

# Skills for Local Net Zero Delivery

## Insight Briefing

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# About UK100

**UK100's primary purpose is to support the early shift in the UK to Net Zero and cleaner air.**

UK100 believes that this can only be done by a collective approach from the most influential leaders across the country learning together, agreeing priorities for legislative and regulatory change and giving them the power to engage with national decision-makers to bring about rapid action on climate and clean air. UK100 main aim is to provide the networks, tools and connections to make this happen.



# Executive Summary



**“ Local authorities have a unique and powerful role in developing skills for Net Zero. We are best placed to coordinate collective action by local businesses, educators, and communities. We need policy, frameworks and funding that recognise this.**

**Kate Kennally, Chief Executive, Cornwall Council**

Delivering Net Zero will require a transformation of the workforce, new technologies will need to be deployed across the country, and skilled professionals will be needed to deploy them. Yet more than a year after the Green Jobs Taskforce reported its recommendations,<sup>1</sup> we still have no definition of what green jobs, or skills are. Without this, it is difficult for local education providers or businesses to have the confidence to invest in new skills for current or potential workers, when there is no guarantee that jobs will follow.

The available analysis suggests significant skills shortages in every major economic sector in every region, with the most immediate shortages in housing and transport.<sup>2</sup> With some of the Government's targets just over a decade away – such as the decarbonisation of the energy sector by 2035 – there are significant gaps to fill to realise these ambitions.

Local authorities have a role in solving this problem. This briefing is intended to explore this role further, and identify challenges and opportunities in doing so. It builds on recent research that shows how local government can work with employers to develop the skills they will need,<sup>3</sup> UK100's Power Shift report,<sup>4</sup> our in-depth assessment of local authority powers, and our Local Net Zero Delivery Progress Reports<sup>5</sup> as well as insights from the Climate Change Committee<sup>6</sup> and the National Audit Office.<sup>7</sup>

<sup>1</sup> <https://www.gov.uk/government/publications/green-jobs-taskforce-report>

<sup>2</sup> [https://green-alliance.org.uk/wp-content/uploads/2022/01/Closing\\_the\\_UKs\\_green\\_skills\\_gap.pdf](https://green-alliance.org.uk/wp-content/uploads/2022/01/Closing_the_UKs_green_skills_gap.pdf)

<sup>3</sup> <https://ashden.org/storage/2022/02/Road-to-zero-carbon.pdf>

<sup>4</sup> <https://www.uk100.org/publications/power-shift>

<sup>5</sup> <https://www.uk100.org/publications/local-net-zero-delivery-progress-reports>

<sup>6</sup> <https://www.theccc.org.uk/publication/local-authorities-and-the-sixth-carbon-budget/>

<sup>7</sup> <https://www.nao.org.uk/reports/local-government-and-net-zero-in-england/>

## Key findings:

- **Local authorities have an important leadership role** in overseeing the development of skills for Net Zero. They deliver this through coordinating and strategically driving relationships between business, providers and communities. Their role is currently overlooked by the government's employer-led approach to skills development
- **An employer-led approach alone cannot deliver the skills** to get us to Net Zero at the pace and scale required. Local authorities are already leading and supporting local projects to develop green skills and facilitating numerous relationships between local businesses and providers. Their leadership and understanding of their communities gives them unique knowledge and expertise to support local economic plans to generate jobs and develop skills. But they could deliver more if they were better supported through a locally-led national strategy
- **Home energy efficiency is a key area for urgent action:** it is essential to delivering Net Zero and tackling the cost of living crisis. But it is suffering from acute skills shortages.

## Key barriers:

- Lack of business confidence and employer demand for skills
- Limited, short-term and competitive local authority funding
- Underfunding of further education (FE)
- The absence of a national strategy to deliver home energy efficiency
- Lack of suitable relevant qualifications, including apprenticeships, in key sectors/roles for achieving Net Zero.

## Recommendations for the government:

- Develop a Skills for Net Zero framework for delivery – incorporating local and national action
- Embed a long-term strategic approach to commissioning and facilitating Net Zero skills provision into local authority funding settlements
- Introduce a national strategy that includes skills development and is led by local authorities, for home energy efficiency.

# Introduction



**“ We must focus on how we invest in the UK’s most important asset – our workforce – so that people have the right skills to deliver the net zero transition and thrive in the jobs it will create. We must ensure that green jobs are good quality, that they can be accessed by people of all backgrounds and in all parts of the country, and that workers in sectors and industries undergoing change can reapply their skills and expertise towards this new challenge.**

**Anne-Marie Trevelyan MP and Gillian Keegan MP – Green Jobs Taskforce Report,<sup>8</sup> July 2021**

Despite the clear intention set out in the Green Jobs Taskforce Report over a year ago, there is still no agreed definition of ‘green’ jobs or skills in the UK.<sup>9</sup> Without this, it is challenging to identify where skills development can best be focused or deployed. Recent polling on the green economy, jobs and skills found understanding to be “extremely low.”<sup>10</sup>

In the context of a lack of a government definition, for the purposes of this briefing we consider skills for Net Zero to include the full range of skills that the workforce will need to deliver the low carbon transition.<sup>11</sup> This will include managerial and systems thinking skills that put climate and sustainability at the heart of every workplace, as well as technical and sector-specific skills in areas where local authorities play a key role including housing, energy, transport, and waste.

Ensuring that the risks and opportunities of the transition are shared across regions, communities and neighbourhoods requires a greater level of strategic planning than is currently in evidence. Recent analysis identified a multi-pillar framework to help better understand the complex relationship between the labour market and the low carbon transition and allow for high-level comparison between areas and regions.<sup>12</sup>

<sup>8</sup> <https://www.gov.uk/government/publications/green-jobs-taskforce-report>

<sup>9</sup> <https://www.pwc.co.uk/who-we-are/purpose/green-jobs-barometer.pdf>

<sup>10</sup> [https://green-alliance.org.uk/wp-content/uploads/2021/12/Public\\_First\\_research\\_good\\_green\\_jobs-1.pdf](https://green-alliance.org.uk/wp-content/uploads/2021/12/Public_First_research_good_green_jobs-1.pdf)

<sup>11</sup> <https://centrallondonforward.gov.uk/wp-content/uploads/2021/11/Green-Jobs-and-Skills-in-London-Final-Report.pdf> defines green jobs as those “that facilitate meeting net zero and broader environmental goals.” The PwC Green Jobs Barometer defines green jobs “as work in roles that seek to either produce/provide environmentally friendly products and services or adapt work processes to become more environmentally friendly or use fewer natural resources. The working definition also acknowledges that other jobs that support the green economy indirectly should be considered green. It also reflects the increasing demand for green skills in industries that are not explicitly green – for example, in the apparel sector, where knowledge of sustainable fashion is increasingly required among salespeople, designers and stylists, or in financial services, where sustainable finance skills are in increasing demand.”

<sup>12</sup> <https://www.pwc.co.uk/who-we-are/purpose/green-jobs-barometer.pdf>



This analysis predicts clear regional disparities and concludes that without a clear strategic direction we risk new job creation and the other benefits of the transition becoming concentrated in some regions while others are more likely to suffer from greater job losses. This is one of the reasons that local authorities have a fundamental role to play in the development and deployment of green skills – to ensure that appropriate place-based skills – and the demand for them – are identified and supported across every geographical area.

Recent research from Ashden,<sup>13</sup> highlights case studies of how local authorities are engaging with their local employers, education and skills providers and communities to understand and plan for local skills priorities and identifies six recommendations for local government:

- **Geography matters:** Identify the most effective geographic area for action to deliver green jobs and skills outcomes.
- **A diverse green workforce:** Increase green job opportunities for people from diverse backgrounds using the levers available to local government.
- **Develop and publish an evidence base** using a clear chosen definition of green jobs and skills.
- **Strengthen green skills and knowledge across the council** so that all the council departments can play a role in boosting green jobs and skills.
- **Work across local anchor organisations** including local government, education, trade unions and business to stimulate demand for green jobs and skills.
- **Use the evidence base and dialogue to take advantage of funding opportunities,** build confidence in the market and deliver advocacy to ensure core investment priority messages are heard by central government.

The reality is that policy designed to support the development of the skills we need for the transition is still at an early stage. Whilst it is positive that the Green Jobs Delivery Group now includes local authority representation, addressing the lack of a local voice on the Green Jobs Task Force, there is still a significant gap in terms of aligning Net Zero delivery with skills and jobs. There have been positive developments in both policy domains, and there is now reference to Net Zero delivery in skills policy and vice versa, but they are still not adequately connected.

<sup>13</sup> <https://ashden.org/storage/2022/02/Road-to-zero-carbon.pdf>

This briefing outlines recent development in policies to address both skills development and Net Zero policy, highlighting that the lack of strong alignment between the two areas and how the lack of a place-based approach is diminishing progress to meet the government's emission reduction targets. It identifies key barriers and recommendations for the Government to remove or overcome these.

We interviewed nine local authority staff in leadership and managerial roles across UK100's diverse membership, including Kate Kennally, Chief Executive of Cornwall Council (the sole local authority representative on the Green Jobs Delivery Group).<sup>14</sup> We also spoke to Government officials, Parliamentarians and Union representatives. A list of interviewees can be found in the Acknowledgements section.

<sup>14</sup> <https://www.gov.uk/government/news/green-jobs-delivery-steps-up-a-gear>





## The gap in skills for Net Zero delivery

It is estimated that one in five UK workers, or 6.3 million jobs, will be affected by the transition to Net Zero. Recent research suggests that overall new jobs are likely to pay higher wages and be at lower risk of automation, especially for middle – and low-skilled workers, but there will be considerable variation within this.<sup>15</sup>

There are also significant, often localised, multiplier effects for employment. Estimates suggest that for every job created in a ‘green sector,’ a further 4.2 jobs could be created in other sectors.<sup>16</sup>

In 2019 around 4% of the UK workforce or 1.3 million workers were employed in emissions-intensive ‘brown’ jobs.<sup>17</sup> They will need specific targeted support to move into new careers.

The government predicts that the transition to Net Zero will require two million new green jobs by 2030 and that the “green skills pipeline will determine both the number and types of UK green jobs which can be produced.”<sup>18</sup> Four in five UK workers with jobs today are expected to be actively employed in 2030,<sup>19</sup> so there must be a focus on both the skills required to ‘green’ existing roles and retrain workers for new jobs, as well as ensure that young people entering the workforce are equipped to contribute to Net Zero delivery.

<sup>15</sup> [https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2021/10/Are-Green-Jobs-Good-Jobs\\_Policy-brief.pdf](https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2021/10/Are-Green-Jobs-Good-Jobs_Policy-brief.pdf)

<sup>16</sup> <https://www.uk100.org/publications/economic-benefits-local-climate-action>

<sup>17</sup> <https://economy2030.resolutionfoundation.org/reports/net-zero-jobs/>

<sup>18</sup> <https://committees.parliament.uk/publications/7615/documents/79773/default>

<sup>19</sup> <https://industrialstrategycouncil.org/sites/default/files/UK%20Skills%20Mismatch%202030%20-%20Research%20Paper.pdf>

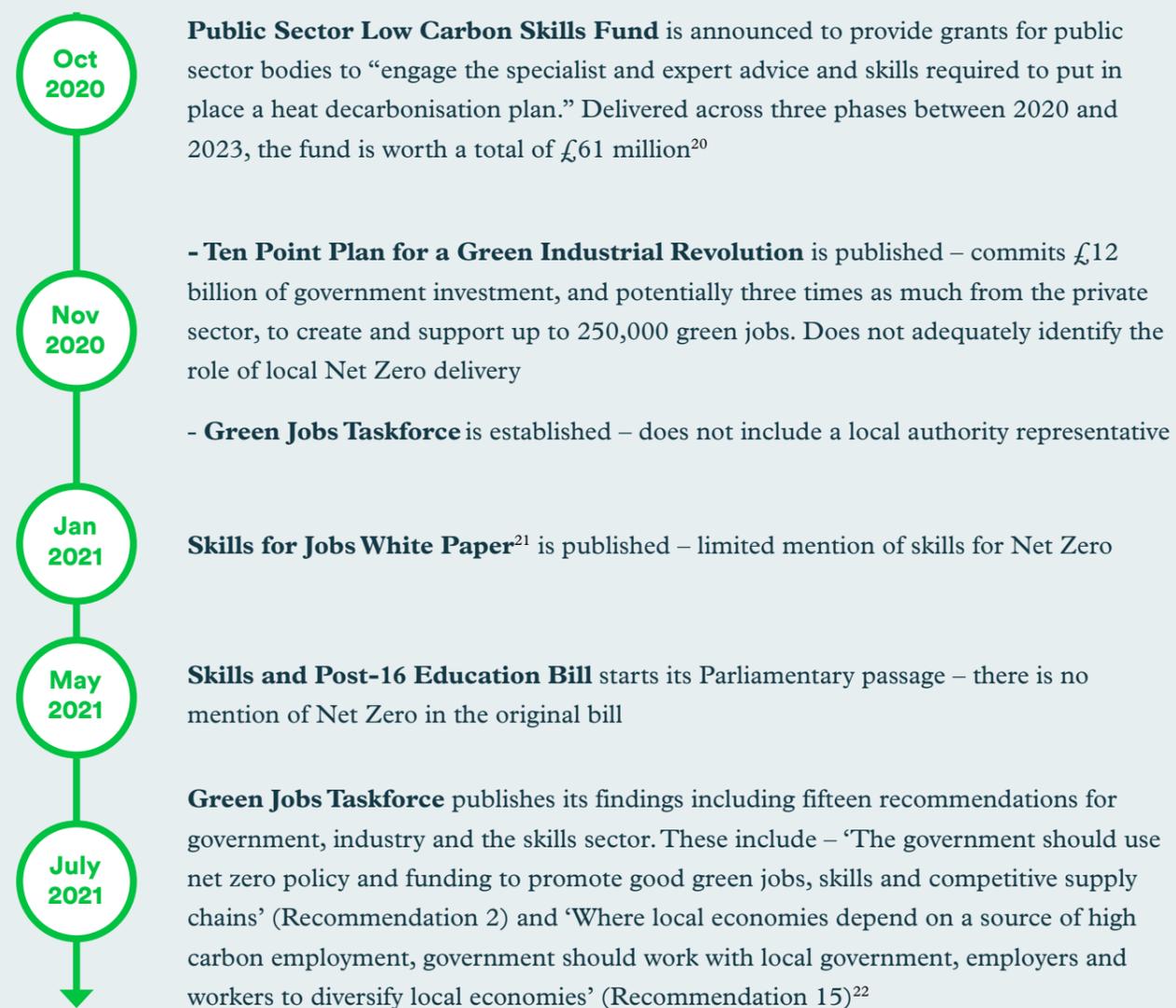


# Recent developments:

## UK skills and Net Zero policy

A key issue in the way that policies have been designed and introduced for both skills development and Net Zero is the lack of join up between the two policy areas.

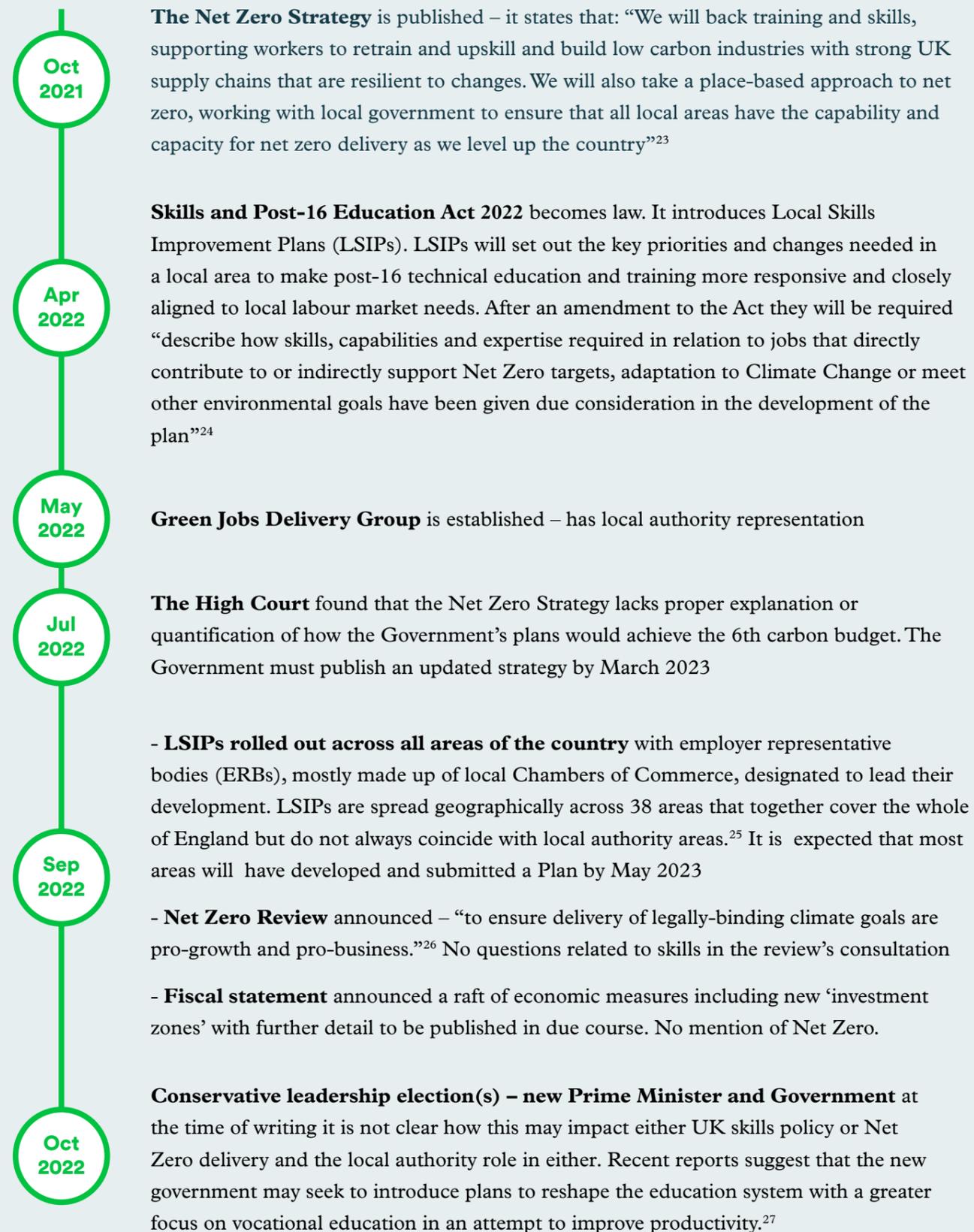
Since 2018, Mayoral Combined Authorities and Local Enterprise Partnerships have been able to access devolved funding through Skills Advisory Panels (SAPs) to carry out local level skills and labour market analysis but understanding of local and national skills requirements for Net Zero delivery is limited. Efforts have been made in recent years to develop green skills provision and outline a vision for Net Zero delivery, but the approaches have not been sufficiently aligned.



<sup>20</sup> <https://www.gov.uk/government/publications/public-sector-low-carbon-skills-fund>

<sup>21</sup> <https://www.gov.uk/government/news/pioneering-reforms-to-boost-skills-and-jobs>

<sup>22</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1003570/gjtf-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003570/gjtf-report.pdf)



<sup>23</sup> <https://www.gov.uk/government/publications/net-zero-strategy>

<sup>24</sup> <https://www.legislation.gov.uk/ukpga/2022/21/enacted>

<sup>25</sup> <https://www.gov.uk/government/publications/designated-employer-representative-bodies/notice-of-designated-employer-representative-bodies>

<sup>26</sup> <https://www.gov.uk/government/publications/net-zero-review-terms-of-reference/hm-treasurys-review-into-funding-the-transition-to-a-net-zero-greenhouse-gas-economy-terms-of-reference>

<sup>27</sup> <https://www.thetimes.co.uk/article/british-baccalaureate-among-sunak-education-policy-reforms-3sjlsktz8>

# Opportunity for local delivery of **Net Zero skills**



Whilst reference is made to the need to link the areas of skills development and Net Zero delivery these two policy areas are not yet sufficiently integrated. The Local Net Zero Forum announced in the Net Zero Strategy has identified capacity and capability as a priority issue, but it is not yet clear whether skills development will be a central part of the work of the Forum.

Whilst the Green Jobs Delivery Group and the Local Net Zero Forum are running in parallel, there is a clear opportunity for each initiative to inform the other. But how this is happening in practice is unclear and must be addressed as a priority.<sup>28</sup>

The Government's Net Zero Strategy estimates that 82% of all UK emissions are within the scope of influence of local authorities. The government recently promised to “work with local partners to understand how they can benefit from the economic growth opportunities generated by the transition to a low carbon economy and ensure that communities across the country can adapt to the impacts of climate change and build back greener with the skills needed for new green jobs.”<sup>29</sup> Yet progress on this work is slow.

The government's strategy for skills development is employer-led<sup>30</sup> but there is no single organisation with overarching responsibility to coordinate skills development nationally or locally.<sup>31</sup> Our research supports the National Audit Office finding that employers and training providers find it “hard to navigate government's growing, and sometimes disjointed, set of skills programmes.”<sup>32</sup>

We also find that an employer-led approach alone will not deliver at the pace and scale required because the market moves too slowly to drive employer demand for future skills. Many employers, particularly small and medium-sized businesses (SMEs), are either too focussed on immediate business needs, not confident that there will be sufficient demand in the nascent market, or simply cannot afford to invest in training. In practice this leads to an unrecognised but significant reliance on local authorities to lead local projects and to act as conveners and drivers of partnerships and relationships between SMEs and with other key stakeholders, at the local level.

<sup>28</sup> <https://www.gov.uk/government/publications/net-zero-strategy>

<sup>29</sup> <https://www.gov.uk/government/publications/local-government-and-the-path-to-net-zero-government-response-to-the-select-committee-report/local-government-and-the-path-to-net-zero-government-response-to-the-select-committee-report>

<sup>30</sup> <https://www.gov.uk/government/news/pioneering-reforms-to-boost-skills-and-jobs>

<sup>31</sup> In 2021 there were 49 separate national employment and skills services and schemes in England, overseen by nine government departments and agencies <https://www.local.gov.uk/about/campaigns/work-local/national-employment-and-skills-related-provision>

<sup>32</sup> <https://www.nao.org.uk/reports/developing-workforce-skills-for-a-strong-economy/#downloads>



Local authorities are well placed to convene and facilitate the local partnerships and projects that will drive the development of local skills for Net Zero and they are the bodies most trusted by the public to deliver climate action.<sup>33</sup>

There are numerous examples of local authorities facilitating projects and collaborative partnerships with employers, education and skills providers and communities. **Greater Manchester** has initiated a scheme to fast-track people into roles in construction and green energy.<sup>34</sup> The Mayor of **London's** Academy Programme has seen five hubs established across the city which focus specifically on green skills development.<sup>35</sup> **Essex** County Council recently conducted a Green Skills Infrastructure Review to clearly identify the potential actions and partnership opportunities between the local authority and businesses, training providers, funding bodies and others to best align green skills supply and demand in the county.<sup>36</sup>

But there is no mechanism for rolling out a consistent programme of place-based approaches across the country to scale efforts rapidly. Local authorities should be central to both local skills development and Net Zero delivery. They have a critical strategic leadership position to create the local confidence that will drive up demand, for example by delivering retrofit of their social housing stock, investing in electric vehicle charging, ensuring that local procurement considers Net Zero and establishing and delivering on Social Value targets, but their role is not yet adequately defined or supported in either policy area.

In September 2022, the government announced the funding allocations (from a total pot of £92 million) for 38 ERBs, most of whom are local Chambers of Commerce, and 'delivery partners,' comprised primarily of FE Colleges, to develop and roll out LSIPs across the country.<sup>37</sup> Sectors fundamental to the transition such as construction that tend to be made up of many micro enterprises and self-employed individuals with limited capacity for skills development. For example, there is a need to encourage self-employed plumbers and gas engineers to train to become heat pump engineers because there is little incentive to do so while such workers continue to be in demand.

33 <https://www.uk100.org/sites/default/files/2022-07/UK100%20-%20Exclusive%20polling%20reveals%20voters%27%20message%20to%20incoming%20Prime%20Minister%20%20give%20councils%20more%20money%20and%20power%20for%20Net%20Zero%20to%20ease%20cost-of-living%20crisis.docx.pdf>

34 <https://www.greatermanchester-ca.gov.uk/news/construction-and-green-energy-training-courses-to-launch-in-greater-manchester-helping-residents-fast-track-into-new-jobs/>

35 <https://www.london.gov.uk/questions/2022/0588>

36 <https://assets.ctfassets.net/knkzaf64jx5x/2boS3yEpHGwgLnZMXqRFfp/1918c6857a4f61ed7a73a1b100c730aa/Essex-Green-Skills-Infrastructure-review-2022.pdf>

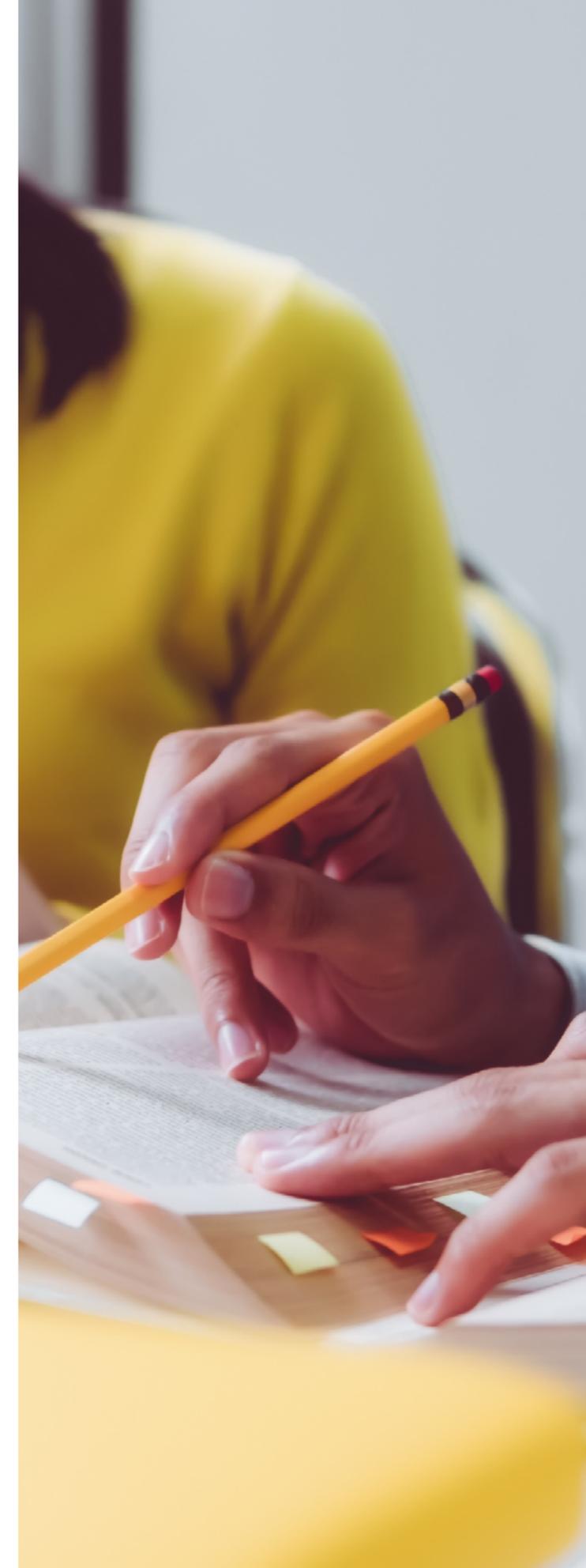
37 <https://www.gov.uk/government/publications/strategic-development-fund-awards-2022-to-2023/strategic-development-fund-2022-to-2023-financial-year>

On the ground this means a significant reliance on local authorities to coordinate and facilitate relationships between local businesses and FE providers to make sure they are anticipating and delivering the right courses, as well as promoting these courses across communities to generate sufficient demand.

Recent analysis from the Green Edge that looks at LSIP allocations by sectoral focus and region is encouraging. It finds that electric and hybrid vehicles, green construction, green energy, carbon capture, and waste management represent almost 55% of the total plans under LSIPs so far. This is a good start. We agree with their analysis that there is an important role for the Green Jobs Delivery Group to identify and monitor skills for Net Zero gaps in LSIPs "so that a national set of priorities can be overlaid across the local ones."<sup>38</sup>

Local authorities need to have a key role in the development of LSIPs, but this is not articulated or accounted for. Local authority involvement can help ensure that LSIPs are aligned with the strategic economic development priorities of the area and by doing so ensure a wider stakeholder engagement has taken place than if it were left only to ERBs. Local authorities can also help ensure that, as part of the LSIP process, all relevant employer voices are heard, including representation across all key sectors, from business of all sizes and across the geographical area.

38 [https://greenedge.substack.com/p/the-lsip-rubber-hits-the-road?utm\\_source=email&publication\\_id=517743&post\\_id=71910435](https://greenedge.substack.com/p/the-lsip-rubber-hits-the-road?utm_source=email&publication_id=517743&post_id=71910435)



# Skills for Energy Efficiency



Installing new energy efficiency measures in existing buildings is arguably the most important infrastructure challenge for reaching Net Zero and will only be possible if policies and funding are put in place to develop local skills for delivery. The cheapest energy is the energy we do not use. But the UK is stuck with some of the draughtiest homes in Europe, meaning keeping them warm and comfortable is more expensive and results in more energy wasted. With the right policy and regulatory environment and finance, the social housing sector could incubate the skills needed to energy efficiency at scale across the country and create confidence in the market.

Improving home energy efficiency was identified by all the authorities we spoke to as a key priority. As well as cutting emissions, it offers triple wins of creating jobs, in every region, addressing the cost of living crisis and soaring energy costs and bringing multiple health benefits of warmer, drier homes.

However, the energy efficiency industry is suffering from an acute shortage of skills that will require training and reskilling for thousands of UK workers.<sup>39</sup> This is an area that local authorities are well placed to lead by boosting the energy efficiency of local social housing stock and other public buildings under their control. Social housing also typically consists of large numbers of similar properties and social landlords tend to own multiple dwellings, which help to reduce some of the barriers of implementing energy efficiency upgrades at scale.

This skills gap, accompanied by current low levels of demand and high costs make delivery at scale extremely challenging. Developing local energy efficiency skills and skills to install new technologies such as heat pumps is identified as an urgent priority that requires government policy and investment. However, government policy to guide energy efficiency upgrades is currently significantly off-track.<sup>40</sup>

Local authorities have already demonstrated that they are well-placed to deliver having successfully deployed programmes such as the Local Authority Delivery element of the Green Homes Grant,<sup>41</sup> the Public Sector Decarbonisation Scheme,<sup>42</sup> and the Social Housing Decarbonisation Fund.<sup>43</sup> But as explored in more detail below, these schemes are competitive, piecemeal and short-term. Many local authorities are doing what they can to ensure that all new and existing buildings and homes meet the highest efficiency standards, but they tell us that the current lack of national policies to drive home energy efficiency has led to a weak and underdeveloped market.

<sup>39</sup> <https://www.unlocknetzero.co.uk/home/introducing/addressing-workforce-competence-and-capability-challenges-to-decarbonise-the-housing-stock>

<sup>40</sup> <https://www.theccc.org.uk/wp-content/uploads/2022/06/Progress-in-reducing-emissions-2022-Report-to-Parliament.pdf>; <https://www.uk100.org/sites/default/files/2022-07/Heat%20and%20Buildings.pdf>

<sup>41</sup> <https://www.gov.uk/government/collections/green-homes-grant-scheme>

<sup>42</sup> <https://www.gov.uk/government/collections/public-sector-decarbonisation-scheme>

<sup>43</sup> <https://www.gov.uk/government/publications/social-housing-decarbonisation-fund-wave-2>



# Key Barriers



**“ Ensuring green skills are actively considered across different policy initiatives and work streams at local level is like stitching a patchwork quilt. Change must be driven by government, through policy, through long-term funding, through procurement modelling.**

UK100 member, Combined Authority

Three key barriers were identified in our research:

## Lack of business confidence and employer demand for skills

**“ Funding and policy assumes a flourishing commercial market with supply chains in place but that isn't the case.**

Kate Kennally, Chief Executive, Cornwall Council

**Businesses disengage because there is no certainty. Built-in sustainability will filter down the supply chain, simulating local business demand and the right skills provision by education providers.**

UK100 member, County Council

The lag in demand for skills to deliver Net Zero from local employers and businesses is a key barrier. Current employer-led approaches are inadequate on their own because the market moves too slowly, meaning from local businesses which are not confident to invest in skills for Net Zero. Government policies designed to stimulate the market for green skills have been too piecemeal and too short-term to create the certainty and confidence for businesses to change their practices and processes.

## Could be overcome by:

- Dedicated payments for local authorities to reward green procurement. This would encourage local businesses and suppliers to correct the lag in supply chains, help kickstart markets and unlock local employer demand for skills
- Improved data on skills and labour market analysis that identifies the current and future skills needs of each locality. This should include clear technology investment roadmaps and additional funding, to unlock local employer demand for those technologies
- A national framework identifying the wide range of skills for Net Zero and potential careers providing information on how employers can sponsor training and reskilling
- A sectoral approach to tackling specific challenges like home energy efficiency can help send a signal to the market of the need to increase and improve skills provision and training.

The Environment APPG's recent 'Ten point plan for climate and nature' calls for an expansion of the Treasury super-deduction to allow investment in skills and non-physical capital. The super-deduction tax relief on physical capital has successfully raised business investment, a successor scheme that gives tax relief to businesses investing in skills training would "support the necessary shift in business processes that will create the demand for them."<sup>44</sup>

## Limited, short-term and competitive local authority funding

**“ We need Net Zero to run through everything we are asked to do.**

UK100 member, Combined Authority

**Every year the authority loses money, you have to prioritise what services are going to be cut, it's a balancing act. We do what we can but we are scrapping around to fund practical delivery.**

UK100 member, County Council

By 2020, reductions to local authority core funding were equivalent to a loss of 60p out of every £1 provided by the Government compared to the previous decade, a tightening of belts equivalent to £16 billion. At the same time, since 2020, councils have been able to keep up to 75% of the business rates they collect.<sup>45</sup> The change in local authority finances means a sharper focus on balancing short-term and long-term priorities. A challenge made more difficult by the impact of the COVID-19 pandemic on communities and businesses and the current cost of living crisis.

The often onerous task of drafting bids for competitive, short-term projects takes up valuable time and resources with no guarantee of success. This approach does not capitalise on the potential of local authorities to deliver impactful, cost effective programmes.

<sup>44</sup> [https://environment.inparliament.uk/sites/environment.inparliament.uk/files/2022-10/appg\\_report\\_10\\_points\\_vis\\_5.pdf](https://environment.inparliament.uk/sites/environment.inparliament.uk/files/2022-10/appg_report_10_points_vis_5.pdf)

<sup>45</sup> [https://www.local.gov.uk/sites/default/files/documents/5.40\\_01\\_Finance%20publication\\_WEB\\_0.pdf](https://www.local.gov.uk/sites/default/files/documents/5.40_01_Finance%20publication_WEB_0.pdf)

## Could be overcome by:

- Net Zero delivery systematically built into local authority funding
- Combining long-term, non-competitive funding, capacity development and support with a clear strategy for local Net Zero delivery
- Local authority funding settlements that reward greener approaches in areas such as sustainable procurement so that services commissioned by the council start to shape the local economy.

The Transport Decarbonisation Plan (TDP) stated: “We are also committed to designing future funding opportunities in a way that minimises local burdens and costs and will engage closely with local areas to plan for this transition.”<sup>46</sup> Whilst this does not indicate an end of competitive, short-term funding, it does acknowledge that future funding may address some of the current challenges. However, the TDP is currently alone in taking this step.

## Funding for FE

**“ It’s a very slow process to get employers engaged, we need new long term policies and a funding framework to provide education providers with the confidence to invest in green skills courses because they trust there will be a market for them.**

**UK100 member, Combined Authority**

**Currently the only way to run many vocational green skills courses is if forward-looking employers can be found to fund them.**

**UK100 member, County Council**

Another key barrier is the chronic underfunding of FE which has led to significant shortages in relevant courses and a shortage of tutors with the skills to deliver them.

FE colleges also need long-term certainty for curriculum planning and many skills, such as heat pump installation or woodland management, require expensive facilities.

## Could be overcome by:

- Urgent government support for training ‘trainers’
- Funding for more courses to develop skills for Net Zero
- Local authority investment in Net Zero projects to provide assurances to local businesses of potential supply chain and demand for skills.

<sup>46</sup> <https://www.gov.uk/government/publications/transport-decarbonisation-plan>



# Recommendations for government



**“ Systematic change must be driven by government, through policy, through long-term funding, through procurement modelling. When you drive through that kind of systematic change it will automatically drive up the demand for green skills.**

UK100 member, Combined Authority

## Develop a Skills for Net Zero Framework for delivery incorporating local and national action

**“ We need more cross cutting approaches so that Net Zero runs through everything we are asked to do.**

UK100 member, District Council

The government should bring together the fragmented areas of policy relating to skills and Net Zero at the local level into a national framework incorporating local and national action, ensuring that the work of the Green Jobs Delivery Group and the Local Net Zero Forum are aligned.

The framework needs a defined leadership structure to oversee and commission local skills development programmes. The framework should:

- Define Skills for Net Zero and develop meaningful positive messaging around potential careers for a diverse range of people
- Define the local authority role in facilitating relationships with local stakeholders including businesses and education and training providers and in leading local projects designed to develop local skills for Net Zero delivery
- Map existing employers' role in Net Zero skills provision to identify gaps and opportunities to meet needs
- Provide for better data collection and local labour market analysis
- Signal to the market the technologies, such as heat pumps, that the government plans to invest in and deploy in the future and provide incentives, including additional funding, to support employers to reskill and upskill their workforce to meet these priorities
- Introduce a system that rewards local authorities for green procurement which will in turn drive behaviour change from local businesses and suppliers.

## Embed long-term funding for Skills for Net Zero into local authority funding settlements

**“ We are bidding for pots of money for skills programmes that are too short-term – a year or two – we do the analysis and work but then the programme ends, and the work is lost. The targets are set for a long time, so the money needs to be long-term.**

UK100 member, District Council

**Our tenders and recruitment processes should require green skills and reducing carbon footprint as standard.**

UK100 member, Combined Authority

Local authority funding settlements should systematically build in a strategic approach to the facilitation of skills for Net Zero.

The strategy should:

- Allocate a dedicated long-term budget to local authorities to commission activities to develop Skills for Net Zero delivery so that projects can plan ahead with confidence
- Reduce local authority reliance on bids for short-term competitive funds to incentivise partnerships and collaborations, to better enable local authorities to learn from each others' initiatives, transfer knowledge, replicate and scale.

## Introduce a national energy efficiency strategy, led by local authorities, to End the wait. Insulate.<sup>47</sup>

**“ We need a place-based package of targeted public investment to decarbonise and retrofit social housing and public buildings.**

Kate Kennally, Chief Executive, Cornwall Council

**Retrofitting our own housing stock, linking this to local school and college networks and creating apprenticeships will stimulate the market for skills.**

UK100 member, County Council

<sup>47</sup> **End the wait. Insulate.** is a UK100 campaign calling on the UK government to prioritise locally-led energy efficiency measures to permanently reduce energy bills for households amidst the 2022 energy crisis

Local authorities have responded positively to government programmes and initiatives – such as the Public Sector Decarbonisation Scheme. But much of this support, in the form of competitive funding rounds is not systematic, consistent or long-term enough to create the market transformation needed. A locally-based framework to decarbonise and upgrade the energy efficiency of social housing and public buildings with sufficient targeted public investment will support the growth of local supply chains, give the market confidence and create a ready skills pipeline.

Prioritising social housing can build a robust platform on which energy efficiency transformation in the wider housing stock can take place.

The strategy should:

- Initially prioritise the social housing stock and provide sufficient government investment to kickstart the market and develop the local skills for delivery
- Provide sufficient investment to enable FE providers to fund training programmes, including investing in expensive equipment such as heat pumps for trainees to practise on
- Be designed to overcome the fact that the return on investment is over a long period
- Include incentive for homeowners to make their homes more energy efficient
- At least meet the manifesto commitment of £9bn public investment to deliver Net Zero in our homes and buildings and include measures to leverage further private investment.

Investing in local Net Zero projects will support and speed up the growth of the local markets, provide incentives to drive local demand for skills and provide opportunities to address regional and local inequalities.





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Peers for the Planet



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