

MICHAEL MARRA

ROOTED IN LABOUR > READY TO LEAD

Powering Scotland's future

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Scotland's key strength is its workforce. The skills and expertise that exist within our country, and the industries that have been built by and around it is world leading, there is no other sector which exemplifies this like our energy sector. Scotland's resources and industrial strengths in this area have cemented us as one of Europe's leading energy nations for the past several decades.

For that strength to be built on, and the benefits of skilled work and economic growth to benefit all of Scotland however, we must face the future with confidence and the support of Government. Government must drive forward its vision for energy and bring together the public and private sectors with the workforce to make the investments needed for Scotland to realise its potential. And Scottish Labour must be at the forefront of this critical issue.

For the first time in years, there is an opportunity to do that in partnership with a UK Labour Government committed to investing in Britain's energy future. Great British Energy is headquartered in Aberdeen and can help secure investment in Scottish energy projects while strengthening the businesses and supply chains that support them. If I am elected leader of the Scottish Labour party, we will work closely with our UK Government colleagues to make sure Scotland takes full advantage of that opportunity.

Under my leadership, Scottish Labour will put energy at the heart of our wider plan for economic growth. It is important that Government, both the UK and Scottish, bring together the investment and infrastructure needed to develop new industries and give businesses the confidence to invest for the long term. It needs to also work with colleges, universities, and employers so that people across Scotland have the skills to take advantage of the opportunities that follow.

Our ambition must be bigger than simply generating more energy, though that is of course an important end within itself. It is vital that we use Scotland's energy potential to develop industries here and strengthen our supply chains to create secure, well-paid work.

For generations, the North East has powered the United Kingdom. In doing so it has built world-class engineering expertise and a workforce whose skills are recognised around the world. An extensive supply chain has developed around that industry and supports communities far beyond Aberdeen. Those strengths position us with the foundation on which we build the next energy economy.

The choice is not between oil and gas and renewable energy. Scotland must support domestic oil and gas production while moving faster to develop the industries that will provide our energy and employment in the future.

I believe Scotland can do both.

Protecting jobs and building from our strengths

I support continued domestic oil and gas production, including development consent for Rosebank and Jackdaw.

While demand remains, reducing production in the North Sea would not remove our need for oil and gas. It would increase our reliance on dirtier imported supplies with increased reliance on unstable or hostile regimes abroad. All the while we would be moving jobs and economic activity out of Scotland. Literally importing the energy we need and exporting the opportunities of it. Rosebank and Jackdaw also matter to the businesses and workers throughout the supply chain whose livelihoods depend on continued activity in the North Sea. It is also important to recognise

that Scotland needs that expertise and skill, as well as the supply chain, for the renewable energies of the future.

A managed transition cannot mean closing industries first and searching for replacement jobs afterwards. The test rather is whether workers can move into secure employment which makes proper use of the skills they have developed. We should not congratulate ourselves for announcing retraining programmes if the jobs those workers were trained for have already disappeared.

There is also a wider economic reason for protecting that industrial base.

The workforce that built the North Sea is precisely the workforce Scotland will need to develop offshore wind and other new energy industries. The engineering expertise and technical knowledge developed over decades cannot simply be recreated once it has been lost. A transition that allows those capabilities to disappear would make it harder, not easier, for Scotland to realise its renewable potential.

For years I have worked directly on these issues with the energy industry and trade unions, as well as colleagues in the Treasury and the Department for Energy Security and Net Zero. I have made the case directly to the Chancellor about the impact energy policy has on Aberdeen, the wider North East and the whole of Scotland.

There needs to be better understanding of the importance of the immediate consequences of decisions taken in the North Sea while having a credible plan for the industries that will sustain those communities in the decades ahead.

Investing in Scotland's renewable future

Scotland's renewable energy potential is significant. That is a recognised fact. How we best realise that potential is less well established. The potential is for the sector to be one of the central economic missions to power growth in Scotland and provide greater energy security in an increasingly volatile world.

Too often Scotland has provided the natural resources while too much of the manufacturing and economic value associated with it has been created elsewhere. We need an industrial strategy which changes that.

Government cannot simply announce targets and wait for the market to deliver them as has too often been the subject of this debate in Holyrood. It has to identify the strategic investments which will allow new industries to develop and make Scotland a more attractive place for



businesses to invest and innovation to flourish, which planning is central to as well.

That could mean investing in port capacity where it unlocks major offshore projects. In other places, the barrier might be grid infrastructure or the manufacturing capacity needed to support a growing supply chain. Government should better understand those barriers and intervene strategically to remove them.

This is the approach I have set out more widely for Scotland's economy. Public investment should not be judged only by the project immediately in front of us. The right investment can create the conditions around which much greater further investment takes place. Energy is one of the clearest opportunities to put that approach into practice and for the benefits to be felt in places across Scotland.

We should work with Great British Energy and the UK Government to build a strong pipeline of Scottish projects. At the same time, we need to ensure that Scottish firms are in a position to compete for the work those projects create. It is incumbent on Scottish Labour to make that case for delivery now, and it will be a priority for me if I am elected to lead our party.

The measure of success cannot simply be the number of turbines installed, or the amount of electricity generated. As important are the outcomes of that, such as how many skilled jobs have been created here and whether Scottish companies have grown as a result.

Our objectives are too often not strategic and not led by planning of outcomes. For example, there is so much potential to retain much more of the economic value created by Scotland's energy resources through manufacturing and strong domestic supply chains. That simply has not happened at the scale which it should have up until this point, and it must change immediately as we face the future.

Skills for the next energy economy

The opportunity ahead is significant, but it will only be realised if Scotland has the workforce to deliver it. That requires planning before skills shortages emerge.

Existing oil and gas workers should be able to take their experience into new industries without being expected to start again at the bottom. Where retraining is needed, it should be linked to actual employment opportunities and designed with workers and employers.

We also need to make the energy transition an opportunity for a new generation. A new generation of energy must bring about opportunities for our new generations. Young people should much more seamlessly be able to attain clear routes from school into apprenticeships, colleges, and skilled employment in Scotland's energy economy.

These opportunities are not simply an issue for the North East, and they should not just be concentrated in one part of Scotland. The North East will remain at the centre of our energy economy, which is where it is based, but the opportunities created by the transition have the potential to stretch across the country if we get the approach right from the start.

Different regions have different strengths. A serious national economic strategy would recognise those strengths and build around them rather than assuming that every place requires the same solution. We must back our regions as being best placed to be able to deliver this in their areas. For Scotland, the prize is not simply replacing one set of energy jobs with another. It is using the transition to expand the number of people who can access secure, skilled and well-paid work.

Keeping Scotland's energy wealth in Scotland

The transition should also change how communities benefit from the energy produced around them. Across Scotland, communities host major energy infrastructure and contribute to the generation of enormous economic value. Too often they see too little of that wealth retained locally.

I want Scottish Labour to put community wealth building at the heart of our approach to energy. Wherever it is practical, communities and local authorities should have the opportunity to take ownership stakes in energy projects. That can provide a long-term revenue stream and ensure that people have a direct interest in developments taking place around them. But community benefit should go much further than ownership alone.

Major developments, as part of planning for their outcomes, must better help local businesses participate in their supply chains. Supporting training and employment in the areas where projects are located. The wider investment generated by Scotland's energy resources is central to help strengthen the economic base of those communities rather than simply passing through them. That simply is not the experience of Scottish businesses at the moment.

There is an important opportunity to build on the work already being taken forward by the UK Labour Government and Great British Energy on local and community energy.

Scottish Labour, if I am elected leader, will immediately work alongside that effort and use it to expand community ownership in Scotland. We must also make sure that large-scale energy development delivers lasting economic benefits for the places which host it.

Powering a secure future

Renewable energy will play the central role in Scotland's future energy system, but clarity is needed about the need for a secure and balanced energy mix. That is why I support a new generation of nuclear power in Scotland. Here there is economic opportunity and ensuring energy security for the future.

For too long, blanket opposition to civil nuclear power has prevented Scotland from properly considering the economic opportunities it could provide. New nuclear would offer reliable low-carbon generation alongside Scotland's growing renewable capacity and could bring major long-term investment.

Scottish Labour should be at the forefront of ending that block.

We will work with the UK Labour Government to ensure Scotland can compete for future nuclear investment and that Scottish workers and businesses benefit from the projects that follow. That sits alongside our support for rapidly expanding renewables and for continued domestic oil and gas production while the new industries and jobs required for a successful transition are built.

A fiscal regime that works for Scotland

The UK government is committed to the Energy Profits Levy being replaced by a new oil and gas price mechanism by 2030 at the latest. In reality, that change needs to take place as quickly as possible. I worked to help bring industry and government together to develop the new mechanism for which there is broad support but change in the sector is accelerating in a volatile global landscape. To secure investment we must give as much clarity as possible on the fiscal horizon.

Changes in the energy sector also have impacts on Scotland's budget settlement – the money that we have to spend on vital public services across the country. A key feature of the current fiscal framework is the comparative performance in our national median wage. For decades the North East has propped up that metric with a highly paid energy sector where labour has commanded a production volatility premium. The stability of the long-term growth of renewables is one of the key attractions for energy security, national security, and for bill payers. Such stability is likely to impact on the previous labour premium by reducing the bargaining power of the workforce.

As we substitute renewables for the long-term decline of production in the North Sea basin, we must recognise these broader fiscal challenges. The next round of fiscal framework review should begin to consider these issues carefully. I have already raised them in my meetings with UK ministers at the highest level of government and can pursue them further in my leadership of the Scottish Labour Party.

Scotland's energy opportunity.

We already possess many of the things other countries are trying to build: a highly skilled energy workforce, decades of engineering expertise, and some of the greatest renewable resources in Europe.

Our job is to connect those strengths to a serious economic plan.

I do not accept that protecting oil and gas jobs means slowing the development of renewables. Nor should the transition require us to abandon the workers and communities who built Scotland's energy industry.

The route to Scotland's energy future must build from the strengths we already possess. We can support Rosebank and Jackdaw while accelerating renewable investment. Strategic public investment can help unlock much greater levels of private investment and create new Scottish industries. We can retain the expertise of the North East and make those skills central to the next generation of energy.

And we can ensure that the communities which produce Scotland's energy have a greater stake in the wealth it creates.

That is what a managed transition should mean, not the managed decline of one industry, but the deliberate building of the next.

Under my leadership, Scottish Labour will work with the UK Labour Government and use its influence in Scotland to make that happen. We will work alongside workers and industry to build an energy economy capable of creating lasting prosperity across the country.

Scotland has the resources. It has the workforce. What we now need is the ambition and the plan to turn those strengths into our next generation of economic growth.

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