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Five goals for the energy sector

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Prospect is the leading UK union for engineers, managers, and specialists.

We represent more than 156,000 workers across the public and private sectors, including thousands of members working in energy generation, transmission, distribution, and research roles around the UK.

Introduction

Prospect is the UK's leading energy trade union. We are proud to represent a growing membership of more than 22,500 workers in energy generation, transmission, distribution, retail, and research roles around the country. They are the engineers, scientists, managers, and specialists keeping our energy system running and driving us towards net zero.

We have over 100 years' experience of fighting for a better deal for energy workers and are committed to continuing to be a strong voice in a rapidly changing industry, with a growing membership in renewables.

Prospect wants the UK to build an affordable, reliable, and clean energy system that supports good jobs around the country. Politicians of all parties have repeatedly promised this is what the energy transition will achieve. However, government and the private sector have consistently failed to deliver the number of clean energy jobs* promised or ensure that those created are high-quality, well-paid, and unionised.

For several years, Prospect and other trade unions have been raising concerns about health and safety, pay, staffing levels, and other issues across the emerging clean energy industry. This paper outlines some of those challenges and a set of recommendations to address them.

Delivering good work in clean energy PROSPECT'S FIVE GOALS:

- Creating clean energy jobs that are accessible to a diverse workforce, including those transitioning from high carbon work.
- **Guaranteeing fair pay** to recruit and retain energy workers and share the benefits of the energy transition.
- Improving working conditions across the clean energy industry to ensure it supports secure jobs, with decent hours, fair treatment, and safe workplaces.
- Building a skilled workforce with the range of technical, scientific, engineering, managerial, and digital skills needed to deliver the clean energy transition.
- Giving workers a voice in their workplaces and the policy debate by enabling trade union organising and expanding collective bargaining.

^{*} In this paper, 'clean energy jobs' refers to jobs in renewables, nuclear, electricity networks, and other technologies that will underpin a decarbonised energy system.

Why clean energy jobs matter

energy jobs will be one of the most important tasks facing the UK in the years ahead, with a clear 'green jobs' strategy presenting opportunities within the sector, as well as economic and environmental benefits:



- The energy transition is an opportunity to build a stronger and fairer economy.

 Analysis consistently shows there is potential to create a significant number of clean energy jobs in the UK.¹ There is extensive overlap between areas with potential to lead the clean energy economy and those targeted for 'levelling up'.² This is also a chance to create opportunities for a more diverse workforce, including those excluded from the labour market or historically under-represented in the energy sector.
- The UK needs to expand its clean energy workforce to deliver lower bills, energy security, and climate leadership.

 Modelling shows 400,000 new workers need to be recruited into the energy sector by 2050 to deliver net zero, including nearly 120,000 by 2030 alone. Growing the clean energy workforce requires making jobs attractive in a competitive labour market and building a pipeline of skilled workers coming into the industry.
- Failing to deliver new opportunities for workers in high carbon jobs risks economic harm and undermining support for climate action. High carbon jobs are geographically concentrated, risking deep damage to workers and communities if the transition is managed poorly. Polling shows that support for net zero is conditional on the costs and benefits of change being fairly distributed. Good clean energy jobs can help guarantee a 'just transition' for those most affected by decarbonisation.



In August 2023, Prospect commissioned researchers at More in Common to examine public attitudes to 'green jobs'. Several insights emerged from two focus groups held in Great Yarmouth and West Cumbria:

- Participants had clear views about what made a 'good job' – highlighting good pay, stability, decent working hours, enjoyment, a sense of purpose, and employers that 'look out for you'.
- Most participants were unfamiliar with the concept of 'green jobs' and few associated green jobs with the energy sector.
- Many had concerns that 'green jobs' would not be accessible to people like them, due to

- a belief they would require retraining and be poorly paid. Good jobs were a bigger priority than green jobs, but there was no opposition to green jobs.
- There was scepticism that claims the UK could win the 'race for green jobs' or become a 'green superpower' sounded unrealistic and focused on international competition, rather than the cooperation needed to address the climate crisis.

These discussions reinforced Prospect's view that the UK must deliver high-quality clean energy jobs and provide clear pathways into them for a diverse workforce.

BARRIERS TOGOD WORK

Across the clean energy sector, there are barriers to Prospect's five good work goals.



GOAL: CREATING CLEAN ENERGY JOBS

Progress on the renewables rollout has failed to deliver enough new jobs in the UK. Successive governments have promised waves of clean energy jobs, but **employment** in clean energy has barely risen since 2015 (when comparable figures begin).⁷

Too little has been done to ensure clean energy jobs are accessible to a diverse workforce. Industry data shows just 1 in 5 (21%) offshore wind workers are women and fewer than 1 in 10 (7%) are people of colour.8

There is no UK-wide just transition strategy to ensure the clean energy economy provides opportunities for those in high carbon jobs. The government has also failed to respond to the pivot to active industrial strategy in the US, EU and elsewhere with a plan to create clean energy jobs in the UK.

"There are so many people that just want a good, stable job that provides a sufficient income to pay the bills."

Prospect/ More in Common focus group



GOAL: GUARANTEEING FAIR PAY

The energy sector has traditionally offered well-paid jobs, with widespread collective bargaining on pay. This remains true in parts of the sector, but **collective bargaining has declined significantly** – despite evidence it increases pay and reduces inequality.⁹

Some renewables workers face **low pay** and a lack of pay transparency. While the government has sought to close legal loopholes to ensure the minimum wage is paid to offshore workers, low salaries in the industry remain a concern.¹⁰

Public sector pay restraint is driving **deep** real terms pay cuts in much of the nuclear industry. Workers at the Nuclear Decommissioning Authority have been brought under government pay controls. Pay erosion risks workers moving to other employers, putting our energy goals at risk.

"People can't afford to go into low paid jobs just because they're green."

 Prospect/ More in Commor focus group



GOAL: IMPROVING WORKING CONDITIONS

There is a staffing crisis in our electricity networks with widespread issues of understaffing, overwork, low morale, and unsafe conditions. There is a particular problem of long hours in distribution networks, driven by standby and on-call working. A third of distribution network staff on standby regularly work more than 16-hour days.

The renewables industry has **a poor** record on health and safety. In 2021, the rate of lost time to injuries in UK offshore wind was more than double that in the UK offshore oil and gas sector, which is itself a hazardous industry.¹³

Poor working conditions are a barrier to attracting a skilled and diverse workforce, as well as undermining promises to deliver high-quality clean energy jobs.

"When you've got a good job, you're excited to go to that job. You're excited to do it."

Prospect/
More in Common
focus group

GOAL: BUILDING A SKILLED WORKFORCE

The government is yet to outline a skills and workforce strategy for the hundreds of thousands of new energy workers needed in the coming decades.

Employers across the sector (including in renewables, nuclear, and networks) report **overlapping skills shortages** in areas such as engineering, project management, and data science that are vital to meeting our energy goals and are in demand across the economy.¹⁴

The sector has **an ageing workforce** and faces a loss of skilled workers in the years ahead, with one-fifth of energy workers set to retire by 2030. 52,000 new recruits are needed this decade just to replace those expected to leave the workforce. 15

"You can't just rock up and install a wind turbine... You do need training."

Prospect/
 More in Commor
 focus group

GOAL: GIVING WORKERS A VOICE

Strong trade unions are vital to improving pay and conditions, developing skills, and managing economic change. But reflecting wider trends, trade union membership in the energy sector has been in decline for decades – falling from 72% energy workers in 1995 to just 29% in 2022.

Despite examples of good practice, several employers in the renewables industry continue to resist engaging with trade unions.

Recent governments have failed to take a 'social partnership' approach to the energy transition, consistently excluding trade unions from policy discussions.

"You want to feel appreciated for the work you do. You want to be recognised for the work you do."

Prospect/ More in Common focus group

A plan for the future

Delivering good clean energy jobs should be a core goal of the UK's energy and industrial policy, which cannot be undermined by short-term politics. Many of these jobs will be in private sector, but the government has a central role to play in shaping the quantity and quality of them. It should use a range of tools to act on the issues of job creation, pay, conditions, skills, and worker voice set out above. **Government should:**

Drive investment into the clean energy sector

As Prospect set out in our Delivering Clean Power report in May, the UK needs to embark on a national mission to rapidly roll out homegrown, zero carbon electricity from renewables and nuclear. This is the best way to bring down bills and improve our energy security, while creating thousands of good, long-term clean energy jobs.

However, it will require a step-change in public and private investment across the energy system. A publicly owned clean energy generation company can help crowd in private investment in risker technologies, including floating offshore wind and nuclear. There is also a strong case for public investment in port infrastructure to help develop renewables supply chains.

This must come alongside a plan to unlock private investment – with clear roadmaps for the deployment of clean energy technologies, sustainable pricing in Contracts for Difference auctions, strategic network planning, and reform of consenting processes.

Attach 'good jobs' conditions to public support

President Biden's Inflation Reduction Act shows the power of a coherent industrial strategy, helping create 170,000 clean energy jobs in its first year.¹⁹ Crucially, it has linked public support to strong conditions on pay, training, and local supply chains.

The UK should learn from this and attach 'good jobs' conditions to public support for clean energy projects. These could assess employers against a series of job quality benchmarks,



Prospect welcomes the Labour Party's proposal for **Great British Energy**, a public energy generation company. It would have a unique position between the state and market, which could be used to drive forward the good clean energy jobs agenda:

- Great British Energy (GBE) should have an explicit mandate to create and support good jobs, alongside driving the UK's clean energy transition. Good jobs won't automatically be delivered by pursuing other policy goals.
- GBE's projects must be properly funded and free from public sector pay controls to ensure they can attract a skilled workforce. GBE should work closely with

partners and suppliers in the private sector to promote good work beyond its immediate employees.

- GBE should act as a 'model employer' in the energy sector. This should include making significant investment in skills and collaborating with trade unions, businesses, and education providers to build a pipeline of workers coming into the sector.
- GBE should adopt the social partnership approach common in public energy generation companies across Europe.²⁰ It should be governed by an independent board with government, industry, and trade union representatives.

including decent pay, health and safety, workforce diversity, and engagement with trade unions. A 'good jobs test' should be at the heart of a reformed Contracts for Difference scheme, with government exploring how it could be aligned to seabed leasing and public procurement processes.

This could be accompanied by a 'good jobs duty' for Ofgem and other public bodies in the energy sector, ensuring they promote good work and investment in skills at every opportunity.

Develop a clean energy workforce strategy

Engineering and technical skills shortages cannot be solved by individual employers or parts of industry alone. The government needs to lead long-term workforce planning to ensure we have the workers to plan, build, operate, and maintain a clean energy system. Overlapping skills needs in renewables, nuclear, energy networks, and other large infrastructure projects mean this must be done on a 'whole

energy system' basis. We can again learn from the US, where the Department of Energy's Office of Energy Jobs plays a vital role in coordinating efforts to deliver high-quality clean energy jobs, diversify the workforce, and address skills shortages.²¹

The government should clarify the role of different public bodies – including Ofgem, the Future System Operator, and local government – in developing a similar approach in the UK. This should be rooted in robust skills projections, with an explicit focus on delivering a just transition and engaging with businesses and trade unions.



Empower workers and give them a seat at the table

Trade unions must take responsibility for recruiting members and expanding collective bargaining. We do not expect decades of declining membership to be fixed by government alone. However, policy changes can empower people to organise in their workplaces and lower barriers to growth in largely non-unionised parts of the economy like renewables. This should include:

- Introducing a physical and digital right of access to workplaces that enables trade unions to communicate with workers and make the case for union membership.
- Reducing excessive barriers to statutory union recognition by lowering ballot thresholds and enabling online ballots.²²

More widely, trade unions should be at the heart of economic and energy policy discussions and included in all relevant taskforces, consultations, and advisory bodies. You cannot deliver good jobs without giving workers a seat at the table.

Endnotes

- See Climate Change Committee literature review https://www.theccc.org.uk/publication/a-net-zeroworkforce/
- 2 https://www.ippr.org/files/2020-07/transforming-theeconomy-after-covid19-july2020.pdf, https://www. ukonward.com/wp-content/uploads/2022/12/Onward-Green-Jobs-Red-Wall-Report-1.pdf
- 3 https://www.nationalgrid.com/stories/journey-to-net-zero/net-zero-energy-workforce
- 4 https://www.theccc.org.uk/publication/a-net-zeroworkforce/
- 5 See for example https://climateoutreach.org/britaintalks-climate/seven-segments-big-picture/net-zerofairness-politics/, https://www.britainschoice.uk/pp. 243-244
- 6 More in Common-Prospect green jobs focus groups, held in August 2023 with a mix of participants from More in Common's 'Loyal National' segment living in Great Yarmouth and West Cumbria.
- 7 https://www.ons.gov.uk/economy/ environmentalaccounts/bulletins/finalestimates/2021
- 8 https://www.owic.org.uk/people-skills
- 9 https://www.gov.uk/government/statistics/tradeunion-statistics-2021, https://www.tuc.org.uk/sites/ default/files/2019-09/Astrongervoiceforworkers.pdf
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- 11 See Prospect's 2022 energy workforce survey https:// prospect.org.uk/news/prospect-energy-workforcesurvey-highlights-stress-fatigue-and-heavy-workloads
- 12 'On-call' or 'standby' employees are those expected to be available for work outside of their regular hours. See https://www.acas.org.uk/working-time-rules/employees-who-are-on-call-or-sleep-in
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- 20 EDF, Orsted, Statkraft and Vattenfall all have employee representatives on their boards. https://www.edf.fr/en/the-edf-group/edf-at-a-glance/governance/board-of-directors, https://orsted.com/en/who-we-are/our-organisation/management/board-of-directors, https://www.statkraft.com/about-statkraft/organisation/board-of-directors/, https://group.vattenfall.com/who-we-are/corporate-governance/board-of-directors
- 21 https://www.energy.gov/policy/energy-jobs
- 22 These proposals are supported by a range of other organisations. See https://economy2030. resolutionfoundation.org/reports/putting-good-work-on-the-table/, https://www.tuc.org.uk/sites/default/files/2019-09/Astrongervoiceforworkers.pdf, https://www.ippr.org/files/2018-06/cej-trade-unions-may18-.pdf



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