

North Sea industry leader says 'job losses are real' in angry response to Chancellor

Rachel Reeves sparked fury on Wednesday by flatly rejecting warnings that 1,000 jobs are being lost every month because of UK Government policy.

Andy Philip and Erikka Askeland

An energy trade body boss has poured scorn on Chancellor Rachel Reeves for rejecting industry warnings that 1,000 North Sea jobs are being lost every month.

David Whitehouse, chief executive of Offshore Energies UK (OEUK), reacted after the senior Labour government minister said she does not accept the claims during a visit to Scotland on Wednesday.

"The job losses are real – just ask my neighbours, friends, and colleagues – but they are not inevitable," he said.

"Let's be clear, the North Sea's decline is policy-driven and reversing this trend is within the government's control."

'I urge the Chancellor to meet me'

He was among a chorus of industry voices campaigning for support before Ms Reeves' budget in November.

She refused to reform the windfall tax on energy profits. Within days, more jobs were being lost in Aberdeen which bosses blamed on that policy.

Mr Whitehouse had written to the Chancellor and Prime Minister Sir Keir Starmer with a plan to unlock £50 billion in investment if the government took action.

On Wednesday, he added: "I urge the Chancellor to meet with me on behalf of industry – back UK jobs and please don't dismiss real concerns."

The latest clash between government and industry came while Ms Reeves was in Grangemouth to promote government investment at a chemical plant.

Rachel Reeves promises new jobs

During the visit, she noted the key role of the oil and gas sector in the coming years for the UK's energy security – but rejected the claims of the equivalent of 1,000 jobs a month being lost.

The Grangemouth refinery site pictured at sunrise. Image: Dave Johnston

Asked by journalists during a visit to Grangemouth on Wednesday if she accepts the claims, the Chancellor said: "No I don't."

She added: "There have been job losses for a number of years, including before the previous Conservative government introduced the energy profits levy.

"What we're trying to do as a Government is to bring new jobs into Scotland and also to support industries like we see here in Grangemouth by stepping in, not just carping from the sidelines."

Scottish Secretary Douglas Alexander, speaking alongside the Chancellor, said the figure is from Robert Gordon University (RGU) – and produced based on analysis from offshore expert Professor Paul de Leeuw – and not one produced by the government.

“Of course we recognise that we’ve got a responsibility to manage what is a declining basin effectively,” Alexander said.

He pointed to Aberdeen’s energy transition zone led by Sir Ian Wood’s non-profit ETZ Ltd. The [UK government recently pumped an additional £17.3m into the firm](#) which is refurbishing property in Altens, one of the city’s oil and gas industrial areas which had been hit by dilapidation and decline. The latest funds will be used to support Aberdeen south harbour to “become a leading hub in delivery of offshore renewable projects”. The funding announced in September [follows millions raised by ETZ Ltd in funding](#) from both Scottish and UK governments in previous years.

“The reality is I was in Aberdeen announcing new money for the energy transition zone a couple of months back – we’re backing Scottish industry, as we’re doing with Grangemouth today.

“Rachel is absolutely right, 70,000 jobs – about a third of the jobs in the North Sea – were lost in the 10 years preceding the election of the Labour Government.

“We do face challenges with what is a mature basin, and we’re determined to put in place a plan that simply wasn’t there under our predecessors.”

The pair were in [Grangemouth to announce a UK government investment £120m in the UK’s last ethylene plant, alongside £30m from the plant’s owner Ineos in an effort to secure 500 jobs](#).

However the cash did not turn around the fortunes of Scotland’s last oil refinery, owned by a joint venture between PetroChina and Ineos, which shut earlier this year with the loss of 400 jobs.