



Minutes • *16 March 2026*

Directorate for Energy Supply Chain (DESC)



16 March 2026

MINUTES

Minutes of the meeting on 16 March 2026 at 14:00pm held at TRS Workforce Solutions, 209-215 Blackfriars Road, London SE1 8NL.

Present

Stuart Broadley, CEO EIC (SRB)
Kim Stephen, EIC (KS)
Rebecca Groundwater, EIC (RG)
Neil Golding, EIC (NG)
Ian Molloy, EIC
Matthew Rushton, Allelys Heavy Haulage Ltd
Paul Bicker, asset55
Peter Richards, DEEP Manufacturing Ltd
Andrew Smith, Denholm Industrial Services Limited
Vilasini Krishnan, Deugro (United Kingdom) Ltd
Angus Milne, DNV Services UK Ltd
Carl Townsend, Eldor UK
Philip Ashley, Fibron bx Ltd
Stuart Billingham, Koso Kent Introl Limited
Henry Rios, LV Shipping Ltd
Frazer Budd, McDermott Marine Construction Ltd
Andrew Ball, Murphy Group
Ivan Gutierrez, OGC Energy Ltd
Paul Ashton, Powertherm Contract Services Ltd
Darren Davidson, Siemens Energy Ltd
Paul Mudd, TRS Workforce Solutions
Martin Layfield, Petrofac Facilities Management Ltd
Jasmina Tuncheva, FRACHT UK Ltd

Apologies

Luke Pirie, Oceaneering Int. Services Ltd
Dan Rigby, Wood Group UK Ltd
James Blanchard, United Infrastructure
Miles Jackson, Wolf Safety Lamp Co. Ltd

1 Welcome

KS welcomed all to the meeting and invited all attendees to introduce themselves. KS added that all meetings will be held under Chatham House Rules.

2 Market Overview

NG presented a market overview.

Action : presentation to be distributed following the meeting.

3 Introduction

RG opened the discussion by highlighting the significant impact of current Government policy on developments across the energy sector. The primary objective of the discussion was to identify necessary actions to revitalize the UK industry.

4 Current Market Landscape

- **Investment:** GB Energy is working to bridge gaps in supply chain investment, with investment banks collaborating behind the scenes despite a lack of high-profile public progress.
- **State of the North Sea:** Activity levels have declined to approximately 50% of previous years. Aberdeen is experiencing a significant downturn.
- **Sector Sentiment:** Members described current decision-making as “sticky tape” solutions or “window dressing,” particularly within offshore wind. There is a perceived lack of pace and care regarding the Energy Transition, with comparisons made to the proactive H2 strategy in the Netherlands.
- **International Competition:** Major concerns were raised regarding State-backed Chinese competition offering high capability at lower costs.

5 Key Challenges & Barriers

- **Infrastructure:** UK ports, road networks, and canals are currently insufficient to support large-scale modular movements. 80% of permit applications face cost increases due to transport logistics.
- **Procurement & Content:** Disappointment was expressed over EPC contracts being awarded outside the UK. While the UK has “pockets of excellence” in design and build (e.g., substations), many businesses are moving capacity to the US or Europe due to better incentives.
- **Operational Costs:** High electricity prices, rising rents, and salary inflation are hurting domestic competitiveness.
- **Skills Gap:** Significant difficulty in hiring and retaining skilled workers, specifically welders. There is a noted lack of industry-wide apprenticeship schemes and a “silo mentality” among existing skills authorities.

6 Sector-Specific Updates

- **Policy & Funding:** A unanimous call for policy certainty and consistency. Suggestions included restoring DBT support, providing upfront milestone investments for world-leading sectors (e.g., umbilicals), and allowing export credit financing for Oil & Gas.
- **Industrial Strategy:** Discussion on the need for a dedicated SME strategy and an update to the Industrial Strategy to include better infrastructure funding.
- **Energy Literacy:** A need to educate the public and Government on the daily realities of energy sources (referencing the NESO app).

7 Action Table

Ref	Action Item	Owner
01	Use EICSupplyMap to identify specific manufacturing gaps and strengths to inform Government of where investment is most needed.	EIC
02	Develop a narrative for Government focused on positive messaging, highlighting growth, standards, and successful case studies rather than just grievances.	All Members / RG
03	Communicate to policy makers that import codes add significant cost burden to the supply chain, and actions to reduce such cost build up are sought.	RG / Policy Team
04	Identify critical shortages in people and capabilities to define exactly which “local content” aspects should be protected.	EIC

05	Facilitate cross-industry dialogue between Decommissioning and CC sectors to ensure infrastructure and knowledge are shared.	All Members / RG
06	Explore a formal link between Energy Security and National Security, leveraging the active skillset within the Defence sector.	All Members / SRB
07	Advocate for STEM and unified apprenticeship schemes to prevent the outsourcing of engineering capability overseas.	All Members / KS

8 Date of next meeting

The next meeting will be held on 1 July 2026, between 13.00pm-15.00pm in central London, venue to be confirmed.

Appendix

RG opened the discussion stating Government policy is impacting developments across the Energy Sector. What can be done to bring back industry. It was noted GB Energy is looking to bridge the gap for supply chain investment and investment banks are working together.

Whilst there are big profile making statements there is a lot moving forward in the background.

EIC is here to support the wider supply chain.

RG posed to the group - What did the supply chain look like in the past and what does it look like now?

Comments included that the North Sea is limping along, with around 50% of activity levels compared to previous years. Aberdeen is seeing a massive decline in business. Some noted a feeling that there are instances where “sticky tape” decisions are being made in some sectors, and window dressing opportunities in others, including offshore wind.

Members cited they were disappointed by awards being made to EPCs outside of the UK. Infrastructure opportunities massively fumble by the non-awarding of contracts to the UK and there were discussions around global content being driven by local content in other markets.

Some businesses cited they are doubling capacity. It was recognised that CIBs done with good intent. There is design and build substations here in the UK, with pockets of excellence.

Some noted major concerns regarding competing with the Chinese; with State backing, and with huge capability and low costs.

The question was posed, if UK projects did materialise, would you grow back in the UK? How many smaller projects are needed to fill the gap?

Some noted an aim to procure in Europe. Economics flaky at the start so requirements to use Chinese suppliers.

Businesses shared their plans for their own organisations. Focussed on the hype of the UK. Some cited they felt like the UK was asleep at the wheel with Energy Transition, with things passing us by. Government in Netherlands has driven the H2 sector, there was a call for lessons be learned from other geographies.

Members discussed that they felt there was no heavy industry in the UK. Ports are not set up to move the modules. Existing infrastructure (road networks, ports, canal's etc) aren't sufficient to support the large-scale projects. Cost of people was also raised as an issue, with hiring and maintaining people also tough.

There was a call for UK infrastructure to be updated to support industry/manufacturing, with some noting 80% of permit applications see cost increases to move material.

It was noted that welders were a skill hard to get hold of. Comparisons were made between the UK and US market, with some sharing their view the US was far easier to operate in. Perhaps due to a depressed market in US, some felt it was easier to hire team members here. Members cited their own drive to build apprentice scheme.

Some discussion on the impact of globalisation. Citing how the price of electricity is really hurting businesses here in the UK. Costs for businesses are on the up including rent increases, and salaries too. There was consensus amongst the group that many can't compete with China.

Certain members noted pockets of success, including around Grid. They felt there was good visibility of activity for their business, with a forward view of 5 years, giving confidence for investment. It was noted that the offshore wind market had a good pipeline for some, and also there is good project visibility in solar.

Discussions were had around the fact we have to accept we are part of a global supply chain, not all technologies will be built here in the UK e.g. a transformer factory. It was also noted that CCUS and H2 haven't moved forward as expected, and gas generation needs updating and build out.

A member noted that the UK is a key market for their company with 10-15% of the company's business done in the UK.

Comments were made around the fact the steel industry has gone in Sheffield. It was also noted there is a need for industry apprenticeship schemes, as this is a major challenge. Some noted their clients believe the UK is perceived as an excellent place for industry.

It was felt there was no SME strategy for the UK.

It was discussed that the Government doesn't believe in the CC and H2 sectors, and key members of Government being anti O&G, and rather favouring electricity. It was noted some felt that natural gas was seen as the poor relation.

Other businesses noted they too were having challenges finding resource.

It was noted National Gas procurement very difficult to move forward, and a general lack of pace in progress.

Whilst others felt there was a clear lack of care and plan.

Some noted that there were copies of certain equipment seen in markets such as India and China, and a clear trend of other countries, such as China, seeing contractors placing orders with local companies from their own market.

RG then posed the question - What is the one biggest thing that could shift the dial for the UK supply chain?

There was a call to focus on STEM and career progression within the energy supply chain, and a request that we don't outsource people overseas.

Some noted their clients want to base themselves in London and there is a need for new capability required to be trained. The UK market traditionally have a requirement for higher salaries compared to those from overseas. It was noted that these are risks to large scale engineering happening in the UK in the future.

Many called for a certainty of policy being what is needed, and consistency of policy.

It was noted that some felt the younger generation have different aspirations to long term careers, and a subsequent call for skills authorities to work together and stop silo mentality. It was also noted the higher cost of contingent workforce.

Funding was discussed – and specifically export credit financing. It felt there was a short-sighted view on support for O&G, with a call to allow export finance to support O&G.

Where we are world leaders in areas, such as umbilicals, there was a call for milestone investments up front, and support to continually lead in this space was needed.

Some businesses flagged they used to have valuable support from DBT, but this support was no longer available.

Requests were made for there to be joined up policy. The size and scale of the decommissioning opportunity in the North Sea was discussed, and questions posed around how this joining up with the CC sector, and a call to ensure industry is talking with another.

Some members called for UK funding and to support UK content, with more emphasis needed on this. And concerns were raised that costs would increase and projects continue to move to the right.

There was consensus around the fact that project dates continue to be delayed due to policy delays.

Members called for the need to be honest around the need to for O&G and methane.

Some raised that they felt there was complete ignorance of where our energy is coming from, day to day, with the NESO app raised as part of this. It was noted some felt that there was ignorance across the whole of the UK in this regard, and how can we educate wider as to where UK energy comes from.

There was a discussion around the fact that local content is number one priority from the meeting, and subsequently we need to identify critical shortages of people and capabilities, to identify what should the focus be on, and what those certain aspects of industry capability should be.

Others called for Government investment, due to the fact that projects just aren't happening. It was felt that the current outlook, 4/5 year window, is just not long enough, and Government investment would provide more certainty around this.

It was noted that security and sustainability are important, also that supply chains adjust and move to where the work is coming from. With project delays/cancellations companies are moving elsewhere and into different sectors/geographies.

Some members noted that as much as 90% of revenue comes from outside the UK, with recent business wins being attributed to the US market.

There was a feeling that there is no desire to get policy in place to industrialise. To which others questioned, what did others think was missing from the industrial strategy?

It was noted that infrastructure needs government funding. And with spending in other sectors, such as Defence, there was not enough money more widely available to fund the projects.

It was raised that EICSupplyMap could be used to identify where the gaps are, and where the strengths are, in terms of manufacturing.

To summarise, the group discussed what do we want to see from the government as a solution.

In discussions around what will make Government take note of the supply chain concerns and how we effectively communicate this in the best way, it was agreed that the narrative should be focussed on positive aspects, around controlling standards to drive opportunities that will come. The use of examples of what has worked well for some and how that can be mirrored by others, would be beneficial and highlighting the flexibility needed for critical industries.

It was agreed we should focus on messaging related to people, growth as well as removing commodity codes for import codes.

In relation to the discussion on protectionism, we concluded this on what needs to be protected, with local content a stand out. It was noted there is an active defence sector, and skillset. When discussing Energy security and National security, it was noted a more formal link was needed with defence.

In conclusion, positive messaging around the great things happening in our sector was key



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