

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	29 March 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Energy Transition Zone Jobs and Skills Plan
REPORT NUMBER	COM/23/105
DIRECTOR	Gale Beattie
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Angela Taylor
TERMS OF REFERENCE	3.2

1. PURPOSE OF REPORT

- 1.1 This report provides an introduction to the Jobs and Skills Plan created by ETZ Ltd for the proposed Energy Transition Zone, with the Plan attached as Appendix One.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes ETZ Ltd's Energy Transition Zone Jobs and Skills Plan; and
- 2.2 Instructs Chief Officer - City Growth to provide a regular service update report to the Finance and Resources Committee members as the Plan is being updated and implemented.

3. CURRENT SITUATION

- 3.1 On 3 March 2020, Council instructed Chief Officer - City Growth to evaluate the Energy Transition Zone Training and Jobs Plan and report back on the extent to which local people are accessing training or job opportunities that are generated if any development occurs.
- 3.2 No new development has yet taken place at the proposed Energy Transition Zone, which has been identified in the south of the city as an area which will be developed to not only support Aberdeen businesses to make the transition to renewable energies from oil and gas, but also to attract new energy transition businesses into the area, while creating sustainable employment opportunities for local people and the broader region in the short term and for generations to come.

- 3.3 Three sites within the proposed Energy Transition Zone are included in the Local Development Plan, which awaits Scottish Government approval for adoption.
- 3.4 The Plan states that the proposed Zone will “provide energy transition organisations and the local community with amenities, job opportunities and a long-term business environment, harnessing the region’s resources and skills to maximise the future value potential from energy transition developments. Initial investment prioritises skills development, in recognition of the importance of creating and retaining sustainable energy jobs, as well as engaging local communities in delivering a just transition. This investment aims to support businesses and the current and future workforce to build resilience to economic fluctuations and contribute to job retention and creation, and new skills development.”.
- 3.5 The Energy Transition Zone Jobs and Skills Plan does not provide detail of the numbers and types of jobs to be created, but rather sets out a framework for how ETZ Ltd intends to secure employment, as well as creating sustainable new local jobs. ETZ Ltd anticipates that the proposed Zone will support up to 2,500 direct jobs at its peak in 2030, with 10,000 more transition-related jobs created across the North-east, realising around £400m GVA.
- 3.6 A masterplan for the proposed Energy Transition Zone has been submitted to the planning authority and it is anticipated that it will be considered by the Planning Development Management Committee in Spring, with enabling works anticipated (subject to planning consent being granted) early next year. ETZ’s position is that the employment opportunities for the area will become more apparent with a masterplan in place. Job numbers will be identified through job density linked to the masterplan.
- 3.7 The Plan sets out jobs and skills conditions that all investors and organisations leasing or purchasing land in the proposed Energy Transition Zone will be encouraged to adhere to, to ensure Fair Work practises and the creation of sustainable local jobs are enshrined. These include:
- Developing tailored workforce development plans;
 - Creating local employment and business opportunities;
 - Signing up to the Scottish Government’s Young Person Guarantee;
 - Using local and regional training providers wherever possible;
 - Championing Fair Work First;
 - Promoting diversity and inclusion; and
 - Contributing towards the Energy Transition Zone Community Fund.
- 3.8 These are in addition to ETZ Ltd’s standard investor conditions, which include:
- Offering the Real Living Wage
 - No use of zero-hours contracts; and
 - Compliance with the Modern Slavery Act.
- 3.9 There is a clear focus on a just transition, recognising that opportunities must be available to all young people and local communities, with stated alignment

to Scottish Government policies including the Climate Emergency Skills Action Plan, No One Left Behind, and the Young Person Guarantee.

3.10 It sets out a commitment to support training provision for young people as well as focusing on closing the skills gap for Aberdeen's most disadvantaged residents and tackling gender imbalances in the energy sector.

3.11 Given that there are currently no job outcomes and there are unlikely to be until such time as development gets underway (subject to planning approvals, including the masterplan), it is recommended that a further report is brought to Committee in due course.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations on this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no environmental implications arising from the recommendations in this report.

7. RISK

7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified.		L	Yes
Compliance	No significant risks identified.		L	Yes
Operational	No significant risks identified.		L	Yes

Financial	No significant risks identified.		L	Yes
Reputational	No significant risks identified.		L	Yes
Environment / Climate	No significant risks identified.		L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement</p> <p>Working in Partnership for Aberdeen</p>	<p>The proposals in this report support the following aspects of the Policy Statement:</p> <p>Building a Greener and Sustainable City</p> <ul style="list-style-type: none"> • Work with partners to deliver a just transition to net zero and plan to make Aberdeen a net zero city by no later than 2037, and earlier if that is possible • Support Aberdeen’s continued pioneering of Hydrogen technologies and make the case to bring alternatively powered rail services to the City <p>A Prosperous City</p> <ul style="list-style-type: none"> • Develop our economy in a genuine partnership with the private sector, third sector and residents • Work with partners to stimulate sustainable economic development, including a managed transition to a carbon neutral economy and work in partnership with the academic, business and other relevant sectors to ensure the long-term future of the energy industry <p>By asking members to note the proposed Energy Transition Zone Jobs and Skills Plan, and instructing the Chief Officer City Growth to provide an update when more information about the type and number of jobs, and investors, is available.</p>

<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	The proposals in this report support the delivery of LOIP Stretch Outcome 1: 10% increase in employment across priority and volume growth sectors by 2026; Stretch Outcome 2: 90% of working people in Living Wage employment by 2026. The paper seeks to inform members about the methods by which fair and sustainable jobs will be secured and created via the proposed ETZ through its Jobs and Skills Plan.
Prosperous People Stretch Outcomes	<p>The proposals within this report support the delivery of the following LOIP Stretch Outcomes:</p> <ul style="list-style-type: none"> • 5. 95% of care experienced children and young people will have the same levels of attainment in education, emotional wellbeing, and positive destinations as their peers by 2026. • 6. 95% of children living in our priority localities will sustain a positive destination upon leaving school by 2026. <p>The report sets out how ETZ Ltd intends to use its Jobs and Skills Plan for the proposed Energy Transition Zone to create fair and sustainable employment opportunities for people of all working ages, and to encourage young people via education and post-school links to take advantage of those opportunities,</p>
Prosperous Place Stretch Outcomes	The delivery of LOIP Stretch Outcomes 13 - No one in Aberdeen will go without food due to poverty by 2026; and 14 - Addressing climate change by reducing Aberdeen's carbon emissions by setting out how the proposed Energy Transition Zone and its Jobs and Skills Plan will provide jobs in the local area and region, using inclusive approaches to upskill and reskill people into fair and sustainable employment and supporting the transition to green energy.
Regional and City Strategies	
Regional Strategies: (i.e. Regional Economic Strategy, Regional Skills Strategy) City Strategies and Strategic Plans Net Zero Routemap for the City	The proposals in this report support the Local Development Plan, the Strategic Development Plan and Regional Economic Strategy and Regional Skills Strategy, as well as the Net Zero Routemap by setting out a Plan for the delivery of investment jobs, and skills in the proposed Energy Transition Zone, which will support energy transition in Aberdeen, as well as securing and creating fair and sustainable employment for the city and region.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

10.1 None

11. APPENDICES

11.1 ETZ Ltd Energy Transition Zone Jobs and Skills Plan (Appendix One)

12. REPORT AUTHOR CONTACT DETAILS

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