with hydrogen there the noo. In the UK, we just talk about it. You better believe that the market is global.

On the point that was made about negative press, Ineos built a plant in Flanders; it could have built it anywhere on the planet, but it built it in Flanders. The rhetoric that you get from certain movements is that it is just another chemical plant—but it is no just another chemical plant, right? It is the first investment of that type anywhere in Europe in the past 20 years. We are talking millions and millions of pounds and thousands of jobs, and it will be the first net-zero cracker in Europe. It is a chemical plant, but a carbon-neutral one.

What are we trying to achieve? Do we want well-paid jobs, and do we want to decarbonise, or do we just want to ship it aw in? Naebodie likes a cold shower; that is no a flippant comment, but the fact is that everybody is looking at the fuel bills in their houses. Ma kids have never been so cold. I am not saying that they are frozen, but they are walking about goin, “Dad, get that heating on,” and I am like, “Are you jokin?” Ma fuel bills have went up tae about £800, and I dinnae stay in a mansion; I have no got a massive house, but my bills have went fae £120 tae £800 at the top end. That is no sustainable.

If I look at the deals that are getting done across our industry at the minute, I see the stuff that is going on in America under the Inflation Reduction Act of 2022. They are saying, “In youse come,” and global capital is going, “Yup.” You look at the deals that are getting done in China—they are aw about securing energy for the future. We need to start getting that stuff right in this country, but as Pat Rafferty and your colleague have already said, we are no even on the starting blocks. The rest are aw away; Norway is talking about it. They have aw got plans in place. As I have said, we have got industry saying, “Just gie us the infrastructure and we’ll invest.” We need tae get this right the noo.

The Convener: Jamie Halcro Johnston has a brief supplementary, and then I will bring in Colin Smyth.

Jamie Halcro Johnston (Highlands and Islands) (Con): It is a brief question, convener. I could come in on the issue of hydrogen, but I will not do so, as we will probably be covering it a bit more later.

I have a question for Dominic Pritchard on infrastructure. Is there a slightly uncomfortable question that should be asked here? Are some of the facilities that we have—I am thinking of the plant in Machrihanish, which was previously Vestas—simply not suitable for the level of work that we need to be doing? I think that someone talked about eight jackets. During the North Sea oil and gas boom, there was a lot of investment in sites, particularly in my Highlands and Islands region, some of which are still available. Are some of the sites that we have—say, at Methil—really suitable for what we are doing, or do we need almost to relook at the issue and investigate where we can invest and essentially build factories?

Dominic Pritchard: Basically, the land in these places needs massive investment. I worked up in Nigg and Ardersier during the North Sea booms, and although the yards were turning out state-of-the-art platforms on time and on budget, no investment was being made to keep them moving on. I can recall the tension-leg platforms that came from Japan and ended up in Nigg Bay, because they had phenomenal weld fractures and we had to repair them and get them back out. People were so busy making money and turning things out that they never had the foresight to bring in new measures tae make theirsels more efficient.

We were talking about Cromarty Firth. I was working up in Invergordon just as Ineos was threatening to close the plant; I was shop steward with Babcock's in Grangemouth, was paid off and went up to Invergordon. I was one of the few people up there who was actually paying income tax. They were coming from all over the country as bogus self-employed.

Also, MacGregor's boasted about having a totally non-unionised workforce. Pat Rafferty will verify this: the company has never engaged in the North Sea sector. Pat will remember when the collective agreement got ripped up.

Pat Rafferty: Aye.

Dominic Pritchard: We were sent round to try and get a collective agreement, but MacGregor's totally refused to engage with us. I have concerns about people actually getting green energy jobs.

Jamie Halcro Johnston: The point that I was making was about whether the infrastructure that we have at the moment is upscalable, or is there a

need to consider a longer-term plan? If we want to be in this market, we must invest in new sites that are suitable for the future.

Dominic Pritchard: Yes, you will have to. You only need to look at shipbuilding on the Clyde. At the same time as naval warships are being built there, places are being filled in to make totally covered fabrication units, where a ship will be brought in and built under cover. That is the sort of thing that you will have to do in future.

It sounds silly, but there are paint guarantees. It is being claimed that platforms willnae rust for the next 25 or 30 years, but you cannot do that in the facilities at Methil—ye cannae dae it.

Pat Rafferty: Decommissioning is another element. We do not want decommissioning to take place in certain places. Platforms are being put on a barge and sent to a beach in India, where 14-year-old kids will dismantle them, putting their lives at risk. That is what is happening—I am no making this up. We need decommissioning to take place here, but we need places that are fit for purpose for it. We just do not have that infrastructure.

Jamie Halcro Johnston: I saw the work being done at the Lerwick Port Authority.

Dominic Pritchard: On what Pat Rafferty was just saying about decommissioning, we had a situation down at Hartlepool, where, many years back, ghost ships were going back and forward from America to here, and they came into the Able yard there to get dismantled. Nobody knew about those ships—what they had been transporting or what they were made up of. That is what is happening now. You should not forget that many platforms were made away back in the early 1960s—or in the late 1960s and early 1970s in Scotland—but other wans came in fae other places into the North Sea, and God knows what is in them.

The Convener: The evidence that we are hearing this morning is important to the committee and it is interesting, but we are trying to focus on Grangemouth, so we should perhaps pull some of the discussion more pointedly back to the Grangemouth area.

Colin Smyth: That sounds like a warning to me.

I will follow up on that question. The point about the need to invest in the infrastructure to avoid our making the mistakes with offshore wind that we made with onshore wind is incredibly well made. Whose responsibility is that? Are we saying that the Government needs to direct things here? The industry does not seem to be delivering here, so is it a matter of the Government intervening more?

I would like to bring in Pat Rafferty at this point. I was struck, Pat, by what your written submission said about the importance of an industrial strategy

in fulfilling the potential. What role would that play in tackling some of the issues around the fact that the infrastructure does not seem to be in place?

Pat Rafferty: You will need Government intervention to get the industrial strategy and the infrastructure put in place. History has shown us that, if we rely solely on the industry itself to make the type of investments that are needed in order to compete in the global marketplace, it is no gonnæ happen—I cannae see it. You need the sort of investment that other countries have made by putting infrastructure into place.

It is a chicken-and-egg scenario. I remember that, when the BiFab stuff was happening, we lobbied hard with SSE and Seagreen to get jackets put into the BiFab yards. The Scottish Government and the committee will have been involved in trying to get that done, but we couldnae for the life o us get SSE to put a jacket in the yard, because it had nae confidence in the business that was operating there, and no confidence at all in the infrastructure.

10:45

You need to get an industrial strategy across Scotland. Where is the economy moving, and where are the future jobs comin fae? We know that it is in renewables, and we know there is a huge marketplace for hydrogen. Someone with a hydrogen plant operating right noo could sell every bit of it. Germany will take it all fae ye—it will take every bit o it. You could make a fortune wi a hydrogen plant on the global marketplace, let alone a domestic wan. What you could export is tremendous.

However, unless players the likes of Ineos are prepared to put their hands in their pockets, it will be doon to Governments. That might have to be a joint thing between the Scottish and Westminster Governments, because I do not think that Westminster can just walk away fae the situation, and say, “It’s got nothing tae dae wi us, guv”. When you are awarding contracts through contracts for difference, you need the investment, with a strategy that fits in wi that.

Cliff Bowen: Pat Rafferty is right. When we were in Norway, we met the Norwegian minister for oil and energy, and he told us something that surprised me: that the Norwegians were going to import wind farms and so on. They were no bothered about having the skills to make them. Their strategy is to have the brain power roond about it: how to fix wind turbines and make them better. They will export that stuff, and their strategy is to specialise. They are no so concerned about the sorts of issues around BiFab and all the stuff you have heard about jackets, or in asking, “Why are we no makin this stuff here?”. Norway is

completely different. The Norwegians are saying, “We’re no bothered about aw that stuff. We’re going to have the ingenuity tae fix these things, and we will sell that technology. We’re gonnæ specialise and open up centres of excellence where we’ll train oor young working kids who are coming through as engineers or graduates.” That is where they are going to specialise.

We can talk about an industrial strategy; the Norwegians have got one of them. They are already away and running on that stuff. They are no even bothered aboot making it; they are just gonnæ import it. Where are we wi aw that stuff? I dinnae see it. When we talk to people about this stuff, nobody talks to us on that level. We definitely need to get ahead of the curve and work out whether we want to build the equipment or whether we want to specialise. Where are we going to go with that stuff?

Pat Rafferty: I remember evidence being given here at the time of the issues around BiFab. The chief executive officer of JV Driver, the Canadian company that had the BiFab yards at the time, gave evidence, while we were aw sittin here. He was giein examples from Newfoundland in Canada. There is an offshore sector for oil and gas off Newfoundland, and a percentage of any procurement contract that gets awarded there must be manufactured in Newfoundland, and heavy fines are put on the employers that do not abide by that. There is this big penalty if the employer does not do that. The procurement process has built intae it that, if a company is awarded a contract to build 150 wind towers, it must manufacture X amount of them in the country. That is aw in the process. JV Driver could not understand why that is no the case here.

There were restrictions fae Europe at the time, but we are no in Europe any longer; we are oot ae it. That is how things operate elsewhere, anyway, certainly in that example. How can we shift that? How can you make it possible, politically, to ensure that some of the work and the supply chain to produce 150 wind towers is here in Scotland, from a selfish point of view—let alone within the UK.

Procurement is the thing, and that is where it gets messy. Some of the contracts are awarded fae Westminster, because it is Westminster that is giein oot the contracts for difference. It is giein them to SSE or EDF and saying, “There’s 150 wind towers in the North Sea.” Those companies get the work, and they subcontract. They do not manufacture wind towers; they are suppliers. They will subcontract the work to Tailwind contractors, and it all collapses. What powers does the Scottish Parliament have that can stop that fae taking place, saying, “If we’re gonnæ gie you aw this work, we want an element o that.”

We couldnae manufacturer it all even if we wanted to, because we do not have the infrastructure to dae it. You need to look at the industrial strategy in those terms. On procurement, how can you put measures in place to guarantee work, if you are going to be awarding big contracts? Where are we gonnae go wi ScotWind? We have gave a lot o the sea bed away noo—some countries have part of it, and they are gonnae put in wind turbines, so how do we ensure that we get that work? It is through the procurement process.

Colin Smyth: I will get into bother with the convener if I start getting into supply chain development statements versus conditionality, but that is a well-made point about ScotWind.

Dominic Pritchard, I will follow up something from the GMB submission. We have talked a lot about the importance of the Acorn project to Grangemouth and, in fact, the importance of that project with regard to a jobs-first just transition, because of the opportunities that it brings. However, I noted a concern in the GMB submission that, although hydrogen and carbon capture have the potential to create jobs, they will not do so at a scale that will replace the jobs that will be lost in the carbon-intensive industry. Do you have a view on what the difference will be between what we can create through Acorn and carbon capture and hydrogen, and what we have at the moment?

Dominic Pritchard: I have no got a figure, but we also have the carbon capture facility down at Drax that is coming up noo. People have been talking about carbon capture fae God knows when. There was talk of it in Peterhead away back in the early 2000s, and I remember the proposal for the White Rose carbon capture project. They were going to be massive construction jobs. The issue is what happens after that, because a lot of it will go through pipelines into the sea bed. It is about what happens after the plants are up and running. The likes of Grangemouth will still have work, but the issue is how we harness this as we move on.

Colin Smyth: In effect, it is about delivering more opportunities over and above these. It is not a silver bullet.

Dominic Pritchard: What I am saying is that, to GMB, every concept to make the environment cleaner is beneficial. I worked at Coryton refinery when they were installing filtering systems because of the fumes. That was all mechanical work, which kept our members gainfully employed. There was a lot of welding, plating and pipe work. It was the same at Fawley refinery in Southampton, where there were massive uplifts to traditional boilermakers' work. It will be the same

as we move forward with these other plants—the initial work will be there.

Again, we do not have pipe fabrication shops in this country, so the issue is where that is gonnae come fae. We have seen large modules coming into Grangemouth fae Spain recently of furnaces that were built there, because we do not have those facilities here. Again, that is about the supply chain.

Modular is the way to go—modules come in and we tie in the welds to build the plants—but at the end of the day, installing that could amount to six months' work but this country will have lost 18 months' fabrication work, because guys would otherwise have been working on that before it came out. Again, wir infrastructure is no here.

Cliff Bowen: Let us think about any plant in Grangemouth—whether it is KG, benzene or whatever. If the future is going to be hydrogen and we are going to build these big plants—this is just the start—as Pat Rafferty asked, what will it look like after that?

We will decarbonise the Grangemouth site, but once the infrastructure is in place, we will quickly move to looking at how we fuel and power the country. The same situation applies to the contractor workforce on any plant. They will be able to come in, and there will be big shutdowns and big set-piece activities. We cannae get enough people at Grangemouth at the minute; we have three shutdowns on the noo and we cannae get enough contractors, so that is the worry. It is not a case of, "Where's the work?"; the worry at the moment is that there are not enough people to do the work. I am not quite sure how we got to the point of having three shutdowns at the one time, but we are where we are, and a lot of it is to do with Covid and all that kind of stuff. That work will always be there.

This is just the start of the journey, if we want to talk about journeys. We are in a real moment, with a real shift in terms of energy. We can look at the scale of the shift and how quickly things are moving. People are changing their opinions on it. We have only to look at BP, which, all of a sudden, is saying, "We are going to drill for a wee bit longer."

Elon Musk was at the big energy conference in Norway. He is the electrification guy—he sells electric cars, right? He turns roond and says, "Look—you're gonnae need oil and gas, and exploration, for the next 20 years." If he is telling us that, we all need to appreciate the fact that the industry is still going to be here, so how do we decarbonise it? That is going to be done through hydrogen and the Acorn project.

If this is just the start, what will it look like as we go forward? That will depend on the decisions that

are made at governmental level: how we legislate and the infrastructure that we put in place. Grangemouth is a massive complex and the plants will be there for a long time, so there will be work for the contract workforce. There will still be fabric maintenance and all the stuff that goes on, because the site is highly regulated; we need to do all that on-going maintenance, along with big set-piece activities. There will be work in the future—as I said, this is just the start.

As I said earlier, we cannae get enough people at the minute. I guess that comes back to skills, which we spoke about at the start of the meeting. It is about getting into schools. I had that conversation with ma son, Jude Bowen. I said, “What do you want to be, Jude?” He tells me that he wants to play with Real Madrid. I says to him, “Well, that’s fine—I’ll be really happy if you play wi Real Madrid, but what’s plan B?”

What are the skills that we need for these green jobs? Are they in hydrogen? Is he going to work with SSE? There is a break in the link where the school should be telling him what he needs to dae for those jobs. If we can get all that right, we will be in a decent place.

Colin Smyth: He would be better with Barcelona, but that is fine.

The Convener: I will bring in Colin Beattie, to be followed by Michelle Thomson.

Colin Beattie (Midlothian North and Musselburgh) (SNP): I will explore a couple of areas a wee bit. One of them is skills—you would think that we had done skills to death, but there is a particular element of skills policy that I want to ask about.

In previous inquiries, over a period of time, the committee has noted that many of the skills policies are geared towards younger workers and new entrants. That leaves a bit of a gap, perhaps. What do we need to do to support other workers who need upskilling or reskilling?

I will bring in Ronnie Palin; he has not had much of a say so far, so maybe he can comment on that.

Ronnie Palin (Skills Development Scotland): I sit on the skills workstream for the Grangemouth future industry board. We are looking at all levels—we have just commissioned a piece of work with Optimat, which is looking at industry demand. It is looking at the existing workforce as well as new entrants, and we hope that it will look at jobs over the short, medium and long term and at the skills that are required. We will certainly look at that aspect in getting evidence on industry demand.

We will also look at the supply and the provision that we have, specifically in relation to the Grangemouth area. That will be based on some of

the work that Gordon McGuinness mentioned with regard to CESAP, but it will drill down at a more granular level to look at Grangemouth specifically.

That will, we hope, tease out where those gaps are and where we need to target our efforts on upskilling. Cliff Bowen said that it should be an easier transition in terms of skills. The jobs are not that different—it is a different feedstock, but similar skills will be required, so the transition should be easier. I imagine that a lot of focus will be on upskilling and reskilling the existing workforce.

Colin Beattie: Would you agree, however, that, at present, many of the policies are focused on younger people and new entrants as opposed to more mature workers who need upskilling?

Ronnie Palin: I guess that there is more of a drive towards that. Young people are more interested in the green decarbonisation space, so there has been more focus on apprenticeships—both foundation and modern apprenticeships—for young folk, but other opportunities are now there. There is a policy change, so there is an opportunity for existing workers to do apprenticeships as well. I would probably agree, however, that there is a bit more focus on getting new entrants into the sectors.

11:00

Colin Beattie: Cliff, you were very eloquent in chatting about how upskilling and so on are happening at Grangemouth, but do you agree that, as has been said, many of the policies are geared towards younger people rather than towards the existing workforce or more mature workers?

Cliff Bowen: I will speak to the situation in Grangemouth. Those problems to do with skills and talent have always been there for us. Like I said, people can go and work anywhere on the planet. I could be in Iraq tomorrow if I wanted. I was telling everyone just before we came in that my next-door neighbour works in Iraq. I could lift the phone to BP—I have plenty contacts—and go and do a month on and a month off in Iraq tomorrow. There is a high level of transferability and a very highly skilled workforce. This is not about Cliff Bowen being highly skilled; I mean the whole workforce. People can move no problem.

Over the years, it was recognised that we needed to bring in more mature workers, if you like, so at Grangemouth we do conversion courses. I was going to touch on this at some point today. For instance, my friend’s son has just got a job in the refinery. He went and did a conversion course and he went for the interviews. He was a fitter’s mate on site, so he understood about permit conditions and control of work. He understands about working on a refinery. He has mebbe no got all the academic qualifications on

that, but what we have seen is that there is a certain skill set that is actually pretty transferable.

We will go in and take workers of that ilk and with that skill set, and we will put them on a conversion course. We will say, “Right, do we want this guy to be a fitter or a process technician?” We have been doing that for a long time, and we tend to get more mature people going for those kind of roles.

It is difficult because, as I said at the start, it is hard for mature workers or elder workers within society to change. Everybody likes what they do. People are in a niche and they are comfortable with what they do. Earlier, I gave an example of upskilling and all that stuff. We offer that and people do it.

I am not sure what you could do in terms of policy, but there could certainly be investment through colleges, and if we wanted to, we could open that up into the green skills. We hear that, for example, SSE needs X number of operators, and people are crying out for this stuff—the people I talk about and the people I represent. I go up and down the country to our executive council meetings and stuff like that, and people are looking for another 20 years’ employment because they have kids to feed, kids to go to university and mortgages to pay. This is real-life stuff.

People say that this is the new oil and gas and they ask how they can get into it. Well, they can come and do a conversion course. People just need to understand what that is. We also need to get into schools and workplaces.

You have heard examples about pipe fitters’ mates and all that. We need to ask what we can dae for these people, because they are highly skilled. Just because someone is a mate disnae mean they have not got a good skill set. Actually, they are probably the best-placed people to do the conversion courses. My friend’s son did that and he is now going to become a fully-fledged operator within the refinery.

Pat Rafferty: We have learned lessons from the past, even going back to the BP days, about how high we set the bar. At times, employers tend to set the bar quite high so that, if someone wants to be a process operator, they need a master’s degree or something. That just excludes a raft of people who do not have that sort of academic qualification, but who are actually very capable of daein the job that we want them to do. Sometimes we need tae lower the bar a bit when it comes to the academic qualifications that people need. That will attract mair people, including mature people, who mebbe dinnae have the qualifications to step into those roles and upskill through the conversion courses.

It is a big problem that a lot of the language that is getting used just noo is about “the guys” and “the men”. The sector is male dominated. How do we get more women to pick up the positions that are there and get them involved mair in the sector? Do they see a future in the sector for them? We have a distinct lack of women taking up these positions, so we need to think about how we will diversify and bring mair women through.

Cliff Bowen: Ineos does that. On the point about STEM, we go to the local schools to talk to pupils. Earlier, I spoke about Grangemouth energy project network, which has young engineers and technicians. We are trying to encourage more diversity in the workforce, because you get more of a balanced view, I guess. The science tells you that if you have different people in a team, you get different views and different types of problem-solving ability. My son has certainly experienced young engineers coming in and doing experiments in class. They are really creating a spark for working-class kids in schools.

We always try to get young females to come into the workplace. We have subsector conferences—we are having a women’s conference—and stuff like that. We are trying to bring along young girls, but you cannae even get people to come through the door, never mind get them to be representatives. That is an uphill struggle, whether we are talking about males, females or whoever. However, we certainly work on that, especially in relation to STEM stuff, to try to create that spark for working-class kids.

Gordon McGuinness: Current policy is focused on young people. We need to think more about more mature workers, particularly those who missed opportunities when they were younger. The default position is that employers should train them. That disnae always happen, as we have heard this morning.

I again reference NSET. A strand within that is looking at the lifetime skills offer. I will get further information from Government colleagues and pass it on to you.

Colin Beattie: Dominic, do you have anything that you want to add to that?

Dominic Pritchard: As Gordon McGuinness has recognised, we have a gap for the older guys. However, I would again say that the issue is more about the funding that the guys need. A lot of the learning is on site, and then it is a case of getting instructors in to sign off books and so on for those guys.

As regards females in engineering and construction, we have them. However, as someone from the industry, I have spent a lot of time away fae home on short-term contracts—I am not being sexist in any way—living in questionable

digs and so on. I have ended up towing a caravan, so that I had somewhere decent to go. Is it any wonder that females wouldnae want to come into the industry?

I get that the operators who work on this side of the Grangemouth refinery are home every night. However, realistically speaking, while the engineering and construction industry is based on the use of short-term work, you will not get many females coming into it—or they will come in, then leave.

Colin Beattie: Those points were well made.

I will move on to another area: small and medium-sized enterprises. In last week's evidence session, the committee heard that there was a lack of systematic engagement with SMEs on planning for transition.

A huge number of SMEs in the Grangemouth area must be feeding off the complex. By virtue of their size, it is difficult for SMEs to give time and to invest in the process, which could limit their ability to engage with the transition. Are there any effective models of engagement that could address those constraints and enable better or greater participation? Their participation will be vital.

Pat, perhaps you can kick off on that.

Pat Rafferty: That is another good question. If we focus on Grangemouth, which is the committee's focus, there might be an opportunity to address that issue because of the green freeport situation. We would like to see tripartite meetings taking place between Government, the industries that are involved in the freeport, including SMEs, and the trade unions. They could look at how we make the freeport a place where there will be further investment in future and, from a trade union perspective, at how we protect the workforce in that area so that there is no driving down of terms and conditions or collective bargaining, and at how we ensure that it does not just become a tax haven for corporations.

Through the green freeport in Grangemouth, a platform could be set up for such a tripartite arrangement, which could address the issues for SMEs that you have raised. There are many different aspects of the transition, and there is a whole host of stuff that we could speak about in relation to the freeport area. The just transition in Grangemouth will be a big one because of the nature of the Forth valley.

Colin Beattie: Do you have a view on that, Dominic?

Dominic Pritchard: I would say that Pat Rafferty has covered it.

Colin Beattie: Would you like to comment, Gordon? I realise that it is a big question.

Gordon McGuinness: I would make a distinction between the SMEs that have skin in the game and are part of the industrial cluster and the wider business community. The Grangemouth future industry board will need to take that into consideration. We are currently doing some work with Scottish Enterprise, which has an SME or supply chain development programme for green energy. We would expect some of that activity to take place within the Grangemouth area.

There is a broader issue about the wider community, which includes businesses and individuals, with a communication exercise to be undertaken about what the future will be. That will play into the school system and will, I guess, give people some reassurance. As I said, I would make a distinction between those who have a stake in the game for the future of the plant and the wider business community. We should not forget about them.

Colin Beattie: SMEs are very varied in terms of size. They can range from having a few people to having up to 30, 40 or 50 staff. They employ the vast majority of people in Scotland. The most recent figure that I saw for the whole of Scotland—although it might be dated now—was 75 per cent of workers being with SMEs. I do not doubt that that will be reflected in the Grangemouth area. The problem comes with their size. How does a small businessman squeeze out the time from trying to run his business to engage with planning for the transition—which it will be essential for SMEs to be part of—and with the costs that are involved around that? It is a difficult one.

Cliff Bowen: It is. We can talk about transferability within our sector, and many SMEs will just change. Whether it is to do with hydrogen or whatever, people will still need pumps, mobile compressors and deliveries of X, Y and Z. There will still be a need for personal protective equipment, which some of the SMEs provide for the site, and all the subcontractors that supply coatings, paints and other stuff. The industry just evolves.

Companies will need some support and information, but much of that will come as soon as the gun gets fired and people go for it. The infrastructure will be specified and the Government will set out the plan. Companies such as Ineos will say, "Here's the £1.2 billion for the plant. This is what we need." That will change the stuff that is needed for safety, the coatings that are needed for the piping and so on. The industry evolves around that. There will need to be investment and training, but businesses will have plans for that at the moment. You would best be

believing that these conversations will be happening at the moment.

I have a friend who owns a hire company right across from the chemical works, and he is all over this stuff. He might ask me, "What do you need? Is it still mobile compression, or what is it? Will you still need lighting towers?" For all that stuff, the truth of the matter is that the answer will be yes. Although there will be different technology and the plants will be making different stuff, there will still be a need for pumps, compressors, passive protection, fabric maintenance and so on.

You are absolutely right about the impact, which will be twofold, because all the businesses around the plant will be affected. I know, because I represent all the refineries and all the big chemical plants throughout the land, that business just adapts to this sort of stuff. For them, it is a good-news story, because it means that there is investment and there is a future. They might decide to build a new office or to build X, Y or Z, or to take on more apprentices and so on.

We need to get some clear policy and an indication of where we are going, infrastructure-wise. Will it be hydrogen? Are we going to get project Acorn? Everybody tells us that we are, but we need to know that we are. For the Grangemouth site and for the area, once we get that hydrogen plant built, people will just evolve around that.

11:15

Colin Beattie: Ronnie, do you see a role for SDS here?

Ronnie Palin: Certainly. On the SME side of things, we work closely through the skills groups. SMEs give up their time to come along to the groups to voice where their skills gaps are. I would mention, in particular, Celtic Renewables, which turns whisky waste into a biodiesel. It is at a different stage—it has now reached the manufacturing stage. Earlier companies such as MiAlgae are taking algae waste and using it as a biofuel, too. Companies such as those see the need to pick up workers, and the challenge lies in holding on to them. Once they have invested in their skills and training, will they disappear to a company such as Ineos or go further north to Aberdeen? That is why those companies see the need to invest: they need the skills.

I take the point that not all SMEs will voice concerns, but we have definitely helped on that front.

Michelle Thomson (Falkirk East) (SNP): There is a rule in the committees that the longer the time before asking a question, the higher the

probability that it has already been asked. I will just pick up on a couple of things.

First, Gordon McGuinness made a point about the local community. Both Cliff Bowen and Pat Rafferty will be across this point, too. There are still pockets of the local community, particularly in Grangemouth, who, despite the good work that has been done by Ineos—even going back to BP days, never mind Ineos—in the community, feel that they have been left behind. I should also mention the very good work that goes on in a number of parties to pull things together.

What gaps should be plugged to ensure that the local community in Grangemouth can share in the bright vision that Cliff Bowen in particular has set out for the future, as part of a just transition?

I invite the three of you to give us some thoughts about that.

Pat Rafferty: On the community in the Grangemouth area, I am long enough in the tooth as a Grangemouth resident to remember when we had social clubs, including the BP social club, the ICI social club and the dockers club. We had snooker and darts teams, and all sorts of social interaction. The big employers in the area engaged with their communities and gave something back to them. The people put up with a lot over the years—we have mentioned the flare stacks goin' off in Grangemouth. There is less and less of that: we do not have a BP club, and we do not have ICI or an ICI club. All those things are disappearing. That interaction was a good way for employers to reach out to communities and to make them feel part and parcel of things by giving them some reward for being on the doorsteps of big plants such as Ineos.

Work needs to be done: how do employers reach out to the communities? There could be town hall meetings organised in Grangemouth to discuss the just transition, for instance. There could be a panel there, and we would be mair than happy to participate—I am sure that Cliff Bowen and I would be mair than happy to sit on a panel. We could have somebody from Ineos, local councillors or whoever sitting on the panel.

We could have regular conversations to engage the community to explain where we are and to explain the proposals for hydrogen, for example. If we just talk to people about hydrogen without that, they might respond with, "Nae disrespect, but ...". If we just talk about blue hydrogen, pink hydrogen or whatever, they will wonder what the hell we are talkin' about. However, I am pretty sure that the Grangemouth community would welcome a dialogue or conversation about that. It would help employers to bring the community along with them, so it is a no-brainer for them.

Cliff Bowen: As with everything, I think that, as a company, Ineos undersells itself in this space. Pat and I reflected on that on our way here. I will give you a couple of examples of what we do at Grangemouth.

We get a Christmas payment for going out for a curry and a couple of beers. We get £25 a head, which will no get ye much of a curry nooadays, but it is still £25 fae the company to put towards a Christmas night out, and it is appreciated. A number of years ago—during Covid, actually—we workers collectively said we should donate that tae charity. We are well paid in oor industry, so what difference does £25 make tae us? I was being flippant when I said it, but you will no get much for £25 if you go oot for a curry.

We clubbed aw that money together. A core wee group of us donated our bonus, and the company matched it. We donated the money to a local charity—the Kersiebank Community Projects Association in Grangemouth. One of the lines that I got fae one of the girls who work there was that there are 100 working-class underprivileged kids in Grangemouth. I asked why there were 100, because that is a pretty robust number. She said that they have tae stop counting at 100, because they cannae help everybody; there is only so much that they can do. She said that some of the kids will no even get chicken crisps at dinner time on Christmas day, never mind a chicken dinner, and that resonated with us.

We donated our Christmas bonus and Ineos matched it, so the charity ended up getting something like £12,000—I think that is what we gave them this year. I said to my boss that we should really get that oot in the press. It is no about us, the bonus or Ineos, really; it is aboot wakin people up tae facts about their communities. I wouldnae say that Grangemouth was overaffluent, but people there are well paid. We have a green, amber and red light system in the local school whose board I sit on, and I couldnae believe it when we heard about the three pockets with different levels of affluence or poverty—whichever way you want to look at it.

As I said, we donate the money tae those kids, but we need to let people in the community know that there are people within it who are struggling. This year, we probably advertised it better than ever: it was in the *Daily Record* and *The Falkirk Herald*, and it was on Twitter and things such as that.

We have a system in which employees who do something in their spare time—I am a Boys Brigade officer, for example—can apply for a wee grant fae Ineos for fitba strips or whatever. Stuff like that goes on; everybody is busy. We have a committee—I sit on the committee, along with management—that looks at that, and people come

along who work with the girl guides or who run a kayaking club, a mountain biking club or whatever. It is amazing what people get up to in their spare time and what you learn about them. Loads of people are doing fantastic stuff in the community. We go along and give them cash or try to match their cash.

There is a facility at Little Kerse that football teams use. It is all BP-owned. I am going back; it was owned by BP, but it is owned by Ineos now. It is leased to the guy who runs the facility—Stevie Barr, who is a local businessman who does loads of great work in the community. He gave me a free pitch for the Boys Brigade last week, so that we could take working-class kids who dinnae get tae play football and have it for nothing. I am no gonnae go intae the details, but he rents that facility at a reduced rate from Ineos.

A lot of stuff goes on, but the world has changed: we have no social clubs and aw that any mair. I am like Pat: we used to have the BP gala day, the ICI club and that sort of stuff, and I grew up in those places. There were bowling teams, hockey teams and that kind ae thing, but the world has changed—it has moved on fae Fordism and so on. However, there is lots going on. As Pat asked, could we or anybody else do more? I suggest that we probably could. We are certainly on that journey; we are doing stuff but we probably dinnae sell it as well as we could.

On the benefits of the just transition, it will enable us to be there longer. For example, my CEO at the Forties pipeline system has made an offer that, if schools are struggling with, say, their heating breaking down, we can use contract partners at Grangemouth tae help.

We have done things with the Kersiebank Community Projects Association. We are having it moved at the moment; we are moving it fae the Poundstretchers place in Grangemouth tae Charlotte Dundas Court. We are doing aw the work in the background with the councils, because the people who are involved are volunteers. The association is a charity, so what dae those people know aboot building regulations and so on?

We are also gien them a lot of money—probably aboot £40,000. They have told us that there are working-class mothers in the area who dinnae know how tae boil an egg tae feed their kids, which is incredible. They dinnae know how tae cook beans. I said, “Beans?” and they said, “I’m tellin ye. This is the truth. This is where we live—this is in your town”.

I went to my CEO and said that there must be something that we could dae. We are helping to move the project to a facility at Charlotte Dundas Court. We were previously gonnae put in a kitchen at Poundstretchers and get the chefs from

Aramark at the Grangemouth site to go down and give cooking lessons. We will invite those working-class mothers to come in, and we will furnish the place. CBRE Group will do all the work and fit it out, and Ineos will obviously pay for that. That contract will be used to fit the place out. We will have chefs showing working-class mothers how to boil an egg. Can you imagine that?

That is what we are having to do in the community that we live in. Big cash—tens of thousands of pounds—is being spent, and that is from outwith the people who work for the business. People are doing the work in business time as well as doing their day jobs. We have asked people from the finance team, for example, to work for the charity in the locale to help to get the project up and running and on its feet. What a legacy that would be.

There is loads going on. Could we do more? Everybody could always do more for their local community, but we are there and we are responsible. We are doing loads with underprivileged kids in the area.

Michelle Thomson: Thank you for that. I want to pick up on what Ronnie Palin said about the skills perspective. I know that a lot of work is going on to make sure that girls in particular can participate. Surely part of the just transition has to be that more than half the population has skin in the game. How do you ensure that women and girls are at the just transition party? What is the latest position on your active development of that?

Ronnie Palin: In Grangemouth, Skills Development Scotland co-chairs the skills workstream with Fuel Change, which has, around the region, some great initiatives that are taking apprenticeships and the existing workforce on a challenge journey related to green initiatives. Much of that is about raising awareness of the types of jobs that are available and the challenges that we face in relation to the just transition.

Initiatives such as Developing the Young Workforce and Women Returners get females into science, technology, engineering and mathematics. More generally, there is the green jobs workforce academy, which relates to the careers that are on offer. There seems to be more interest from the female population in such roles. The perception of the chemicals industry was that it is dirty—for example, because of the stacks around Ineos—but that is changing. The perception is now that jobs in the industry are greener and cleaner, which will attract more females into the industry.

Michelle Thomson: You have described some good initiatives, but I am less clear about the extent to which ensuring that women and girls are, from now on, at the heart of a just transition is a

fundamental SDS policy, which is slightly different to just having good stuff going on. Is that at the heart of the just transition?

Ronnie Palin: Gordon—do you want to pick up on the policy side?

Gordon McGuinness: We will work with Government on that. The draft energy strategy and just transition plan are out for consultation, and we are actively engaged in that dialogue. We need to go beyond those activities and start measuring the impacts that we make. There is still a gender bias in respect of where people go. Cliff Bowen touched on the question whether guidance teachers and guidance staff understand the options and choices that young people should have to help them on that path. We have more work to do on that.

Gordon MacDonald (Edinburgh Pentlands) (SNP): I have a couple of quick questions. It has been an interesting conversation, but unfortunately most of my questions have been covered.

My first question is for SDS. Most people's perceptions of green jobs are about renewable energy, electrical transport or energy efficiency. We had a submission from Select that said:

“2022/23 saw the largest ever number of apprentices and adult trainees recruited into our industry.”

However,

“the number of available places funded by SDS falls short of our needs.”

Will you give us the background to that? Is it a capacity issue or a funding issue? What is driving it?

11:30

Gordon McGuinness: It is primarily a funding issue. The introduction of the apprenticeship levy, which is applied to private, public and voluntary sectors, has created significant demand. NHS Greater Glasgow and Clyde, for example, will pay £6 million in the apprenticeship levy in a year. Police Scotland and the Scottish Fire and Rescue Service pay into the levy so, rightly, they look at whether they can take a share of it back.

We have articulated to the Government a situation that we will probably face over the next two years, which is an impact of Covid and some of the qualifications frameworks slowing down, in that fewer people qualified. We had a bit of a spike in industries including construction and engineering, which were disrupted most.

We have a contingent liability in apprenticeship. We have 36,000 or 38,000 in training just now; therefore, although we have 25,000 starts, we are still getting a flow of people through. We will face a bit of a tsunami in the financial cost of that activity

that was suppressed through Covid. We need to face that over the next two years. Pre-Covid, we were at, or heading towards, 30,000 starts, but we will probably be at 25,000 or 25,500. There is increased demand, particularly in the aerospace, defence and marine sectors. We will have a meeting with the Government and we met Mr Hepburn last week. Many of the engineering companies want to bounce back.

Electricians are unique because they are a closed shop, for want of a better term. The sector certifies its people, so it has a good handle on the number of people who are active in the labour market at any time. It can see the numbers who are retiring and the numbers who are emigrating. The sector is to be congratulated on the industry demand that you mentioned, but we will have a shortfall in funding to support not just them but a number of other employers. We are working with Government colleagues on addressing the issues.

Gordon MacDonald: My last question is for Dominic Pritchard. The very last paragraph of your submission says:

“The Forth Freeport will not result in improved economic benefits for the current workforce or future workforce at Grangemouth.”

Will you elaborate on that?

Dominic Pritchard: Well, unless things change, they will—

Gordon MacDonald: What do you expect to change?

Dominic Pritchard: Again, we need massive investment to bring in not only young apprentices but adults. It is clear that we are sitting on the worst skills shortage in 40 years; contractors are leaving Grangemouth daily. I am going to meet one of Pat Rafferty’s colleagues in a minute, when I go to Torness. We will start to plan balloting the contractors at Grangemouth refinery.

Every week, I must have records of who I intend to ballot. Guys are leaving Grangemouth in vast swathes; they are going to other places where they will get better money. Unless things change to keep those guys there, it will be problematic all the way through. As we said, the just transition has to be what it says: a just transition, in which everybody moves on. Both unions have been hearing that phrase for years and years—onshore and offshore—but nothing has changed.

Graham Simpson (Central Scotland) (Con): It has been a fascinating evidence session. I have enjoyed all the contributions, but I have to pick you out, Cliff Bowen, because you have been a fantastic advert for your employer. I know that you are not here to represent your employer, which has not yet agreed to come before the committee, but you have painted it in a really good light, and it

has absolutely nothing to worry about if it comes here. We are going to visit it so, if you find out the date, it would be good to see you on that visit.

All of you—particularly the union guys—have mentioned the need for investment in infrastructure. It struck me that, when Governments introduce policy, industry leads. Government can do things, and then the investment will follow. Do you have any ideas on what needs to happen to persuade the likes of Ineos to invest more in hydrogen?

Cliff Bowen: That is about what we do with public transport, which might include the use of hydrogen fuel cell buses, and about what we do with aviation and all that stuff. Is there the appetite to go after that stuff? If there is, there will certainly be an appetite to invest and to get involved in that, particularly in relation to public transport. We all know the benefits, and we have seen the studies—we have had a look at the studies ourselves.

You said that I have been a great advert for my employer. Actually, that is a great advert for Grangemouth. Like I said, if there was an issue with this stuff, you would know, because I am as honest as the day is long. I would tell you if there were any disparity in terms of where we are trying to go. There really is a joined-up approach, like I said.

Ineos wants to keep Grangemouth open. Clearly, as a Portonian, I want Grangemouth to be open. I want all those benefits. Like I said, I would have ripped your arms off when I was leaving school to work there. I wanted to play with Real Madrid as well. I wasnae really sure what I wanted to do. I have been there for 30 years, and I have enjoyed the benefits; I have seen benefits for the local community, as well. Imagine if we can do that for ma kids, ma next-door neighbours’ kids or whoever. That is why I am here; I am here to promote Grangemouth. We recognise the need to decarbonise. Nobody has to tell us; we are on it, and we are doing it.

On policy, it is about the stuff that I mentioned. Will the focus be on buses? What would that look like? How many buses and how many routes are we talking about? Are we going to increase the number of buses? Are we going to decrease the number of trains? What does all that look like? Let us have a real vision of what the future transport network looks like for Scotland and for the UK—but we are talking about Grangemouth today. Will there be fewer buses or more buses? Will there be more trains? What does that look like?

Look at the success of bus lanes for buses, taxis and stuff like that. Ma younger sister uses a bus to go into Edinburgh now. We have a laugh about that, because I remember ma granny getting

a bus to Edinburgh. My sister says, “Cliff, it’s brilliant. I go on the bus. Do you know there’s wi-fi? You can kick back. You dinnae have to worry. You’re no stuck in traffic.”

If that is the future, what does that look like? If industry knows that, it can model for that. That might be by an SME. A great point was made about the number of SMEs. Sometimes we forget about SMEs. We heard some stats earlier on. We all know what they look like.

If that is the way that we are heading, just let us know. However, we need to get on with that. As you have heard a number of times, we have been talking about the issue for a long time. Industry is keen to get on with this stuff. As representatives of the workers of that industry, we are keen to see that joined-up approach as well.

Pat Rafferty: It goes back to the procurement process. It is a bit like “Field of Dreams”: build it and they will come. If you have procurement processes that say that something will generate work and that that work needs to be here, industry will develop itself to make sure that it is in a place to win those types of contracts and to be there. Procurement has a big role to play in the whole just transition process.

Graham Simpson: Cliff Bowen spoke about the situation in Germany, where hydrogen filling stations are being put in. If that were done in Scotland, or throughout the UK, that would create a market, would it not?

Cliff Bowen: Yep.

Pat Rafferty: One hundred per cent.

Graham Simpson: The issue is what comes first.

Cliff Bowen: I guess that you need to have conversations about that with the owner. Like I said, he is the richest guy in Britain. You have heard all the rhetoric around that, but he is certainly big on UK manufacturing and big on investing in the UK.

Like I said, such companies can go anywhere—and they are. There were massive deals in the US last month, and there were massive deals in China. Ineos is big on the UK, and it is big on the future of Grangemouth. You need to have a conversation with the company at that level about what that looks like. We are certainly having that at the UK level.

Miliband is engaging now. We can see where things seem to be shifting in the political landscape. Labour is really in listening mode. However, I am not here to talk about Labour, the Scottish National Party or the Conservatives. Today, it is about Grangemouth and, for me, the discussion is about the future of this country’s

energy network and about decarbonising Grangemouth.

I have got two kids, and I dinnae want them to live on an uninhabitable planet. Do you know what I mean? However, we will always need energy. This is about a just transition. It needs to be just, but it also needs to be done in the right way and in a measured way.

As Pat Rafferty said, it is about electrification. It is an interesting question—I guess that it is like this for anything. We are gonnae have electric cars an aw that, but what happens if someone stays in a high-rise flat in the middle of flimmin Govan? Do you know what I mean? Me and my wife laugh about this because, in ma hoose, I cannae plug ma phone in to charge it for three minutes. I turn my back and my kids have stole the charger. Can you imagine what it is like to have four or five cars and trying to fight for the one thing? You need to go to your work in the morning, and the battery is flat. What do you do if you are a working-class family in a high-rise flat, and there is flimmin six or seven of you in there? How are we gonnae do that?

When it comes to the whole dynamic about what we need to do, we need to sit down and have a serious conversation. We need to say, “Right, look. These are the plans—what can you do for us?” Ineos will be all over that, because it is just waiting at a UK and a Scottish level to say, “This is what it looks like. We will fill that gap. We can fill that market.” The investment is there. Like I have said, there is £1.2 billion for the hydrogen plant. That is massive investment. That is bigger than anything that I have ever seen at Grangemouth.

Pat Rafferty: Another Grangemouth factor that we have not spoken about at all is PetroChina’s involvement in the refinery. It has 51 per cent of it. Although we speak about Ineos, PetroChina is a big investor in Grangemouth. It is about what PetroChina’s plans are in the short, medium and long term. I do not believe that PetroChina is going to go anywhere in the foreseeable future, because of the price of oil. The refinery is making shed loads of money right now—as the oil and gas sector is—but, once we get beyond that and things start to settle down, where does PetroChina go? That is something that you need to speak about with Ineos and PetroChina, to make sure that PetroChina is on the same wavelength as Ineos in moving the site forward.

Cliff Bowen: Earlier, there was a question about freeports. There is concern about freeports, because we have seen them before. We understand what the pitfalls can be for workers’ rights and stuff like that. We get it. However, in conjunction with a lot of your colleagues, we have done a lot of work on that with Mr Matheson and the like. We have had those discussions and we

have aired our concerns about freeports and the green port.

However, ironically, it could be good for the refinery at Grangemouth. It is probably going to extend its lifecycle a bit, just in terms of tax breaks and how we can work and so on. We will see where that goes. That is not to say that we are naive about the pitfalls of freeports.

Pat Rafferty is absolutely right. In 31 years, I have never seen such margins. The money that the refineries are making at the minute is incredible—but you had better believe that, in every refinery in this country, there is chat noo about hydrogen. Everybody sees that, clearly, refining as it is has no future. However, under cleaner fuels, it has, whether that is based on hydrogen or carbon capture. We see that right across every piece of investment that is going in, whether at Essar at Stanlow or down at Fawley. Tens—hundreds—of millions of pounds are being invested in cleaner fuels, decarbonisation and stuff like that. That is all happening, and it is all around the freeport areas that are coming.

Graham Simpson: Thank you.

The Convener: That brings us to the end of the evidence session. I thank the witnesses for sharing their views.

I think that it has been mentioned that we will visit Grangemouth on 20 March. If there is evidence that you have not been able to provide this morning, please feel free to provide written evidence to the inquiry as we move through the next few weeks.

Mr Bowen, did you want—

Cliff Bowen: I was just getting my pen. [Laughter.]

The Convener: Sorry. I thought that you had more to contribute.

I briefly suspend the meeting to allow the witnesses to leave.

11:43

Meeting suspended.

11:45

On resuming—

Subordinate Legislation

Diligence against Earnings (Variation) (Scotland) Regulations 2023 (SSI 2023/27)

The Convener: Agenda item 3 is consideration of a Scottish statutory instrument. The committee is invited to note the Diligence against Earnings (Variation) (Scotland) Regulations 2023.

The purpose of the instrument is to update the figures that are contained in part III of the Debtors (Scotland) Act 1987, which relates to how much money an individual is allowed to keep before any payment can be taken from wages to recover debts and sets the scale of what payments can be taken above that level. The regulations increase protection for those in debt by raising the threshold beneath which deductions may not be taken from earnings by arrestment.

Although members are invited to note the instrument, they will be aware that we have received representation. Therefore, I am minded to write to the Government to request that, although we recognise that, by changing some of the thresholds, the instrument eases the current economic situation that is faced by many, perhaps more could be done in future years. I will write to the Government if members are happy for me to do so.

I also note that the Social Justice and Social Security Committee recently carried out an inquiry into such matters. Therefore, the Government is aware that the Parliament has an interest in them.

Are members content to note the instrument and to agree that a letter along those lines should be sent?

Members indicated agreement.

The Convener: Thank you.

That concludes the public part of the meeting. We will move into private session.

11:46

Meeting continued in private until 11:55.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba