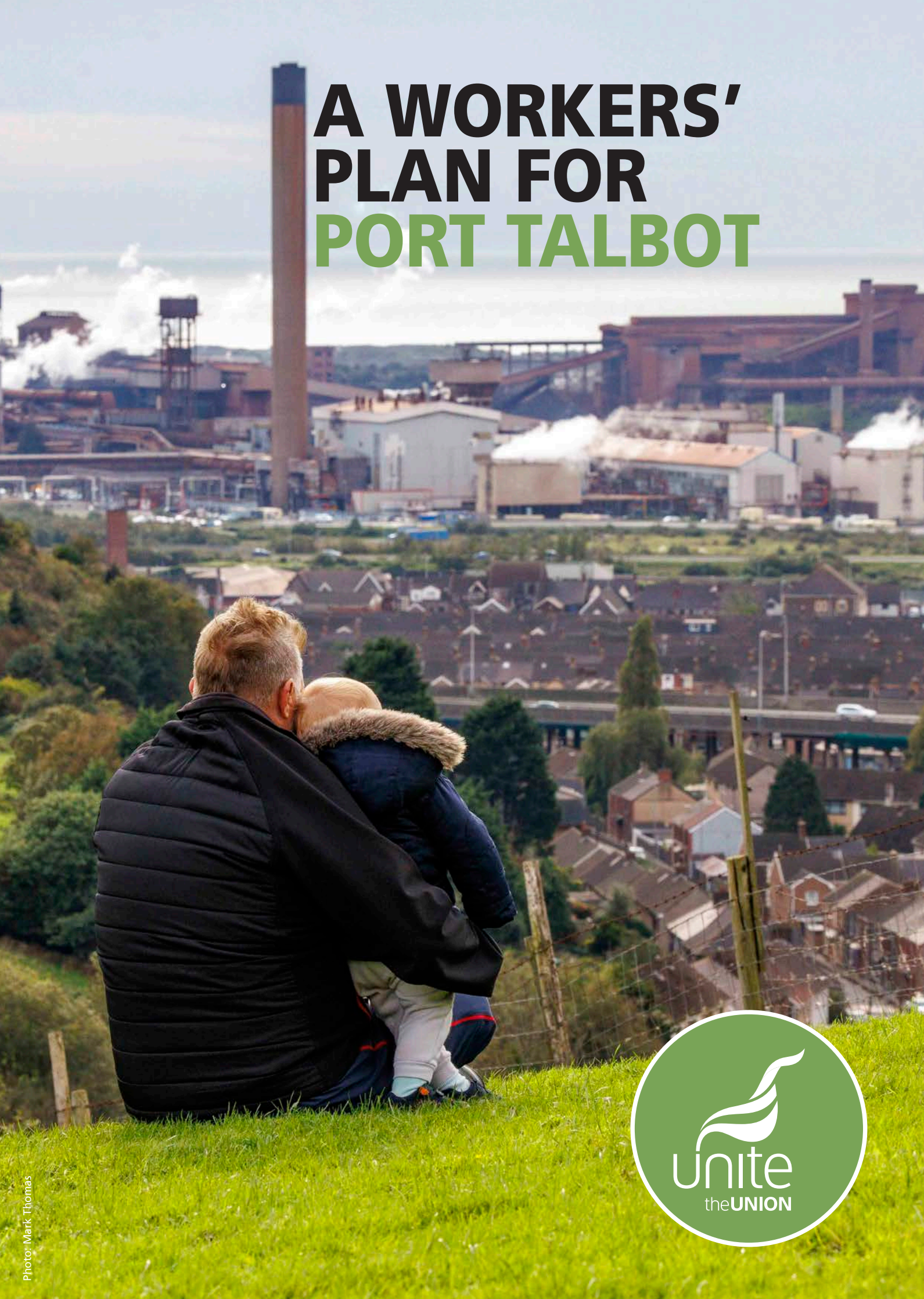


A WORKERS' PLAN FOR PORT TALBOT





After years of broken promises, it's time for a bold, ambitious vision for the UK steel industry and for the revival of Port Talbot. Change must be negotiated, not imposed. That means marshalling all the expertise, experience and collective strength of steelworkers to deliver a vision for the future of our industry that's worth fighting for. I'm proud that my union, Unite, is leading the way by developing a credible plan that can rebuild steelmaking in Wales."



Steve Surtees, Unite Convenor, Tata Port Talbot





THE FIGHT FOR PORT TALBOT IS ON

Foreword from Sharon Graham, General Secretary



The battle lines are drawn. Tata is threatening thousands of job cuts at Port Talbot steelworks. This would have a devastating effect on those workers' lives, and on thousands more in the town and beyond. After repeated failures by employers and government, we are staring the death of British steelmaking in the face.

Politicians of all parties have long told steel communities they are on their side. But what have they actually delivered, except decades of managed decline?

The government's current proposal is to give a handout to Tata, without asking for any conditions to protect jobs. This is a disgrace. Labour's position is better, but still nowhere near enough.

We don't forget how the closure of the coalmines devastated communities in South Wales and beyond. We must fight to ensure that never happens again. Closures, job cuts, managed decline. They are always presented as if there is no alternative, as if we should consider ourselves lucky to keep anything at all.

But that's a lie. This is a choice, and it's down to us – the workers – to make it. Do we choose to accept defeat? Or do we choose to fight for investment in a serious plan to revive steelmaking in Port Talbot? Not just for the current workforce, but for generations to come.

If neither the company nor the politicians can offer a serious plan for the future, then it's down to the workers to do it for ourselves.

This is why we are making a Workers' Plan for Steel in Port Talbot. A strategy for the future. A worker-led transition that places Port Talbot at the heart of a green industrial revolution. A vision we will fight for.

Our plan will not just defend existing jobs, but create new ones too. We can do this by expanding steel production – currently the UK makes just one third of the European average. By winning a leader's share of the growing market for green steel. And with support from progressive public procurement policy.

And, with a revitalised steelworks, green steelmaking at Port Talbot can be a launch pad for a wider industrial revival across South Wales. But, at the heart of the Workers' Plan is a basic principle: workers must not pay for the transition.

We will not accept the closure of any part of the Port Talbot site unless and until the investment is put in to build alternative production facilities with no loss of jobs. We will fight to defend every single job.

The cycle of failure must end. Workers are planning a future for steel and for Port Talbot. Now we must win it.



Photo: Getty



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INTRODUCTION: THIS PLAN IS A GATEWAY TO SECURE THE FUTURE

We are at the crossroads. There are two paths on offer, and it's time to choose. On the one hand, there is a path of cuts: further decimating our steel industry and the town. On the other, a path of growth: an immediate gateway to rebuilding the industry.

The current plan from Tata is a hammer blow. It would severely shrink the plant: cutting production capacity by another 40%, with thousands of job losses. Another well-meaning proposal from the consultants Syndex also involves cutting capacity. It would also mean thousands of job losses: some immediately, and some in the longer term.

Why can't we have another option? A path that would deliver profitability in the long term, and safeguard every job now. That's the Unite plan.

The cuts path wouldn't just cost thousands of jobs on the site. It would also have massive knock-on effects on contractors, downstream sites, and the town and local economy of Port Talbot.

Our industry has suffered decades of decline. We don't forget the impacts of the mine closures, or of the steel works at Ebbw Vale. We must not let Port Talbot be next. It is time to stop this vicious cycle.

Stage 1: a gateway that will secure jobs and capacity now

Instead, we propose a path for growth. Our Workers' Plan has two stages. First, we need a gateway to secure the existing production and jobs. We can do this by keeping open Blast Furnace 4, and replacing Blast Furnace 5 with a 3 Megatonne Electric Arc Furnace (EAF). This is entirely viable: the new EAF is already costed and funded under the Tata-Government agreement.

Stage 2: rebuild production for the future

Second, if we can secure that, we have a gateway to the future. Over the next decade, we can rebuild Port Talbot: develop new DRI iron-making, and build further Electric Arc Furnaces to expand capacity in the long term. There is growing demand for steel: so why should we offshore and import it, when we can make it here?

Our economic modelling proves that the demand will be there to increase production. UK wide, our national plan involves doubling capacity by 2035 – which will still leave us below the European average per head. But rebuilding production will require further investment, and it will require changing procurement rules and tackling high energy costs to make the industry competitive. These are the demands we are fighting for with our unprecedented UK steel campaign.

This booklet outlines the Workers' Plan for Port Talbot. It is just a first step. Over the coming weeks, look out for public events, community meetings, technical reports (on subjects like energy supplies, global steel demand, benefits to the local economy), and much more. The detailed plan will be led by Port Talbot steel-workers, with participation from the local community.

There is a bright future to win. But only if we secure what we have now. This is why we need to hold the line firm and insist: no job cuts, and no shrinking of steel-making at Port Talbot.

We ask everyone to join us.



PROPOSALS FOR PORT TALBOT

Unite is bringing together Port Talbot steelworkers to develop a Workers' Plan for the steelworks and the wider economy. Why shrink steel-making and cut jobs in Port Talbot when the demand for steel is on the rise? On 22nd November, Unite Port Talbot reps met and unanimously agreed the following proposals.

STAGE 1: IMMEDIATE STEPS

First of all, we need to secure existing jobs and production capacity at the site.

1. **Build a new 3Mt Electric Arc Furnace (EAF) by 2027.** This is already costed and funded under the Tata / government plan. A small 1.5Mt EAF is not enough to maintain production and jobs. In addition, we need to maintain all downstream activities including the cold mill and CAPL line, and full supply for Trostre, Llanwern, Corby and Shotton.
2. **A phased transition: keep Blast Furnace 4 open until end of life (2034).** Blast Furnace 5 will close down by its end of life in 2027. But Blast Furnace 4 must stay open until its end of life in 2034:

or close earlier only if replaced by new iron-making facility with all jobs maintained.

3. **Independent investigation into coking ovens.** Tata says coking ovens cannot be refurbished. Our members have raised serious concerns around safety; but the unions have not been given access to assess the situation. We need access to carry out an independent investigation to determine viability and potential investment costs. If the ovens need to close, we need a jobs plan for all affected workers, including upskilling for new facilities.



Photo: Getty



STAGE 2: NEXT STEPS

The steps above are just the first phase: a gateway. Keeping Blast Furnace 4 open will give time to expand and rebuild production at the site. In the coming weeks, we will work with steel-workers and the local community to develop a detailed plan for the long-term of the site. This will be led by our Port Talbot reps, with support from a panel of experts including engineers, economists, surveyors and others. These are our initial proposals:

4. **Expand capacity: build further EAFs to reach total 6-9 Mt by 2034.** To ensure long term future of production and jobs we propose expanding overall capacity (from current 5Mt) by building multiple new EAFs. An independent Electrical Engineering report shows that 6Mt is feasible on current grid connection, and up to 9Mt with new local energy generation.
5. **Hydrogen-DRI.** It is essential to retain iron-making – and not become dependent on imports. Work can start immediately on building a Direct Reduced Iron (DRI) facility: a low carbon replacement for blast furnace iron. This can transition to using green hydrogen in future when this becomes available.
6. **Advanced scrap processing facility.** This is essential to ensure quality input for EAFs (along with DRI iron). It will also create new materials jobs.
7. **New downstream facilities.** We can create new jobs by expanding to a full range of steel products, leveraging expanded production. Not only in Port Talbot but also on sites including Corby, Llanwern, Shotton and Trostre. Currently, the UK is dependent on imports for 10 of the main 17 steel product types.
8. **New Industrial Zone:** Linked to the plant, we propose creating a new manufacturing hub using Port Talbot steel, which can create at least 2,800+ additional jobs (according to an impacts report commissioned from the Centre for Local Economic Strategies). Port Talbot steelworks can become the springboard for an industrial revival in South Wales.

These proposals are just the beginning. We are now holding meetings to develop these proposals with steel-workers: we invite you to bring your ideas and knowledge to make this a true Workers' Plan for all on the site.





Photo: Alamy



THE WORKERS' PLAN FOR UK STEELMAKING

Our proposals for Port Talbot go hand-in-hand with Unite's overall plan to revive British steelmaking. After decades of decline, the UK currently produces just one third of the average level of steel for Europe, and just one sixth as much as Germany. But it doesn't have to be that way. Britain could become a world leader in green steel, not just saving but expanding steel jobs for generations to come.

This plan is in the interests of all steel-workers. And also of Tata and the other steel companies, if they are committed to the long term future of this industry. The measures we propose are necessary to make the industry competitive and profitable: only they can "stop the bleed" of losses from UK steel in the long term.

Our national plan for steel is based on these 5 key demands:

- **At least double production by 2035.** We can make the UK a world leader in steel again, by tapping into the growing market for green steel. This growth will allow us to retain – and even increase – jobs while undertaking a workers' transition to low carbon steel. We propose doubling of UK steelmaking capacity to 20Mt by 2035.
- **Change procurement rules so UK public contracts use 100% UK steel.** The public sector is the biggest steel customer in the UK; but currently only buys 59% domestic steel.

Changing this will give an immediate boost to the industry, and put £7 billion into the economy. Our national plan includes legal wording that can go into legislation right now.

- **Tackle energy prices.** UK steelmakers pay 65% more than European competitors. We need electricity price caps and public ownership of the grid to make our steel more competitive and profitable. Germany and France, two of our main competitors, have recently introduced major energy subsidy schemes for their industries.
- **Take a stake.** No more money for nothing. Public investment for steel must come with solid job guarantees – and a public stake in the industry.
- **Public investment to ensure growth.** We can move to green steel, double capacity, and increase jobs with national investment of £12 billion by 2035. That averages just £1 billion per year over 12 years. As this is more than the steel companies are committing, it will need public investment. Our research shows this investment will easily pay back the taxpayer by boosting industry revenue and keeping thousands of people in work.

NO TRANSITION OTHER THAN A WORKERS' TRANSITION

We will not budge on this principle: workers must not be made to pay for the transition. We will not let employers use new technologies as a smokescreen for job cuts. Workers must be fully involved in negotiating all aspects of the process of transition through a credible collective bargaining framework that defends jobs, pay and conditions. At Port Talbot, this includes the following commitments:

- Maintain blast furnace operation and associated raw materials management for as long as necessary while a DRI facility is constructed. Employment guarantees for all workers in this part of the site, including in the sinter plant and coking ovens.
- No move by Tata to replace on-site raw materials production with imported alternatives.
- No closure of the Basic Oxygen Furnace until construction of multiple new Electric Arc Furnaces is complete, with all jobs protected.



Photos: Mark Thomas



THE WORKERS' PLAN FOR STEEL – FAQs



What is Unite's position on retaining Blast Furnace and Basic Oxygen Furnace facilities?

Our position is that there must be no closure of the BOF at Port Talbot until construction of the Electric Arc Furnaces is complete and all jobs are protected. Similarly, the Blast Furnaces must be kept operational until the end of their natural life span when green hydrogen DRI will be available. At no point will we allow jobs to be lost during the transition.

Do all plans with Electric Arc Furnaces mean fewer jobs?

No. Unite's workers' plan for steel involves expanding capacity so that we can defend all jobs and actually grow employment in the steel industry. There is no set number for how many jobs an EAF can support. We must not allow employers to use new technology as a smokescreen for job cuts. We also want to make sure that scrap processing jobs, part of the steel making process, are brought in-house with good pay and conditions.

Can EAFs produce high quality steel?

Yes. EAFs can produce any type of steel, depending on the quality of the input materials. By combining high quality scrap steel with additional virgin iron, EAFs can produce virgin steel of the highest quality. The EAFs at Forgemasters in Sheffield, and at Liberty Steel, produce highly specialist steel products for the nuclear, aviation and defence industries.

What about hydrogen? Is there a "hydrogen furnace"?

No. Hydrogen can be used as a fuel in producing Direct Reduced Iron (DRI), which then goes into an EAF furnace to make steel. Unite supports using this technology. There is also a new technique of injecting hydrogen into Blast Furnaces: but this only reduces the coal requirement by around 10%.

What about energy prices? Won't EAFs use a lot of expensive electricity?

The UK has some of the highest industrial energy prices in the world. But the government could easily solve that with a price cap for steel producers that keeps electricity costs sustainable. That would save jobs and allow green steelmaking to thrive. Countries across Europe are already intervening in energy costs including in Germany where there is a proposal to cover 80% of electricity costs for large industrial firms.

If we expand production, can we sell all the additional steel?

Yes. There is strong and growing demand for 'green' steel. With the right investment the UK can seize the opportunity to become a global leader in green steel production.

Won't the EAFs use a lot of scrap steel? Where will it come from?

The UK is currently a big net exporter of scrap steel, so there is plenty of scope for increasing the amount of scrap steel that can be used in domestic manufacturing instead. Careful scrap management is important for EAF steel making, meaning more investment in our scrap recycling infrastructure. In order to control the quality and quantity of available scrap, and ensure we get more investment, we need a state-backed national plan.



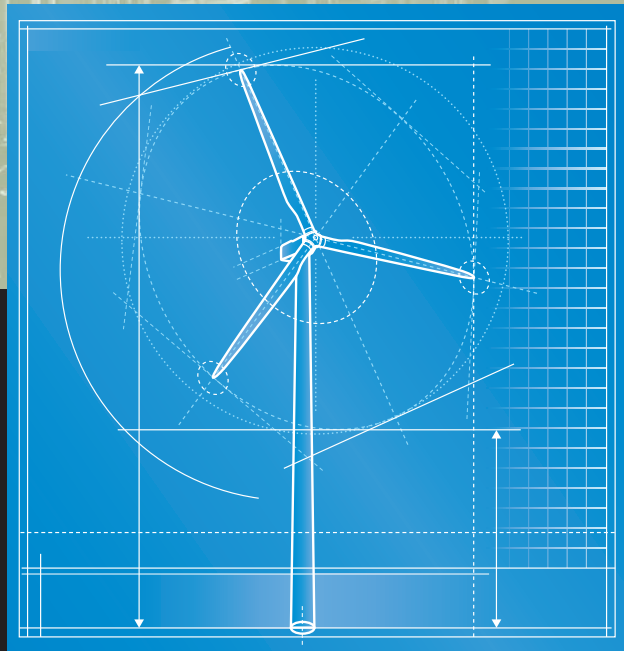
AN INDUSTRY FOR SOUTH WALES

1.1

Port Talbot can be a major manufacturing centre for floating offshore wind in the Celtic Sea

There is huge potential to develop floating offshore wind farms in the Celtic

Sea. The recent announcement by The Crown Estate about a 4.5-gigawatt offshore leasing, highlights what is possible. At the moment, the Celtic Sea region lacks a major offshore manufacturing and installation hub. But, given the presence of a steelworks, a deepwater port, and a proud history of manufacturing excellence, Port Talbot could fill that gap. Conservative estimates suggest at least 1,500 jobs could be created, but Unite believes the true potential is even greater. Rather than sending work overseas, there is scope to create thousands of high quality jobs by situating all of the design, manufacture, and installation work in South Wales.



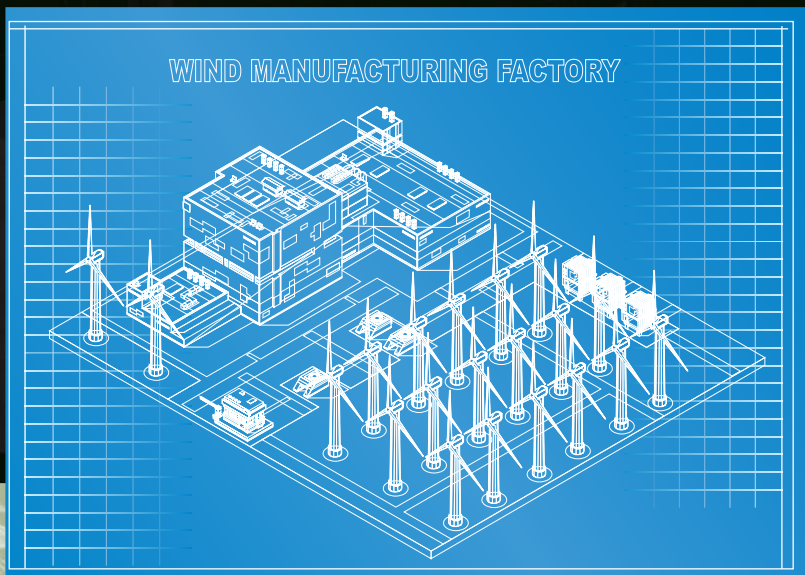


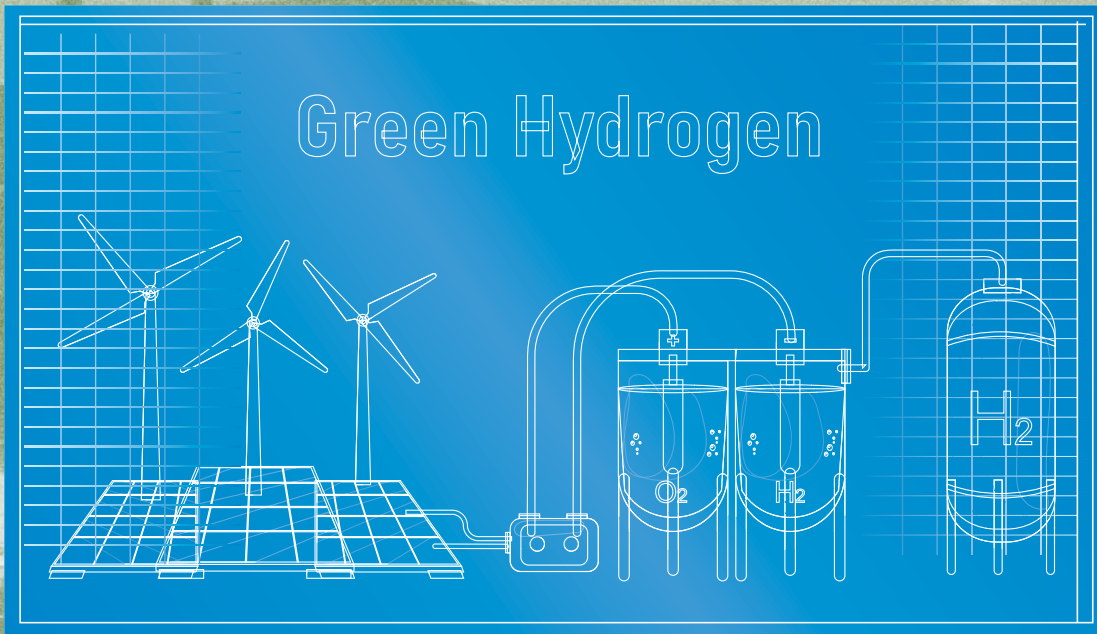
RIAL REVIVAL TH WALES

1.2 With the right ambition Port Talbot can also be central to the future of onshore wind, including turbine manufacturing

Onshore wind manufacturing presents another major opportunity to create jobs in the Port Talbot area. There are already plans to build two new onshore wind farms close to Port Talbot – the Y Bryn onshore wind farm and the Hirfynydd Renewable Energy Park – and there is scope for far more. As with offshore wind, much of the manufacturing work for onshore wind is currently done overseas. But this isn't inevitable. Blades, turbines, and electrical equipment could all be made in South Wales, using steel made at Port Talbot. By investing in the creation of a UK manufacturing hub, the potential for job creation is huge.

More than 1,300 jobs have been created in Hull in turbine blade manufacturing alone, for example. By creating jobs locally, Port Talbot and South Wales could reap huge economic rewards.





1.3

Green hydrogen production can be the basis for a wider chemicals manufacturing revival in Port Talbot

Producing green hydrogen (hydrogen made using clean energy) at scale will be essential to the transition to green steelmaking at Port Talbot. The Baglan Bay Energy Park, next door to the Port Talbot steelworks, is the natural site to develop commercial scale green hydrogen production. This would build on the early experimental green hydrogen facility already on that site. With the right investment, and the right energy solutions, large scale green hydrogen production could become a reality.

Green hydrogen could then not only feed a DRI facility at the steelworks but also provide an essential feedstock for other green chemical production. This could include the manufacture of green ammonia and sustainable aviation fuel, both of which are essential to reducing carbon emissions in transport and industry. Given the Energy Park's history as a petrochemical plant, the development of a hydrogen-based manufacturing hub on this site would return thousands of well-paid chemicals jobs to the region on a more sustainable basis.



1.4

There is a range of other opportunities to boost manufacturing employment in the wider region, including tidal energy and battery production

In addition to renewables, hydrogen, and chemicals manufacturing, there is scope to boost local manufacturing in other ways. A long standing tidal energy project in Swansea Bay, with an accompanying battery factory and solar farm, has huge job creation potential. But at present the scheme is being led by private developers who will put their profits ahead of jobs and economic gains for South Wales. Instead, a publicly-backed scheme could ensure lucrative manufacturing work happens locally. Turbines, solar panels, and battery components could all be made in the local area, using Port Talbot steel as raw material. This would create thousands of well-paid new jobs and a huge boost to the local economy.



1.5

Experiments in low emissions cement have the potential to complement green steel and create manufacturing jobs at Port Talbot

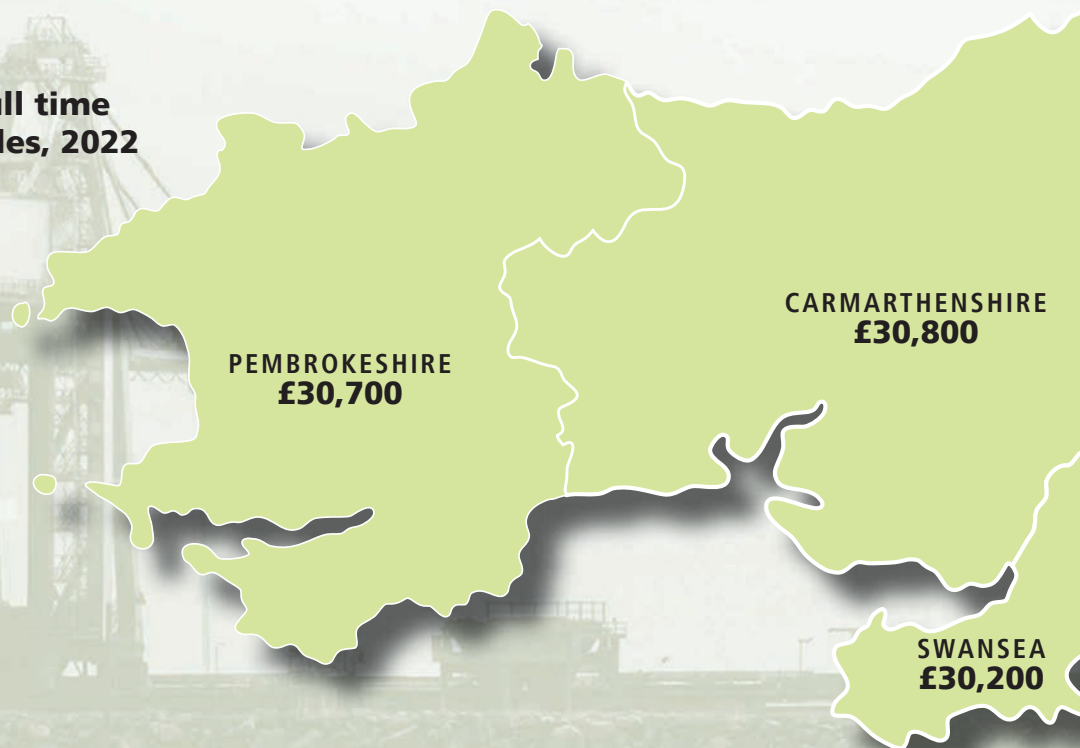
Cement production currently accounts for 1.5% of the UK's greenhouse gas emissions. Developing 'green' low emissions cement production is therefore vital. Various green cement production processes are at an experimental stage, and some have the potential to complement green steelmaking at Port Talbot. One revolutionary new production process being developed by engineers at Cambridge University, recycles concrete from building waste into new, emissions-free cement in an electric arc furnace. The process has been proven to work in test facilities, and if it can be scaled commercially it could create complementary cement manufacturing jobs at Port Talbot while reducing waste and carbon emissions.



THE WIDER ECONOMY OF THE WORKING CLASS

Neath Port Talbot is the second highest in Wales

Median wage of full time workers across Wales, 2022



The steelworks plays a crucial role in the local economy of Port Talbot. According to Tata Steel themselves, wages at the steelworks are 36% higher than the UK average.

Official data on average wages backs this up too. Thanks to the steelworks, average wages in Neath Port Talbot are the second highest in Wales, second only to Cardiff. Median pay of full time workers in Neath Port Talbot is £32,800, just below £33,100 in Cardiff. By contrast, you only have to look down the road in former mining communities to see the devastating impact of industrial decline. In Rhondda Cynon Taf median pay of full time workers is just

£26,900 while in Merthy Tydfil it is even lower at £26,700.

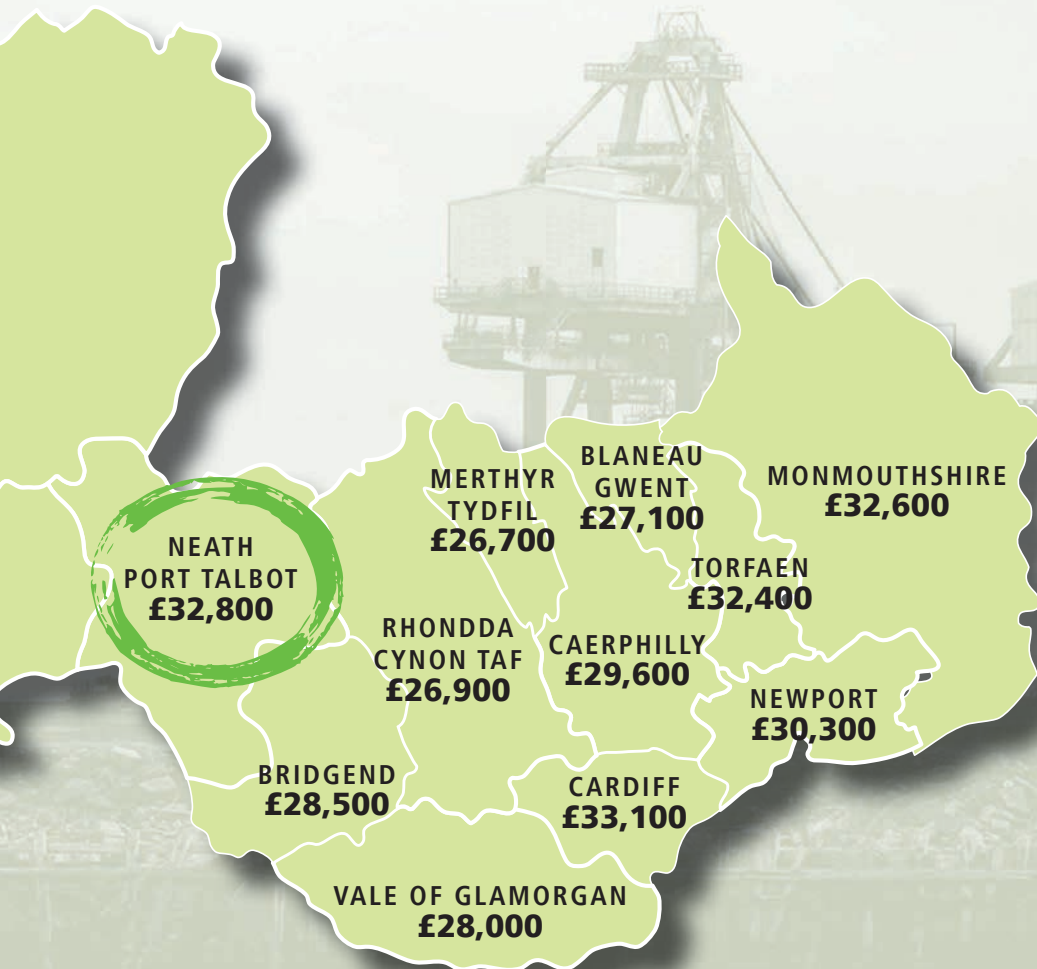
That is why the workers' plan is essential to the wellbeing of the region. Not only defending well paid union jobs at the steelworks, but expanding the workforce to ensure there are jobs for future generations. Supplementing this with new Industrial Zones will also ensure the whole region can benefit from skilled, unionised jobs with good pay and conditions and improve pay across all of South Wales.

Good jobs are not the whole story: a good quality of life is also essential. Industrial revival needs to be



ECONOMIC BENEFITS WORKERS' PLAN

and best paid region in Wales



accompanied by investment in good quality housing and improved public services, such as schools and healthcare facilities. This needs to include investment in local training provision in order to develop the skills that will be essential in a future industrial zone.

Unite is also commissioning experts on local economies to show the consequences of

the choices we face. On the one hand, mass redundancies and the managed decline of the steel industry will not just impact the workforce directly, but also devastate the steel supply chain and the wider economy of Port Talbot. Alternatively, placing Port Talbot at the heart of a reborn steel industry and a regional industrial revival can drive up living standards and create even more jobs across South Wales.





GROWTH NOT DECLINE: LET'S MEET THE DEMAND

Why decimate local steel-making when steel has a bright future? Demand for steel is rising fast, and particularly for low-carbon "green steel" products. The question is not: do we need steel? It is: will we still make it here?

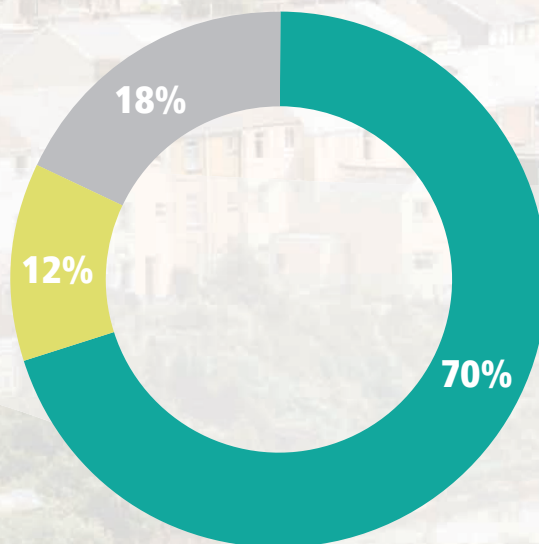
- Last year the UK only produced 6 Megatonnes (Mt) of steel: just 60% of what we need. Under the cuts proposals we will produce even less, becoming ever more dependent on imports.
- The UK is already dependent on imports for the majority of 10 of the 17 main steel products. There is an urgent need to develop further downstream production.

- Our economic modelling shows demand for UK-made low carbon steel could rise as high as 19.4Mt by 2035, with a mid-range forecast of 14Mt. This is even if electricity prices stay at high levels. If we can bring down energy prices 40% (towards average European levels), the forecasts are as high as 23Mt.

There is a big market to win: if we invest to step up production of low carbon steel. This is not the time for yet more decline.

We need to turn this cycle around. This is why we are putting the full resources of the union behind the Workers' Plan for Steel.

THE PUBLIC SUPPORTS INVESTMENT IN STEEL



● **NET Support**
● **NET Oppose**
● **Don't know**

70% of "Red Wall" voters in Wales, The Midlands and North of England say they would support a 10-year, £15 billion Government investment plan for the UK Steel industry.

Source: Survation polling



TAKE ACTION

- Share this document with colleagues, friends and family
- Sign the Unite petition <https://www.megaphone.org.uk/petitions/save-uk-steel-whose-side-are-they-on>
- Get updates on the steel campaign on Unite's website and social media feeds <https://www.unitetheunion.org/campaigns/the-fight-for-steel>
- Send us your ideas for Port Talbot, and participate in upcoming public meetings about the workers' plan (details to be announced)
- Contact Stephen Kinnock, Port Talbot's MP – demand his public support for the workers' plan



Please scan QR code for further information on our campaign –
Support UK Steel

Please send your ideas to: theworkersplan@unitetheunion.org

Unite the union – Fighting for
JOBS · PAY · CONDITIONS



Next Steps for Unite's Steel Campaign

- Building the community campaign to support the Workers' Plan
- Public meetings with workers and community members to develop ideas for the Workers' Plan
- Further technical documents and reports to build on the ideas presented in this document

