

A sustainable future for the UK's energy workforce

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Prospect's approach

- Good jobs + good work = good business
- Skills utilisation and career development
- Using all of the talent pool
- Workforce engagement



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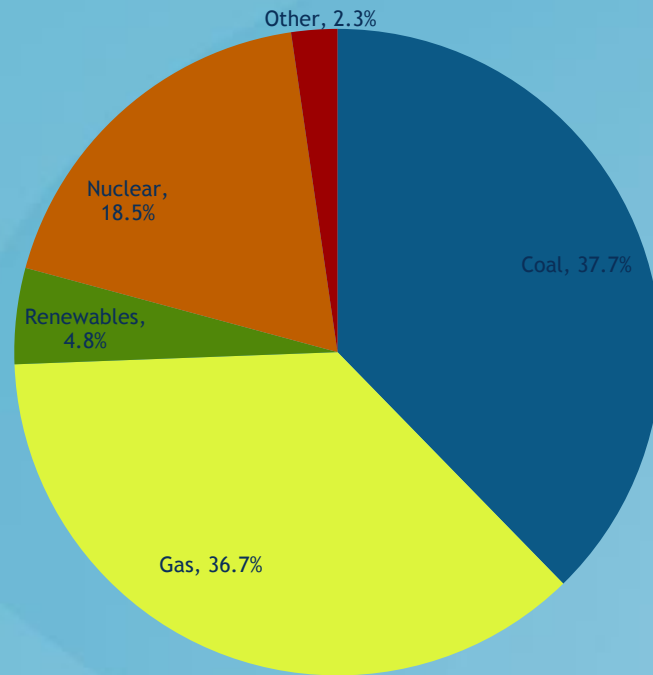


A sector in transformation

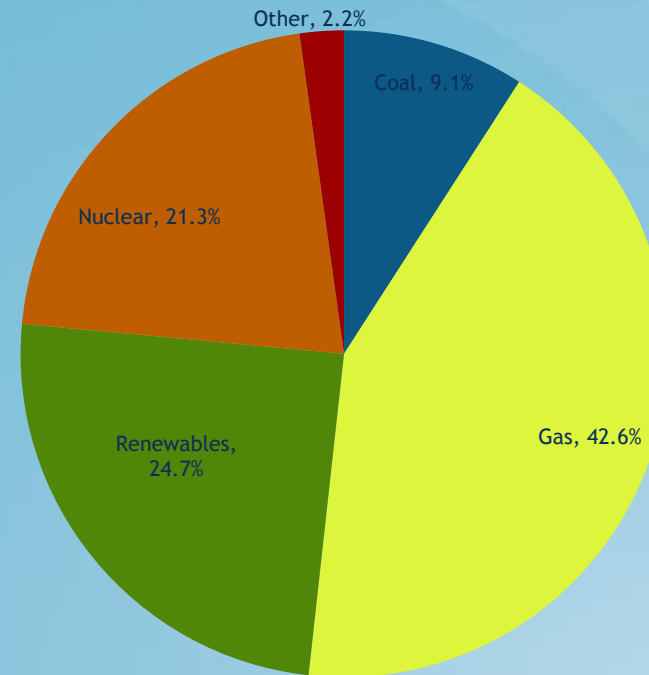
- Technology
- Demand uncertainty
- Cost pressures
- Regulation
- Demography and diversity

Decline of coal, rise of renewables

UK Electricity Generation 2006

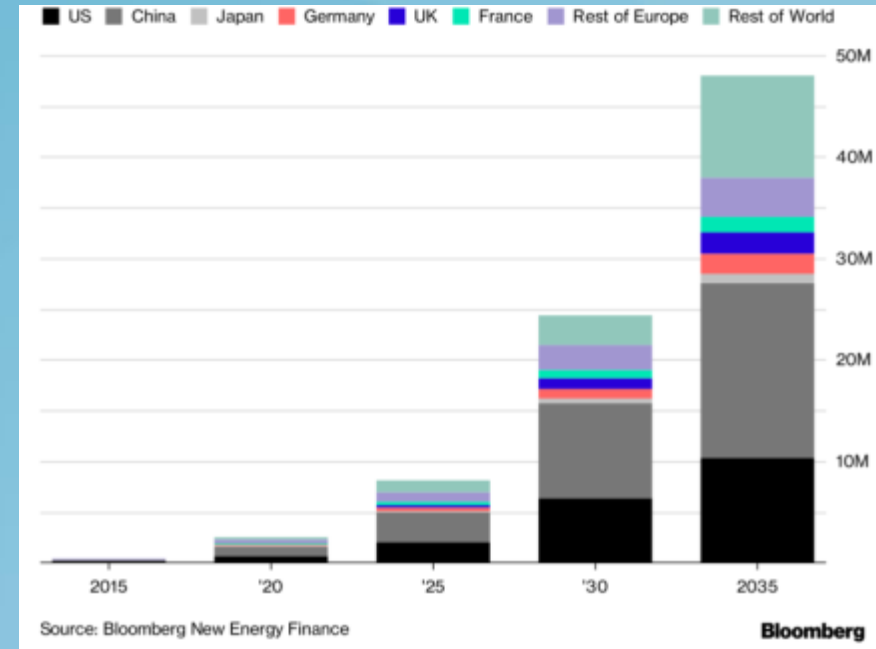
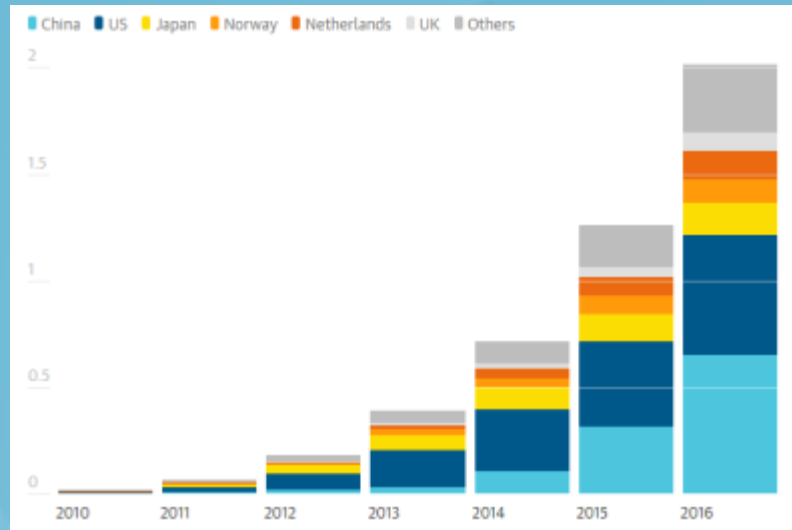


UK Electricity Generation 2016



New demand challenges: rise of electric vehicles

Actual and forecast growth in global EV sales (millions)



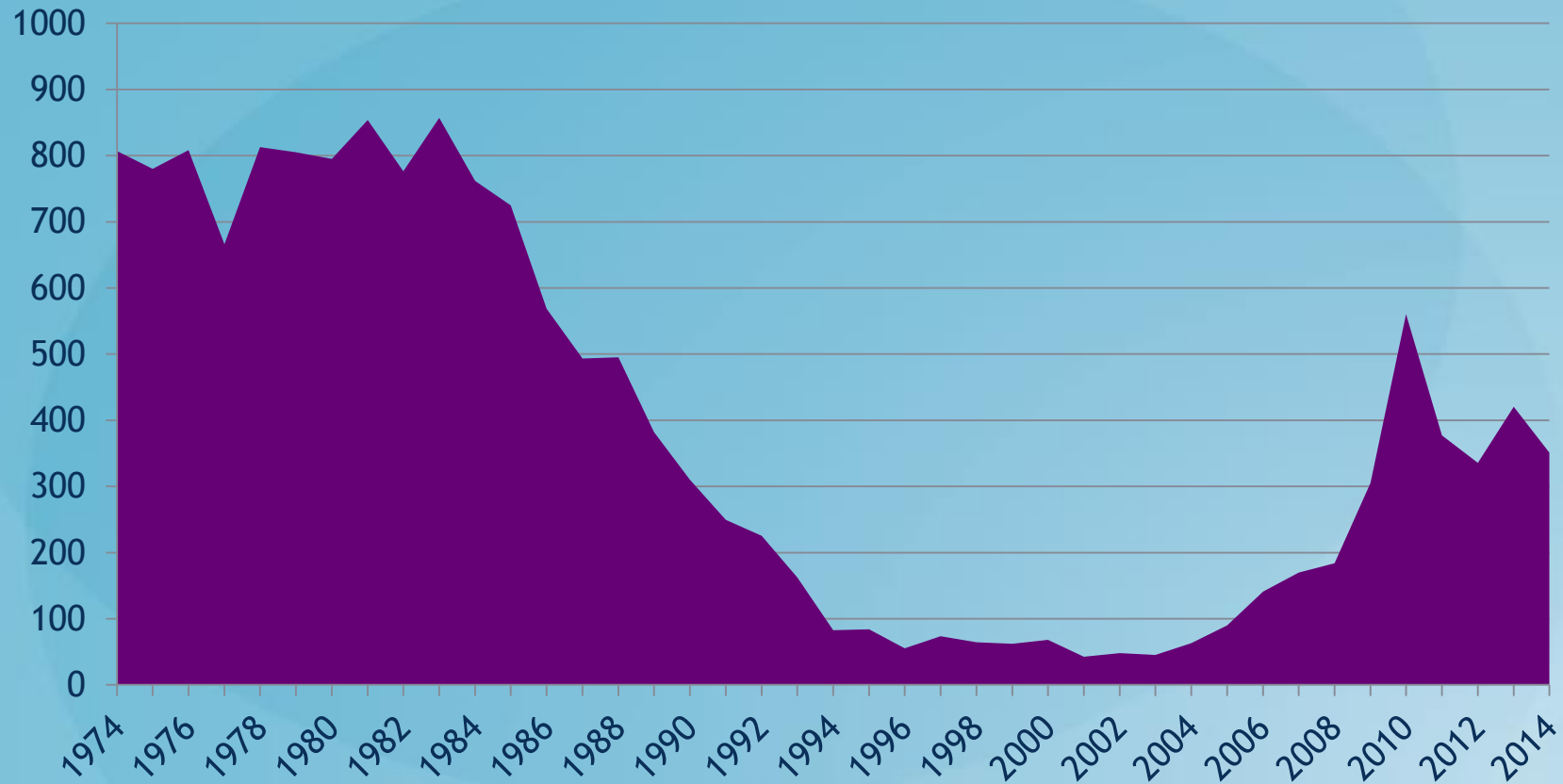
- UK currently about 5% of global EV market
- 2016 EV sales were 1% of all UK vehicle sales
- Public charging infrastructure has expanded, but most charge at home - network reinforcement will be needed.

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New energy technology: is the UK ready?

Real UK Spending on Energy R&D (millions of 2015 £s)

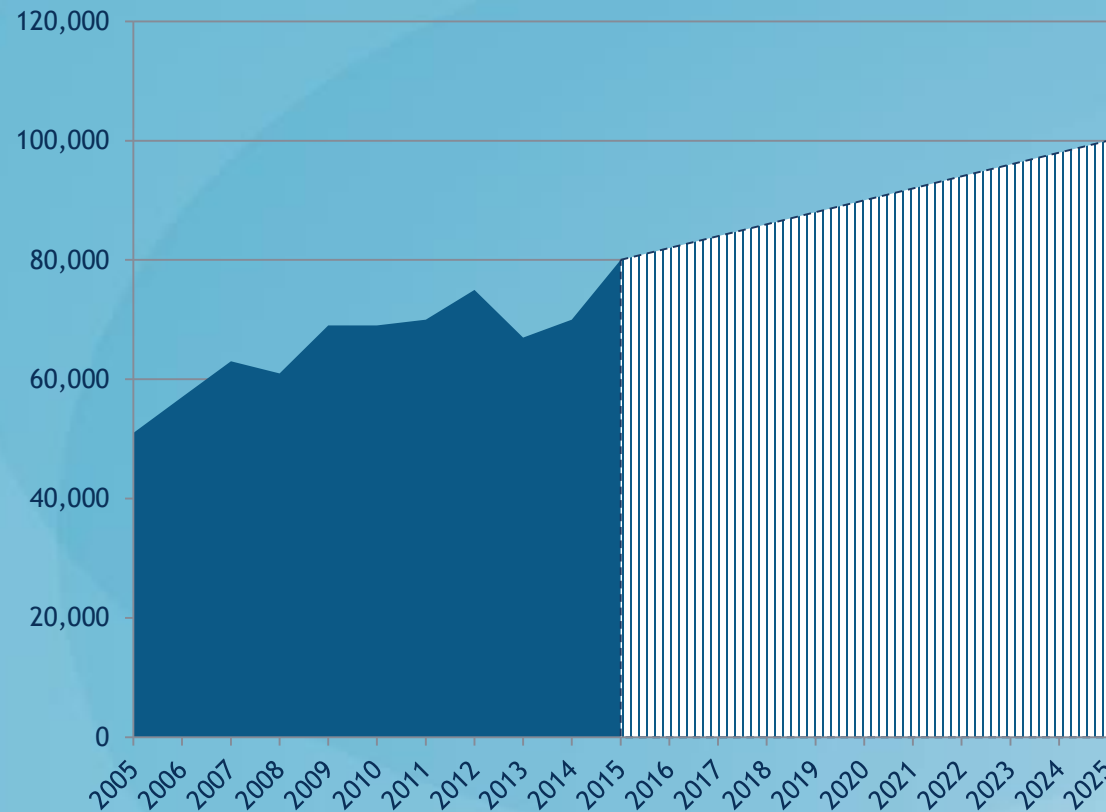


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UK power sector workforce is forecast to grow

UK power sector workforce to 2025
(Energy & Utilities Skills Partnership)



- Aging workforce, need to replace retiring staff - DNOs need to add ~2000 FTEs/year to 2030
- 20% of the electricity sector workforce is over the age of 55; pace of retirement set to peak in mid-2020s
- Roughly 20,000 new power sector jobs by 2025 (50% due to smart meters)

Prospect's six steps to a sustainable energy future

- A balanced, low-carbon energy mix
- Leadership and oversight
- Action on the workforce crisis
- Addressing market failure and restoring public confidence
- Seizing new technological opportunities
- Preparing for life outside the EU



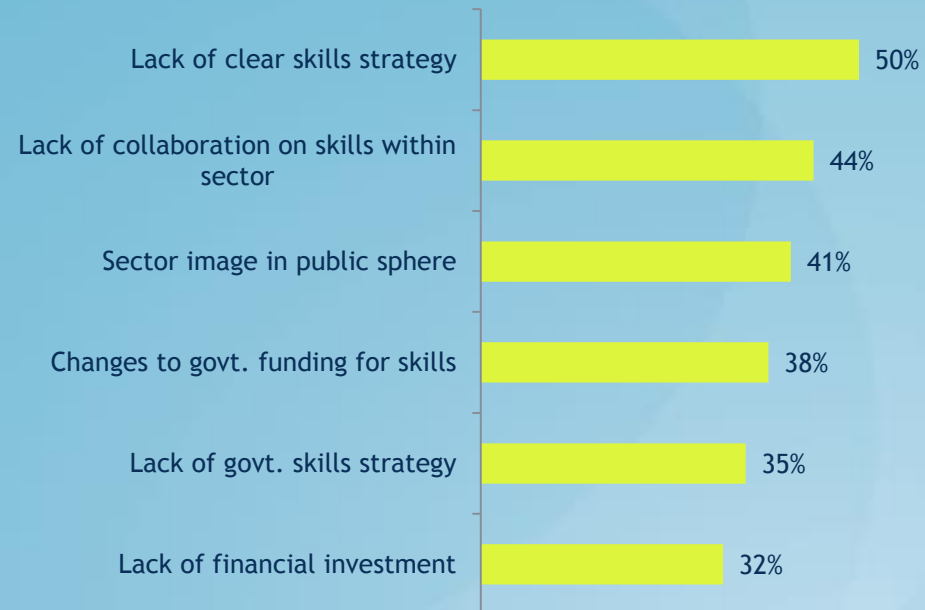
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Why action is needed on workforce resilience

- 50% of senior executives in the sector think a skills crisis is imminent
- 1-in-2 said lack of a clear skills strategy is a key barrier to resilience; 1-in-3 identified lack of adequate investment in skills

Utility execs on key barriers to workforce resilience (Utility Week/Wipro)



Making workforce resilience a priority

- Workforce satisfaction
- Workforce development and renewal
- Workforce diversity and equality
- Health and safety

Trade unions as social partners

- Strategic and pragmatic
- Long-term stakeholder
- Experts at work
- Good work
- Managing change
- Fair and level playing field



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