

## **Green Skills and Employment**

### **Purpose of report**

For direction.

### **Summary**

Following discussions on the need to link together LGA activity on climate change and consider the employment and skills elements, the EEHT, City Regions and People and Places Boards were presented with a Green Skills and Employment report in November 2021 and agreed the next steps within it. This paper builds upon that work, focussing on next steps and seeks the boards views and agreement on direction outlined in this paper.

Is this report confidential? Yes  No

### **Recommendation/s**

For Members to provide a steer on paragraphs 4-17.

### **Action/s**

As directed by Members.

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## **Background**

1. This paper build upon initial cross board discussions and feedback from the EEHT, CR and PP Boards on net zero and green skills jobs and employment, which focused on the role that local government could play and suggested next steps for the LGA. The paper looks in more detail on the agreed next steps and seeks the Boards' views and agreement on the direction the LGA should take.

## **Summary of Board discussions**

2. The Boards had wide-ranging discussions, including the following main points:
  - 2.1 Local government has a key and expansive role as place shapers, employers, landlords, through statutory duties and through economic development.
  - 2.2 There is significant work being done across the LGA to support the sector including through the LGA productivity team Net Zero Innovation Programme, and it would be helpful to focus on the skills and employment aspects-.
  - 2.3 The definition of “green skills and jobs” could be quite broad, and future work should, where possible, include greater clarity of what sectors and skills were included in the analysis.
  - 2.4 The LGA should pursue strategic discussions with local government partners and engage relevant government departments, industry, and stakeholders to understand their planning and where appropriate lobby for a local approach on:
    - 2.4.1 **current and future green skills planning**: there is the potential to create large numbers of jobs across England (as highlighted in LGA analysis *Local green jobs*) but there is more to do to understand how to ensure that these jobs come to fruition in a timely manner, and that we have the skills in place locally
    - 2.4.2 **equality, diversity and inclusion** in the green workforce and how this can be delivered on the ground with support from local authorities, including any existing good practice.
    - 2.4.3 **managing transitions**: employment opportunities will be unevenly distributed across the country with some sectors having longer and more complex transitions. This creates the need for localised and targeted support to ensure no person or business misses out on opportunities created by the transition and that regions' socioeconomic challenges can also be met. To ensure this is reflected in the monitoring and delivery of the skills and employment needed to meet the England's net zero transition, we will continue to advocate for the LGA and relevant councils and combined authorities to be involved.
    - 2.4.4 **Work Local** - the LGA's positive vision for an integrated and devolved employment and skills service – bringing together information, advice and guidance alongside the delivery of employment, skills, apprenticeships and wider support for individuals and employers. This will be woven into all meetings and future green skills work.

### **Proposed next steps**

*Landing local government's added value with stakeholders, government and the private sector*

3. Since the last report the LGA has secured a place on the Net Zero Building Council, which provides expert advice, real-world insight, constructive challenge, and outward leadership to the Government, with the aim of supporting the planning and delivery of decarbonising almost all buildings by 2050. At the initial NZBC meeting, skills was a key topic and the LGA will be looking to understand if this is a challenge that requires DWP and DfE (who are not yet included), while also championing the support local government can offer.

*New policy piece on local retrofit employment and skills offer*

4. Following the conversations with the Boards, it was clear that there is an appetite for the LGA to lead more policy development in this area. Building on interest expressed across all three Boards, and taking likely Government activity into account, this paper sets out a proposal for work to develop an LGA policy position and recommendations on retrofitting.
5. There will be many carbon negative and net zero sectors which have skills and employment implications for local government between now and 2030. Net zero sectors will create new roles to undertake activities that will enable businesses to offset their emissions so the “net total” of their emissions is zero, while carbon negative sectors will see roles created that remove more CO<sub>2</sub> emissions from the atmosphere than they put in. Examples of such sectors will include nature and restoration, energy efficiency of buildings, sustainable construction finance, energy generation, supply and storage and heat pump installation.
6. Energy efficiency of buildings / retrofit is a sub sector with clear roles for local government and should be a high priority. This is due to local government having their own housing and office stock which requires retrofitting as well as their role as place leaders, employers, through their statutory duties and in delivery of provision such as the Social Housing Decarbonisation Fund.
7. Government previously attempted to develop a retrofit system through the Green Homes Grant. It was a large scheme, aimed to upgrade 600,000 homes with a budget of £1.5 billion. When the scheme closed in March 2021, it had reached less than seven percent of intended households, which was around 47,500 homes costing £314 million.
8. Currently there are many projects, schemes, and provision available aimed at supporting the retrofit sector. This has created a complex range of provision that will need support to ensure they are able to reach their targets. The current and most recent provision includes:

8.1 £1.5 billion for the Green Homes Grant Voucher Scheme aimed to upgrade 600,000 homes.

- 8.2 £800 million for the Social Housing Decarbonisation Fund, as part of the £3.9 billion planned for investment in the decarbonisation of heat and buildings over three years.
  - 8.3 £450 million for the boiler upgrade scheme, paying £5,000 towards the installation costs of a new heat pump system.
  - 8.4 £60 million innovation fund launched to make clean heat systems smaller and easier to install and cheaper to run.
  - 8.5 £338 million on the Heat Network Transformation programme, developing the country's heat networks.
  - 8.6 £1.425 billion for the Public Sector Decarbonisation Scheme, retrofitting public sector buildings such as schools and hospitals.
  - 8.7 The Retrofit Academy has been successful in securing over £1.7 million pounds worth of funding to deliver qualifications and training to further education colleges and businesses in retrofit. With the model aiming to develop a franchise model that they would then offer across the UK.
9. The diversity of provision and varying degrees of success they are or have had, highlights the need for someone such as local government to knit together a coherent offer to stimulate the retrofit market. The key barrier to the sector has been that provision has come with the limited and timebound funding. This has prevented the development of long-term employment pipelines and hindered the sectors' ability to plan for the medium and long term.
  10. There is also a body of independent evidence from the National Audit Office and Public Accounts Committee which recommends how the system can work differently and which adds weight to the need for closer working between local government and government in the design and delivery of future provision.
  11. We will take into consideration connections with sustainable construction due to the close connections with retrofitting. This sector will also require local government to play a key role, such as in their work in the procurement of new buildings, which has the potential to support the sector's development.
  12. It is likely that the Government will again come forward with a new retrofit policy and funding. It is therefore recommended that the LGA develop a proactive policy recommendations paper on a place-based skills and employment retrofit offer which should aid discussions with industry and Government on what should follow the Green Homes Grant scheme. This paper will be based on:
    - 12.1 What local government needs from any new policy when it emerges. This could include skills and supply chain needs, the need for place-based market shaping, the value in delivering green construction (retrofit, heat pumps, water harvesting, solar panels, cavity wall insulation) for whole streets or neighbourhoods and funding strategies that will ensure businesses can effectively pivot into the sector.
    - 12.2 The work being done by Devon and Essex County Councils through their Community Renewal Fund projects and their planned applications for the Shared Prosperity Fund looking at how they aim to join all this work together with the funding and schemes that are already available, such as the Social Housing Decarbonisation Fund and boiler upgrade scheme.

13. The work would establish LGA policy outlining government's potential role in retrofit:
  - 13.1 Building on the learning of what worked well/less well from Government investments in greening buildings, such as the Green Homes Grant.
  - 13.2 Focusing on how councils can help develop skills and supply chains to support and influence any future funding and provision.
  - 13.3 Work with sector/industry and local government to establish potential for market shaping in places:
    - 13.3.1 Highlighting that waiting for individual consumers to access the market to green their homes is slowing down the sectors ability to line up skills and employment.
    - 13.3.2 The LGA and local government are ready to work with ministers and industry on councils bringing forward opportunities to green whole streets or neighbourhoods (as well as social housing stock) with necessary funding and influence devolved to local government.
14. We would work with our member authorities, to ensure any policy meets their need and expectations. This would include engaging with the 24 officers on the LGA's Housing Retrofit Action Learning Sets, part of the LGA productivity team's leading and learning programme. This programme provides support to local authorities in creating housing retrofit skills and jobs in their area.
15. We aim to share the draft policy paper for with the Boards (EEHT, CR, PP) in March 2022 for approval alongside suggestions on how to take the content forward with stakeholders, Government and industry.
16. As the policy work develops, we plan to create a resource for local government, which outlines potential strategies and funding routes to use to develop the retrofit sector to support them with their future planning.
17. **Members' views on the proposed actions plus any further reflections are welcome.**

### **Equalities Implications**

18. While developing policy work on the local net zero employment and skills offer, we will seek to outline the challenges and opportunities faced by specific communities.

### **Implications for Wales**

19. While employability is a devolved matter, the LGA and WLGA liaise to share approaches on the level of local / national collaboration.

### **Financial Implications**

20. All activity highlighted falls within existing LGA policy budget for 2021-2022.