



# Green jobs and skills

This briefing provides a summary of the consultation on the House of Commons report on 'Green Jobs and Skills'. It is provided to local authority chief executives, councils leaders and all APSE environmental services contacts.

## Key Issues:

- Low carbon industries are facing a 'skills gap'.
- More investment is needed alongside clear transition policies.
- Suggests that the UK's number one priority should be to improve the energy efficiency of existing buildings.
- Calls to prioritise green skills under the new skills strategy

## 1. Introduction

In April 2009, a parliamentary inquiry was announced by the Environmental Audit Committee into prospects for green jobs and policies aimed at increasing employment in environmental industries. The inquiry aimed to consider how the UK can maximize the environmentally positive opportunities arising from changes in public spending intended to help tackle the recession. APSE sent a written submission to the Environmental Audit Committee and the contents were summarised in a briefing paper written in June 2009 ([please click here to access the briefing paper](#)). The Committee has produced a series of reports and the second report related to green jobs and skills. This briefing paper highlights the key points that were raised in the report. A copy of the full report is available by [clicking here](#).

## 2. Current policy

Action is being taken world-wide to stimulate low-carbon and green industry during the current economic downturn. However, the report by the Environmental Audit Committee has found that low carbon industries are facing a skills gap that could delay the UK's transition to a low-carbon economy. If the right investments are made now, the UK could create hundreds of thousands of green jobs and become a world leader in the growing global market for green technologies, worth £3 trillion worldwide.

The UK Government has allocated £535 million capital investment, including £405 million to help establish the UK as a market leader in renewable technology and advanced green manufacturing. However, the report states that the scale of this investment is not enough to

meet the Government's emission targets nor is it enough to provide the economic advantage needed for the UK to compete at an international level. For instance, the US has a range of detailed policy proposals and plans to spend over \$50 billion to create half a million new green jobs. The Environmental Industries Commission has suggested the fiscal stimulus should be £45 billion.

Therefore, the Committee recommends that the Government should urgently increase the amount of money that contributes to the overall green stimulus by 'greening' more of its current spending plans and ensuring access to European Investment Bank capital; by doing so it will help create home markets and develop first mover advantage.

The report states that if the UK is to develop competitive low-carbon industries, most of the investment will need to come from the private sector, as public spending is very likely to be reduced over the next five years. However, to attract private investment, the Government's transition policies must be clear. The Government has sought to provide clarity about its policy framework through the Low Carbon Transition Plan. However, the report recommends that *"the Government must provide industry with a clear and stable long-term policy framework to guide them through the low-carbon transition with enough detail to enable them to secure investment. Business needs to be confident that financial incentives and regulation designed to promote low-carbon industries will be maintained. In addition a bipartisan political approach should be sought wherever possible."* Page 10

In addition, the report states that the Government needs to remove barriers to provide financial and non-financial incentives for the faster development of the low-carbon sectors of the economy highlighted by the Committee on Climate Change. These include electricity supply (such as the use of renewable energy), improving energy efficiency measures at home and at work and reducing transport emissions. In addition, the Committee think that the Government should ensure that a strong carbon price signal will encourage investment needed to drive the low-carbon transition.

### **3. Where are the green jobs?**

The Committee found that there was a disparity between government estimates of the number of new green jobs that will be created in the move to a low-carbon economy and estimates from other bodies and therefore recommends that the Government reassesses this and provide more robust data on where these jobs will come from and why.

In terms of the effect on existing jobs, the report acknowledges that certain parts of the UK are dependent on carbon-intensive industries and these communities could suffer a large net loss of jobs. The Committee recommends that the Government should undertake research in partnership with trades unions, employers and Regional Development Agencies to gain a broader understanding of the impact of any job displacement resulting from the move to a low-carbon economy and to develop strategies to mitigate these effects.

There is a debate on the prospects for green jobs in the USA – here an emphasis is placed on ensuring green jobs contribute to the social and economic sustainability of low income groups and deprived communities. One of the aims of focusing green jobs on low income groups is to build support for environmental policies among ordinary working people. The Committee recommends that the Government needs to do more to link its policies on tackling poverty and unemployment with the green agenda.

In terms of 'quick wins', the Committee recommend that the Government immediately and substantially increases the scale and speed of its programmes to improve the energy efficiency of existing buildings and to make this the UK's number one priority for green fiscal stimulus. Tim Yeo MP, Chair of the Environmental Audit Committee said "A good place to start would be to launch an ambitious street-by-street programme of energy saving measures for households that will boost employment and keep UK building firms in business."

#### **4. Skills for transition**

The Commission on Environmental Markets and Economic Performance (CEMEP) noted that one in three firms in the environmental sector was being hampered by a shortage of skilled staff, from those needed to install new technology to scientists and engineers. On 11 November, the Government published Skills for Growth, a national strategy for skills delivery, which aims to give businesses more power to shape skills training through programmes like Train to Gain. In addition, it will actively target those sectors and markets on which future growth and jobs depend. The Committee recommends that the Government must put employer participation at the heart of its changes to the skills system.

The report also states that a body to lead the green skills agenda must be found and low-carbon skills need to be integrated through the whole skills delivery system. The Government must establish a leader for the green skills agenda to deliver the skills needed for the low-carbon transition, to co-ordinate on removing barriers in the current system and to maintain a focus on the current environmental skills. By establishing a leader, the Government could provide an opportunity to deliver green skills across all sectors, which will be important as green skills must eventually be mainstreamed throughout the whole economy.

The report states that the demand-led skills framework has failed for two reasons:

1. The employer's inability to articulate their skills needs to skills delivery bodies
2. The inability of skills bodies to accurately forecast where demand for new skills will emerge.

The TUC argue that relying on the market to identify skills gaps is causing delays in moving towards a green economy. The Committee recommends that the new Skills Funding Agency must take account of the need to develop skills in sectors recognised as vital in the low-carbon transition. In addition, Government must use the first National Skills Audit to provide a comprehensive assessment of current and future gaps in low-carbon skills. The results of this could provide the basis for any future development of the green skills strategy.

#### **5. APSE comment**

The report, therefore, calls for further investment in the 'green' industry, with priority being given to improve the energy efficiency of existing buildings. APSE believes that local government has a leading role to play in meeting environmental targets and that continued support and investment in the public sector infrastructure (such as affordable housing, transport, play and recreational facilities, a high quality public realm and creating sustainable communities) should be the foundation for tackling the recession.

APSE has carried out research for the TUC on the impact of the recession on public services. Most people in the public sector (78%) see the role of public services changing, as the focus turns to helping people, businesses and communities respond to the recession. They see that the public sector is best placed to respond to these changing local needs, such as providing training and apprenticeship. The research also highlighted that there is a need to plan for the

future and economic recovery, in tackling local economic restructuring, environmental challenges and an ageing population. For more information on the research [click here](#)

The Environmental Audit Committee report cites that public spending is very likely to be reduced over the next five years and therefore most of the investment is likely to be by the private sector. One of the key recommendations is to *'provide industry with a clear and stable long-term policy framework to guide them through the low-carbon transition with enough detail to enable them to secure investment'* page 25. However, the report fails to mention the role that councils have in procurement and the use of community benefit clauses to stimulate demand for low-carbon materials and products.

APSE believes that investing in green skills will bring real benefit to local communities. In addition, investment in public services can provide maximum value for the public pound through procurement. APSE's recent research report on the economic footprint of local councils based on a study of Swindon's streetscene services highlighted the strategic argument for local authorities to be employers and it revealed the impact on the local economy; for example, 98% of streetscene's employees lived within the locality and 64p of every pound invested/spent stayed within that community.

By investing in solar, wind, geothermal and tidal energy, electric fleet, retrofitting housing and other such technologies, councils can not only create a significant number of jobs in manufacturing turbines and solar panels but also in fitting and maintaining them. In addition, they can accrue financial benefits from selling surplus energy raised to the grid and achieving a good position in the Carbon Reduction Commitment league tables.

APSE agrees that a programme of energy saving measures for households will help to reduce carbon emissions, boost employment and apprenticeship opportunities for local councils and building firms and support local supply chains. It will also help to improve the condition and standard of housing and reduce fuel poverty. There are already plenty of examples of good practice in this area and there is also the opportunity for improving energy management through planned capital improvements to social housing and neighbourhood renewal programmes for private properties.

Debbie Johns  
Principal Advisor