



Workforce Dynamics Review – what does it mean for the workforce?

A new report has been launched by global energy skills body OPITO in partnership with Robert Gordon University's (RGU) Oil and Gas Institute which looks at skills requirements for the oil and gas industry over the next 20 years.

The purpose of the research is to ensure that action can be taken to safeguard more jobs and also give the current workforce opportunities to up-skill as new roles are created in oil and gas and renewables.

A new skills strategy will be developed as a result of the report, so that the industry is prepared for the expected changes.

Whilst total employment will fall gradually over the next 20 years, the report shows that 40,000 people will need to be recruited into the industry to sustain ambitions to achieve Vision 2035 and the energy transition. This will help sustain the UK industry for many years to come.

How many people will be recruited?

More than 40,000 new people are expected to be recruited over the next 20 years on the basis that the industry can achieve the goals around Vision 2035 and the wider energy diversification. By 2035 it is expected that the industry should be able to sustain over 130,000 roles in 2035, (170,000 in 2017).

How many people will retire or leave to work elsewhere over the next 20 years?

It is likely that around 80,000 people will retire or leave the sector for other reasons by 2035.

The industry has lost 70,000 people between 2014 and 2017, will there be more of the same?

The sharp hit experienced over the last three years is not expected. Production is predicted to increase in the short term and then post 2021 start to reduce as hydrocarbons become increasingly difficult to produce. There will likely be a more gradual reduction of numbers employed in the sector of around 1.5% per year (compared to the 10% experienced in the last three years). Much of the reduction will be met by people retiring.

What is Vision 2035?

There are still an estimated 20 billion barrels of remaining hydrocarbons to be recovered, however these will become increasingly more challenging to extract. To provide a clear sense of direction for the sector, the Oil and Gas Authority in collaboration with Oil and Gas UK created a new vision for the industry – Vision 2035, based on maximising economic recovery from the UKCS and a doubling of the international footprint of the UK based supply chain. Vision 2035 captures the ambition of the industry to produce an additional 3 billion barrels of oil and gas by 2035 and to double the UK's share of the global oil and gas supply chain market from 3.7% to over 7% by 2035. The industry is currently developing a roadmap for Vision 2035.



What sorts of new jobs will be created?

New roles will be required in areas such as data science, data analytics, robotics, material science, remote operations, new materials, nano-technology, change management and cyber security. It is important that a skills strategy informs the creation of new courses and training programmes. The low carbon transition is also expected to create roles which can be transferred from oil and gas. The Offshore Renewable Energy Catapult, the UK's leading innovation and research centre for offshore wind, wave and tidal, recently predicted 30,000 jobs will be created in the UK by 2040 in tidal power and wave energy.

Which jobs will be most affected by technology?

The UK Workforce Dynamics report looks at job families rather than specific job titles. It shows that posts that involve high degrees of routine physical work and data handling are more likely to be affected by automation. This can lessen risk exposure, reducing repetitive or high risk tasks to improve safety.

What will a new skills strategy involve?

The skills strategy that will emerge from the review is likely to include the development of new programmes and courses involving input from employers, trade unions, governments, agencies, educational establishments and commercial training organisations. To make the most of energy transition opportunities, common standards will be needed across the energy sectors to create a more flexible workforce for the future.