

A submission from the Energy Efficiency Association for the Environmental Audit Select Committee of the House of Commons inquiry into Green Jobs

As a community interest company, the Energy Efficiency Association (EEA) is constitutionally restricted from becoming involved in political activities or lobbying. However, as the only Energy Efficiency sector organisation with members involved in every aspect of improving the efficiency of energy usage, and the decarbonisation of homes and buildings throughout the UK, we feel that the committee might find our observations on the practical challenges that need to be addressed, of some relevance to their ongoing investigations.

The Energy Efficiency Association, and its members largely welcome the Government's plans to create jobs in the Green economy.

The shortage of workers in the Energy Efficiency sector is chronic given the timetable for decarbonisation. There are not enough installers, for example, in the whole of the UK to be able to deliver the Net Zero targets for one very large Local Authority, let alone the whole country.

In 2016, the sudden closure of the Green Deal scheme, followed by cuts in support for the Solar industry, Renewable Heat Sector and Energy Company Obligations (ECO) schemes led to a reduction in the the amount that the industry invested in new job creation.

Further reductions in the ECO schemes and uncertainty in the future of Government support have continued to affect the size of the industry, which has continually gone through boom and bust cycles attached to government schemes.

The Energy Efficiency Association was set up in 2018 to coordinate collaboration and communication within the Energy Efficiency Sector, partially in the hope that the industry could become more stable if it was working more collaboratively.

We cannot address all the areas of your inquiry, but we can address some of the questions you have.

1. What estimates are there for the jobs required to meet the pathway to net zero emissions, by sector, and other environmental and biodiversity commitments?

Speaking in relation to the recently launched Green Homes Grant Scheme, we can confirm that there is a desperate shortage of people within the Insulation and Heat Pump sectors. It is our understanding that there are just over 700 companies in the whole of the UK registered to be able to deliver any of the measures of that scheme.

According to figures from BEIS in December 2020, just under 60,000 vouchers have been applied for under the Green Homes Grant Scheme. If we assume each voucher takes on average 8 man days to deliver (some external wall insulation measures will take 4 weeks to complete while several loft insulation or air source heat-pump installations can be done in a

single day) that is around 480,000 days of work, however the vouchers have 90 day install deadline and there are less than 6,000 individual installers qualified to work for the scheme. Even with perfect distribution of work and installers working 7 days a week for 3 months, there are barely enough installers to complete the vouchers already applied for.

The Energy Efficiency Association has applied to become a Gateway for the DWP's Kickstart scheme. When we announced our involvement the Green Home Grant Scheme installers all expressed an interest in the Kickstart scheme. Within a few hours of our announcement we had 38 jobs to send to DWP. All the companies involved said they needed more people to be able to deliver the Green Homes Grant Scheme within the timelines required.

There is a major caveat however, and that is that they would only actually hire people if the Green Homes Grant Scheme was actually running properly, which it is not.

If there are further delays to the scheme, and vouchers are not being redeemed by mid January 2021, the installers will not be hiring but instead there will be lay-offs and redundancies.

2. Does the UK workforce have the skills and capacity needed to deliver the green jobs required to meet our net zero target and other environmental ambitions (including in the 25-year environment plan)?

The answer to this is a clear, no.

It is not just the fact, that as a country, we do not have enough qualified installers and people actually delivering the energy efficiency measures, we also lack back office and administrative staff, and the the inspection and testing capacity to ensure the work being carried out is being done to a suitable standard.

The qualification and certification processes for ensuring the installers are qualified is not fit for purpose, as the standards in many areas of energy efficiency do not exist. The certification bodies are certifying installers to carry out work for which there is no standard. For example the insulation of Park Homes. There is a PAS2030 standard for energy efficiency installations that includes a route to certification for installers to install insulation in Park Homes, but there is no actual standard, and next to no guidelines, for anyone involved in the delivery of these measures to be assessed against. Which is scandalous when the incorrect installation of insulation on a Park Home can cause it to rot and become uninhabitable within 10 years.

We need more skilled installers, but we need training by qualified experts to be put in place that meets a standard which is recognised and respected by the industry. The certification bodies and technical monitors need to be more highly skilled, and it is not a good sign when the installer is having to show the person sent to assess their work what a correct installation looks like. Training needs to be delivered by better skilled people, and hopefully the results of the recent Green Homes Grant Skills Training Competition will go some way to addressing some of these issues, but much more will need to be done in this area.

Just to deliver the Green Homes Grant the job roles required include, but not exclusively:

Surveyors	Plumbers
Energy Assessors	Heating Engineers
Retrofit Assessors	Gas Engineers
Retrofit Coordinators	Scaffolders
Architects	Air-source Heat Pump Installers
Structural Engineers	Ground-Source Heat Pump Installers
Plan Designers	Drillers
Sales Representatives	Double Glazing Installers
Quotation Managers	Solar Thermal Installers
Project Managers	Roofers
Loft Insulation Installers	Rope Access Climbers
External Wall Insulation Installers	Administrators
Cavity Wall Insulation Installers	Financial Advisors
Trainers	Technical Monitors
Electricians	Customer service/ support agents

As well as trainee, assistant, apprentice and junior roles for all the above, and the usual business management roles required to oversee any business

3. What needs to be done to ensure that these skills and capacity are developed in time to meet our environmental targets?

It can take up to 4 years for an installer of some energy efficiency measures to become fully qualified. We need to ensure that the skills we currently have are not lost through the delays to the Green Homes Grant Scheme.

We need to encourage more young people to consider jobs in Energy Efficiency. To do that it needs to be ensured that the reputation of the industry is not undermined, as it has been in recent weeks by the erroneous emails sent out from the Green Homes Grant Scheme Administrator.

To date there has been very little help for the industry to train people. More schemes like Kickstart would be welcomed, but as there are age limitations imposed by insurance companies on some of these highly dangerous roles, job creation schemes in this sector also need to be aimed at more mature workers.

4. What measures should the Government take to ensure that its proposals to meet environmental targets do not by default lead to jobs in affected industries being exported?

We cannot address this question.

5. What risks are there to meeting the Government's ambitions for green job creation in both the public and private sectors? What should the Government do to create the conditions to ensure its commitments are met by both sectors?

The biggest concern so far with the green job creation schemes is that the standards required for the delivery of projects in the public sector are much lower than the standards required for the private sector. (eg Green Homes Grant Voucher Scheme requires PAS 2030:2019 for insulating High Rise buildings, while the Local Authority Delivery Scheme requires only PAS 2030:2017) This means that people employed to work on public sector projects are not having to be trained to a standard that will allow them to operate in the private sector.

6. Are the Government's ambitions for green job creation in the public and private sectors sufficient for the scale of the challenges? What changes should be made?

The ambition is sufficient, but the implementation is too slow and not clear enough.

The Energy Efficiency sector can scale to meet the challenges the tight Government's timetable demands, but as has been proven by the Green Homes Grant Scheme, Green Deal Finance Scheme, ECO Scheme, RHI Scheme, etc the government doesn't understand the way the industry operates and creates too much bureaucratic red tape to compensate.

Decarbonising people's homes is a complex operation that has many variables. The industry needs to be involved in the design of these schemes and the government agencies tasked with delivering the Green Agenda need to communicate much more willingly with the businesses delivering the results for them.

Having a Scheme Administrator that does not listen to the industry caused the Green Deal to fail, yet the same mistake is being made with the Green Homes Grant Scheme and we fear the same mistake will be made with any future schemes.

If the installers, for example, have clear information and communications from the government about what they have to do before the scheme is announced they can start to put in place the necessary measures to meet the needed requirements. Where the announcement of a scheme is made before the necessary steps have been taken by government, the Green Homes Grant has shown that the industry and consumers can move much faster than BEIS. (6 months faster in the case of GHG which the government is still not able to deliver)

7. How can the UK ensure jobs are created in areas most impacted by the transition to a low-carbon economy?

Jobs will go where there is customer demand. Creating solar PV installer jobs in Shetland when the demand for their skills is in the South West of England will never work. People will go where their customers are. To create service jobs in a specific region the demand for the service must be stimulated first.

Manufacturing jobs can be more remote, but the concern is then about access to training, suitable premises, wage expectations, and the logistics of supply chains and delivery routes.

The energy efficiency sector employs a lot of unskilled people, and there is a lot of unrecognised on-the-job training done. The main barrier to the industry employing people to work on Government funded project schemes is that the government undervalues the work

and strips out the profit margin while expecting the industry to pay for the investment in the infrastructure. There is therefore no cash flow free to spend on recruitment.

The interest in the Kickstart scheme to easy pressure from the Green Homes Grant Scheme highlights this.

8. What additional interventions should be undertaken to aid in a ‘just transition’?

We cannot address this question.

9. What impact can green jobs have on the wider UK economy?

As an association, we see the benefits of energy efficiency sector jobs on society. There are 4 million households living in fuel poverty in the UK (2018 figure - probably more now after Covid-19). Insulating someone’s home can make the difference between a decent quality of life and no life. Improved health, both physical and mental, is a major result. If you want to know what a difference this sector can make, just turn of your boiler for a week, or speak to the people in your surgeries that cannot afford to feed their families and heat their homes.

Good energy efficiency measures, properly installed, can save people money and save lives.

We need people in green jobs to save lives, take pressure of the NHS and allow people to be more positively productive.

10. What contribution can green jobs make to the UK’s economic recovery from Covid-19?

Our sector can grow rapidly. There is plenty of demand from consumers, the issue is the cost of investment. The consumer’s that most need, insulation for example, can’t afford it. This government is willing to subsidise the consumer which is great, but it needs to invest in the employers if it wants to see the level of job creation it needs.

The contribution to the Covid recovery will be zero unless there is more support for the employers to create the jobs. In 6 moth since the Green jobs Agenda was announced, the industry has not had a single penny of money that was promised but has invested millions in preparation for these schemes. The government need to move faster or its entire agenda will be thrown off-course.

If the industry gets some investment directly then it can easily create the thousands of jobs envisaged, and with those jobs improve lives, with those health benefits reducing pressure on the NHS, and welfare system.

11. How can the UK ensure high emissions are not locked-in when tackling unemployment?

We cannot address this question.

In March 2020, then again in November 2020, we asked members about their plans for jobs and growth in the energy efficiency sector. Our reports on the results of those surveys are available on our website and have informed our responses in this submission

Please see

<https://energyefficiencyassociation.co.uk/a/15/Summary+of+the+EEA+Energy+Efficiency+Sector+Survey>

The results of these surveys have already been shared with BEIS.

The EEA made an announcement to its members about its plans to register as the industry gateway for the DWP's Kickstart Scheme and within a few days we received requests from members looking to create 76 new jobs. We would like to fill many more positions over the next 12 months however there is a concern at the 4 week turnaround period for just placing a job on the scheme. The normal recruitment process for our industry is 7 days from position being created to interview.

Most of these new roles are very junior, but it is to be hoped that once young people are made aware of the career opportunities they will consider going through the full 3 years of training that is required in order to become a fully qualified installer capable of delivering the work the Government requires. Most of the companies offer apprenticeship schemes.

The majority of these roles are being created to help deliver the Green Homes Grant Scheme. This has had considerable interest from the public, which already theoretically exceeds the available skill base.

Installation companies have been getting ready to deliver this scheme since it was announced in July, and they are investing in their businesses and in training new installers. However when the announcement of the scheme was made all existing work was stopped while consumers waited for their vouchers to come through. This has meant that many of these businesses, already hit by Covid restrictions have had to invest all their financial reserves getting ready to deliver the Green Homes Grant Scheme for September, only to find that the Scheme is seriously delayed. They are now into the 6th month without income, and are having to consider redundancies.

We therefore would like to draw the attention of the committee to the negative effects an ill-timed announcement of good news can have on job creation. By announcing a scheme to stimulate demand and create Green Jobs without the financial support to help companies build the infrastructure to meet that demand quickly enough; the scheme itself can put jobs at risk.

On behalf of the energy efficiency sector, we would like to request that the committee in their recommendations suggests that:

- Green Job creation schemes are not announced until there are clear implementation guidelines for the businesses involved.

- Where grants are being given out, the companies delivering the work associated with that grant are given financial support to build the necessary infrastructure to deliver the Government's Agenda and employ people
- A clear path for long-term growth is outlined for the sector to ensure jobs are retained at the end of any scheme.
- A number of green jobs, by their very nature, are considered high risk jobs for insurance purposes. Support schemes for these jobs need to facilitate the recruitment of people that can be insured to carry out the work. (This is not possible with job schemes targetting just young people)
- Stimulus schemes in the Green sector need to pay the industry promptly. There is little enough profit margin in many parts of the Green economy, so when cash-flow is cut off by delays, the whole Green jobs agenda can be put at risk.

The Energy Efficiency Association is happy to help any of the Committee members by providing independent, technologically agnostic, non-political information to aid their enquiries.

Our members are particularly involved in

The Green Deal Scheme

The ECO Scheme

The Green Homes Grant Scheme

Kickstart Scheme

The Green Homes Grant Training Delivery Scheme

If we can be of any assistance to the Committee in any way, we are available to help.

Kenneth N Campbell

Chairman

Energy Efficiency Association CIC

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