
Government response to low carbon skills strategy consultation

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Action

TUSDAC is invited to discuss this report.

Summary

The government has responded to the results of the consultation on low carbon skills strategy. The government's response reflects the overall skills strategy with continued emphasis on sector led activity and government support for programmes including apprenticeships, but Regional Development Agencies are being disbanded and spending constraints mean the government is looking for greater investment from employers, individuals and communities. This paper points out that trade unions may have renewed opportunities to organise in communities as a result of this, particularly if they can learn from the experience of trade unions in California.

This document summarises the sectoral activity with which trade unions may wish to engage and in particular the Green Deal is a significant programme from 2012 that will need considerable investment in skills. The government's interest in measures such as licence to practice and industry levies to drive up skills investment could offer new opportunities and challenges for the union membership.

Background

This is a coalition government response to the consultation on low carbon skills strategy commenced by the previous government just before the general election. The TUC put in a largely supportive consultation response, particularly with regard to the previous government's state activist approach.

The coalition government produced a new skills strategy in the autumn of last year. The new strategy maintains some aspects of the previous government's approach. For example, the sector skills councils have a key role to play, particularly with regard to acting for businesses in regularly updating national occupational standards. Further the government is committed to the continued expansion of apprenticeships including increasing Adult Apprenticeships by up to 75,000 in 2014-15.

However, Regional Development Agencies are being disbanded in favour of voluntary local partnerships and key programmes such as the Future Jobs Fund for young people and Train to Gain have been abolished. The government's commitment to reduced public spending also means that BIS is seeking new ways to find funding including co-investment by employers and sectoral initiatives such as industrial levies (where the industry is in support) and licence to practice (again, where the industry supports this).

Government priorities

The government recognises the "huge opportunities for the UK moving towards a low carbon, resource efficient economy" and the need to ensure "that we have the skills base to achieve ... our carbon targets and realise the significant economic opportunities of the transition to a low carbon and resource efficient world.". The UK has £112 billion share (6th largest) in £3.2 trillion global market for UK low carbon and environmental goods and services in 2008-9 and this is forecast to grow by approximately 4% per year over the next 5 years.

The government states that there are approximately 910,000 people currently employed in low carbon jobs and this is projected to increase to over a million by the middle of the decade. The Green Deal is intended to open up the market and boost energy efficiency in the UK's homes and businesses, with an estimated 250,000 skilled trades' people needed by 2030 to deliver objectives. Up to 30,000 new jobs could also be created in new nuclear power stations.

The priorities for low carbon skills strategy are described as

- leadership, technical and managerial skills
- the skills system (schools, colleges, universities, agencies, partnerships, businesses) responding "rapidly and flexibly to low carbon skills demands"

- Science, Technology, Engineering and Mathematics (STEM) skills at all levels, in key energy and advanced manufacturing sectors and more widely across the economy
- Sectors in which completely new skills are needed, some in new combinations, and for which new qualifications will need to be developed.
- Embedding the knowledge and skills for adaptation across the economy, providing opportunities for businesses providing solutions and services in the UK and exporting expertise abroad.
- Raising awareness and interest amongst young people and existing employees in the career opportunities emerging from the transition to a green economy, and providing clear pathways into those careers.

Priority sectors

The government summarises its approach to the industrial and skill development of the priority sectors identified in the original low carbon skills strategy document as follows.

Power

The ageing of the energy workforce and insufficient employer confidence in the future demand for skills which is restricting investment in apprenticeships and other training schemes. The government proposes collective strategic purchasing of skills training where a range of employers can brigade their demand which may provide stronger market signals encouraging providers to respond. DECC also plans to address the issue of market certainty through delivery plans under development for renewables, carbon capture and nuclear.

There is a role here for Sector Skills Councils as well as local partnerships and trade unions could play a role in marshalling or brokering interest. Unionlearn has plans to co-ordinate trade union activity, particularly focusing on the benefit that industry levies might bring to skills development in target industries.

The government also prioritises energy efficiency of the housing stock through its Green Deal programme (with a projected extra 250,000 jobs by 2030). A group of sector skills councils are already working on a project led by the Home Efficiency Partnership to map the skills requirements for the Green Deal to be launched in 2012. Further, plans for carbon capture and storage demonstration projects will enable the UK workforce to gain experience of designing,

constructing and operating these plants, creating expertise to support the wider introduction of CCS.

There are other sector initiatives such as:

- National Skills Academy in offshore oil and gas sector (called OPITO) and planned National Skills Academy for Environmental Technologies (early 2011),
- Industry-wide electricity skills strategy
- Review of skills and training for renewable energy conducted by EU Skills working with the ECITB and 7 other SSCs,
- Skills and training strategy for wind and marine renewables led by RenewableUK.

Transport

The four principle transport priorities are ultra low carbon vehicles, fuel efficient aircraft, freight and further electrification of the rail network.

Ultra low carbon vehicles (ULCV)

The Government (Department for Transport, BIS) are committed to working with the ULCV industry, the Office for Low Emission Vehicles, the Automotive Council and the broader and higher education institutions to ensure current skill sets can be adapted to meet the requirements associated with a move to ultra-low carbon vehicles. A number of FE colleges are already working with Original Equipment Manufacturers to understand their evolving staff skill requirements and developing courses to meet these needs.

Fuel efficient aircraft

The government is working with a number of agencies. SEMTA is taking a leading role in delivery of £100M of funding through a "compact" to support training and skills development. The National Skills Academy for Manufacturing (NSAM) has a network of quality assured providers who have the specialist capabilities for the sector. The trade association for the UK Aerospace, Defence and Securities industries (ADS) is developing a Skills Roadmap. The National Composites Network has done some work to identify the current composite skills needs within aerospace manufacturing, which include materials and process structures design, materials and process engineers, design and stress engineers for composite structures and people with large scale processing experience. A cross sector

Composite Skills Working Group comprising business, BIS, SEMTA and Cogent representatives continues to assess the composite skills requirements for UK industry including the aerospace sector.

Freight and logistics

Development in this industry seems to be in the early stages. Skills for Logistics is submitting its business plan for a National Skills Academy to the Skills Funding Agency for approval in March 2011. The Government has decided not to make eco-driving training a mandatory part of the Driver Certificate of Professional Competence and will instead encourage and support industry-led initiatives to improve fuel efficiency and tackle carbon emissions. In 2012 the Department will review the level of uptake of eco-driving training and fuel savings resulting both from these industry-led initiatives and from voluntary uptake as part of the Driver CPC and will reconsider the case for Government intervention.

Railway industry

The skills base of rail industry employees will need to develop to meet future rail projects such as electrification, rolling stock life extension, energy storage systems and high speed rail. A National Skills Academy for Railway Engineering is in development. The Department for Transport's Technical Strategy Advisory Group is developing a common view of the technologies required to deliver a cost effective, low carbon railway. And the Department for Transport and Office of Rail Regulation have jointly commissioned a study led by Sir Roy McNulty into the value for money of the GB railway: the study will consider future requirements for workforce skills and capabilities.

Construction and the built environment

The government's response highlights the work of the Zero Carbon Hub, a government backed industry-led delivery body which is working on the development of zero carbon homes policy. The Hub has worked with the National House Builders Council and Construction Skills to publish a joint report - Home Building Skills 2020 - which looks at the future of house building and calls for an urgent up-skilling by the industry to deal with a decade of change and has also developed the zero carbon homes model. Meanwhile, the final report of the Government's (BIS) Low Carbon Construction Innovation and Growth Team recommended consideration of greater collaboration and integration within the landscape of skills provisions, and the Government's response to those

recommendations is due in early 2011.

With regard to retrofit of commercial and domestic building, common concerns regarding incentivisation of employers, stimulation of demand and accreditation and qualification standards are said to be addressed by the Green Deal which is anticipated to break down existing barriers to the uptake of energy efficiency and it

“will be a requirement that those operating within the Green Deal have been certified. This will ensure (among other things) that they have the necessary competence to carry out that work to a high standard – including the provision of energy efficiency advice, and the installation of insulation measures. This means the skills industry must be poised to play a major part in providing the skills needed in the run up to the Green Deal launching in 2012 and beyond. Government will work with industry to ensure that the right training is available, and to help channel funding into the sector so that people are able to access the opportunities.”

The government is looking for innovative ways of reaching a ‘whole solution’ to retrofit of buildings inclusive of water, energy and adaptation to climate change, together with the needed technical skills, and commercial skills working with local people and bodies to determine the most appropriate methods of planning and delivering retrofit in particular communities.

Decarbonising manufacturing and process industry supply chains

Agriculture and forestry

The Government has set up a cross-sector ‘Skills Task and Finish Group’ to identify and implement actions to tackle forestry skills challenges, and is undertaking further analysis on the current level of skills to meet the needs of a low carbon agricultural sector, through the Agricultural Advisory Services Analysis project. Training events for Anaerobic digestion (AD) are being developed in partnership recognising that this is still an emerging technology and growth area in the waste and agriculture sectors. The Government supports the industry-led Agri-Skills Strategy “Towards a new professionalism”, aimed at embedding a culture of CPD within the farming industry.

Carbon intensive industries, manufacturing and service industries

Businesses are encouraged to spread best practice down their supply chain and work in partnership with Sector Skills Councils. The Government expresses willingness to work with all key partners, to support employer action to stimulate learner and employer demand and to tackle skills gaps. Apprenticeships are seen as key to new entrants in to low carbon industries and adult apprenticeships are seen as key to re-skilling the existing workforce in carbon intensive, manufacturing industries and service sectors. Further, industry is invited to broker the introduction of clear professional standards or occupational licensing for job roles that have low carbon and resource efficient skills requirements: as previously mentioned, Unionlearn will be garnering interest from trade unions in the relevant sectors.

Opportunities for trade unions

The TUC's response to the low carbon skills strategy earlier this year said that trade unions would pragmatically engage with regard to green skills and the case for this remains strong. Trade unions should assess their engagement with sector level initiatives summarised in the paper, particularly to consider 'just transition' concerns such as training for young people and reskilling of workers at threat of redundancy in high carbon industries. The 'Green Deal' in particular will require a large programme of training, the development of which trade unions could seek to influence.

The stripping away of Regional Development Agencies and Learning and Skills Councils (which had trade union representation on their boards) may leave something of a vacuum, but with the political trends shifting to localism, its also an opportunity for trade unions to organise in communities along the lines of the Pinder Hughes model, pioneered in California and subject to substantial policy interest in the last year. Apprenticeships are also crucial to low carbon skills development where Unionlearn and trade unions are increasingly well placed to influence employer take up.

Finally, the government's interest in measures in the low carbon industries such as licence to practice, occupational standards and industry levies could be genuine opportunities to boost the accessibility of training but could also bring potential challenges for workers such as employers passing on some of the costs. Unionlearn will be seeking trade union views on these measures in a future consultation.