



FUELS
Industry UK

Manufacture.
Supply. Transform.

POSITION PAPER: SHORT TERM WORKFORCE SHORTAGES

Summary

There is a current shortage of technical skills in the UK, essential for both today's operations and the transition to net zero across the whole of industry. Despite recent efforts, this shortage is still likely to continue to the end of the decade. Therefore, businesses need access to the flexible international workforce. Otherwise, the UK will fall behind in the transition to net zero and energy security will be at greater risk.

Problem Statement

The UK no longer has access to the flexible international workforce that UK refineries previously relied on for large maintenance activities ("turnarounds"). These are required for continued safe operations and for projects that improve long-term

profitability and transform facilities in order to help deliver net zero.

Current Situation

Each refinery in the UK directly employs between 300 to 1200 full-time people, depending on its size and setup. But they also employ a range of other workers – some of whom are on site most of the time (like specialist fire crews) or others who are only needed periodically, such as tradespersons there to fix issues as they arise. Once every three to five years, a refinery will be shut down entirely for large-scale maintenance and installation of new plant and machinery. Called a "turnaround" or TAR, these can involve up to 3,000 additional workers on site for three months. TARs are planned so that the refinery is shut for as short a period as possible, which means the additional workers are not employed full-time. Therefore sites are reliant on flexible access to the skilled workers they periodically need from third-party companies. Although refineries are committed to taken on apprentices, their intake is greatly outstripped by the number of retirees. In addition, the UK is also facing a major shortage of manufacturing, construction and other related workers. That means, while the majority of the temporary workforce did come from the UK, previously refineries supplemented them with additional expertise from Europe. As there are only six

Asks

- A visa system based on business need, not arbitrary numbers
- Revisions to visa entry requirements and sponsorship costs
- Revise the scope of the Migration Advisory Committee and the exemptions which result from their recommendations so that other factors than pay (i.e. language, qualifications, critical sites) can be addressed to address UK short-term shortages.

refineries in the UK, with one closing shortly, there is not enough work to support a fully domestic workforce. By contrast, there are more than 80 refineries in Europe, supported by a highly mobile and experienced workforce. This is no longer possible due to the requirements of visa sponsorship to work in the UK. This is both costly and complicated by the points-based system that requires language competency and/or degree level equivalent qualifications that are not always held by skilled trades.

Key evidence

Origin of temporary workers: Refineries need large temporary workforces for major projects, that cannot be maintained full-time. As shown, the majority are sourced within the UK, but there has historically been use of overseas (mainly European) workers to supplement this.

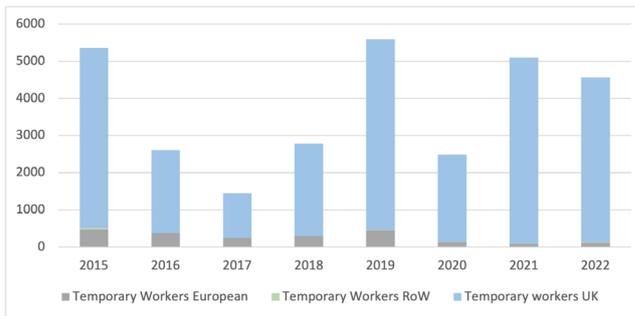
Balance of apprentice intake vs worker retirement for UK refineries: The UK refineries' intake of apprentices is greatly outstripped by the number of retirees. While there will be mid-career joiners, the overall trend is towards a falling workforce in the sector.

UK required resources for NAECI roles 2023/2024: There are notable vacancies in key employee sectors in the UK, in particular those trades who work under the National Agreement for the Engineering Construction Industry or "NAECI". While the numbers are not historically high, the survey by the Engineering and Constructors Industry Association (ECIA) shows that the current number of employees is significantly short of planned and projected work in coming years.

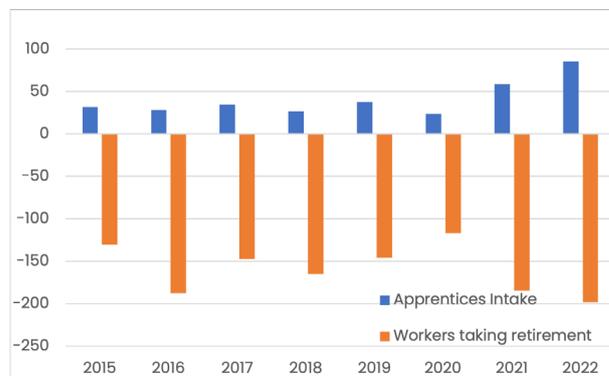
UK vacancies by industry (Feb-Apr 2024)

	Manufacturing	Construction
Levels	61,000	36,000
Ratio (vacancies per 100 jobs)	2.5	2.4

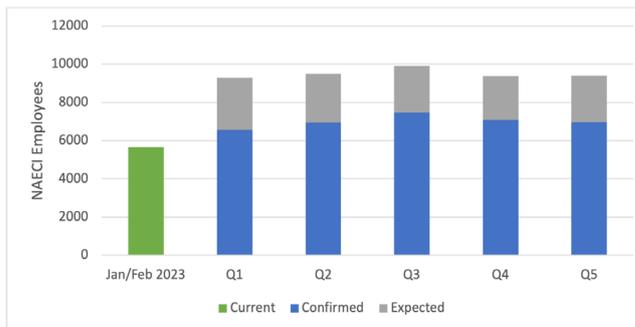
Origin of temporary workers



Balance of apprentice intake vs worker retirement for UK refineries



UK required resources for NAECI roles 2023/2024



Opportunities and risks

Losing access to the flexible international workforce is already having an impact, with refineries either postponing TARs or reducing their scale. Having more, smaller TARs is inefficient and will increase the amount of time where sites are not producing fuel in the UK, with a corresponding greater reliance on imports and reduced energy resilience for the nation. Another impact is that major decarbonisation projects, such as the additional facilities for carbon capture and hydrogen production, are delayed

or reduced. With the rising emissions policy costs, the failure to deliver critical infrastructure for net zero makes the UK a less attractive place to do business.

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