



GREEN JOBS, HOUSING, AND SKILLS

POST-EVENT MEETING PACK

A Joint Event by the APPGs for Housing in the North, and Housing and Social Mobility

Recording for Attendees

Held on the 26th October 2021, Green Jobs, Housing, and Skills was an event organised by the All Party Parliamentary Groups for Housing in the North, and Housing and Social Mobility reflecting each groups shared-interest in the development of green jobs and the social housing sector.

The session brought together Government Ministers, Parliamentarians, and key industry stakeholders to discuss scaling up and coordinating the skills supply chain for retrofit works, and how to link job creation in 'good, green jobs' to local areas with social housing tenants benefitting from the sectors central role in driving domestic decarbonisation projects.

A recording of the webinar can be accessed by clicking on the link below:

[GREEN JOBS, HOUSING, AND SKILLS – 26TH OCTOBER 2021](#)

Background

Investment in green home upgrades, through improving energy efficiency and installing renewable heating technology, has the potential to create [325,000 jobs across the UK by 2035](#) with every region benefitting from associated growth in local enterprises and the wider supply chain; [77,000 jobs alone could be created across the North of England](#).

Social housing providers have a critical role to play as a sector with demonstrable historic capacity to deliver home improvement projects. Spearheading investment through the Government's Social Housing Decarbonisation Fund has the potential, over time and done correctly, to undertake a catalytic role that could unlock decarbonisation for housing of other tenures; driving supply chain growth, pushing down costs, and driving up skills development over time. The sector should also begin work now to ensure social housing tenants benefit from these training and job opportunities.

Non-Verbatim Notes

Welcome and Introduction from the APPG's for Housing in the North, and Housing and Social Mobility

*Ian Mearns MP, Chair of the APPG for Housing in the North,
Peter Aldous MP, Co-Chair of the APPG on Housing and Social Mobility*

Keynote Address

Lord Callanan, Parliamentary Under Secretary of State (Minister for Business, Energy and Corporate Responsibility)

The Government's Ten Point Plan for a Green Industrial Revolution acknowledges that action to make homes and buildings greener can rapidly support jobs and level-up across the country.

Lord Callanan set the context for the meeting's discussion, outlining the Government's plans to make homes greener by bringing stakeholders together, kickstarting the market, and setting out a clear path to improve the energy efficiency and replace fossil fuel heating.

- Lord Callanan discussed the Government's efforts to decarbonise homes and the great opportunity that this work provides. Decarbonising homes contributes to the path to net zero and also has the life-improving effects of making homes warmer and more comfortable.
- The task is to work together to ensure opportunities for green jobs and skills to be developed. For the housing sector specifically, it means delivering new homes to rigorous standards and retrofitting millions of homes.
- We are not approaching from a standing start and the Social Housing Decarbonisation Fund is already making a difference across the country. Last week the Heat and Buildings Strategy set out how buildings will be decarbonised. The Minister welcomed the additional £3.9bn to decarbonise homes ahead of the Spending Review which came the following day. The strategy also confirms that from 2035, it is their aim to use low carbon heating such as Air Source Heat Pump and hydrogen ready boilers in all newly installed heating systems.
- On cost reductions for heat pumps, Lord Callanan spoke optimistically of achieving 25-50% discounts on the technology by as early as 2025. He also referenced the 3-year £450m boiler upgrade scheme, allocating £5,000 to households to improve their technology, championing the 'silver buckshot' of a range of different measures that would be called on to reach targets.
- The Minister anticipates measures set out in the heat and building strategy will support around 175,000 green skilled jobs by 2030 and 240,000 by 2035, focussing on areas needing the most investment. Whilst this sounds ambitious, in 2008 only 9% of homes had an EPC certificate of C or above – this is now 40%.
- Social Housing providers are doing great work on development and the Future Home Standard requires all new homes to be zero carbon ready and emit 75% less carbon than current homes. As a Government they are aware that they can't rely on direct funding alone. Finance has a big role to play. Home finance providers will help grow the green market and £1.8m will grow and test new green finance products.

Stakeholder Panel

Chair: Lynsey Sweeney, Managing Director, Communities that Work

Tracy Harrison, Chief Executive, Northern Housing Consortium

Tracy discussed the work the Northern Housing Consortium has undertaken to understand both the scale of the challenge when it comes to upgrading the region's homes, but also the economic and environmental stimulus that could be achieved by doing so.

- Northern Housing Consortium has worked extensively in this area to understand the scale of the challenge in decarbonising our existing homes, but also the environmental and economic benefits of doing so.
- 26% of the North's carbon emissions comes from our existing homes and two thirds of the North's housing stock are yet to be brought up to EPC Band C, which the Government would like to see happen by 2035.
- To achieve that, NHC analysis shows that 270,000 homes a year would need upgraded between now and 2035. That's 700 homes for every day of the year or an astonishing home every 2 minutes that needs to undergo some form of green upgrade.
- Pleased to see the APPG's for Housing in the North and Housing and Social Mobility convening this meeting to highlight the job creation potential of decarbonising homes. Green home upgrades are labour-intensive.
- Research supported by the Northern Housing Consortium found that an ambitious programme of green home upgrades – involving retrofit and the energy transition that will underpin renewable heating - could create 77,000 direct jobs across the North by the 2030s, and a further 111,000 indirect jobs across the UK.
- These are good, skilled, long-term green jobs, many of which have their basis in transferable skills of roles that already exist – plumbing, heating engineering, electricians, and plasterers. And these existing or expanded roles would also be joined by a new generation of retrofit designers, coordinators, implementors, and assessors.
- To see this job creation potential realised, the Northern Housing Consortium would like to see the Chancellor building on the Heat and Building Strategy in confirming and accelerate commitments to invest in green homes. Doing so would build further confidence in private sector supply chains, kickstarting the market as the Minister has said, providing the certainty of funds that in turn will unlock investment in capacity and skills development at local level.

Tracey Walsh, Head of Employment & Skills, Torus

Alongside partners across the Liverpool City Region, Torus, the North West's largest provider of affordable homes, is at the forefront of an ambitious new initiative to retrofit 10,000 homes over the next ten years with specific aims to develop the modular, digitised, and manufacturing sectors in the region.

- Concern the skills market and construction sector is siloed, without a standard to conform to.
- The Torus Foundation feeds into the kickstart scheme and looks to tackle the lack of diversity in the construction sector, securing more than 50 women in placements in 2 years.
- The current workforce need clear pathways, with mapping of transferable skills.

- Would like to see a more coherent approach to the green agenda by government. To ensure green skilled jobs are available to all the sector should work with stakeholders to set out quality jobs, prioritising a diverse workforce and promoting best practice.
- Partnerships that can be delivered at scale will be fundamental. Building employment skills and localised community wealth is a priority and the emphasis on meaningful skills is crucial.
- Torus invested £4.2m last year in communities, supporting 450 people into employment. Housing can be a conduit for the green economy but training pathways need to be defined before we can do this at scale.

Phil Mason, Head of Regulatory Engagement, TrustMark

Consumer confidence will be pivotal to the scaling up of domestic retrofit measures irrespective of tenure. Phil discussed TrustMark's work to ensure the retrofit market is underpinned by confidence and choice, and how partners can work together to increase the uptake of energy efficiency measures in the retrofit market.

- There are around 30million homes in the UK, somewhere in the region of 24-25million need to be refitted to some degree. This is 2,200 properties per day to reach our target in the next 29 years.
- TrustMark have been brought into a number of deliveries within different schemes. They believe that there needs to be more engagement between sectors if certification of delivery is to be delivered.
- We must be careful on quality standards; we don't want to be 5-6m homes in and find out that some need to be redone. The overriding message I'd like to present is that there's a huge range of technologies and considerable innovation but the thing we must focus on is the quality of delivery.
- We can't afford repeats. We must break the habit of businesses delivering what it says on the side of the van. We must amalgamate. We have solutions and whether it's TrustMark going forward or not we must focus on quality.

Billy Cliften, Head of Environmental Sustainability, Octavia

Octavia is a social housing provider operating in some of the most expensive areas of the capital. Having completed a pilot retrofit scheme of over 200 Victorian properties to EPC C standard, Billy provided insight into the success of that programme, touching on planning constraints, managing the supply chain and the importance of ongoing resident engagement.

- Octavia started their retrofit journey 10 years ago, delivering the first Passivhaus retrofit in Kensington and Chelsea.
- They have carried out 230 retrofits on Victorian properties, adopting a fabric-first approach. Their projects have been successful but they have encountered problems.
- Firstly, their centrally located, old buildings present difficulties as well as local planning constraints, something which could inhibit projects at scale. Resident engagement was identified as an area which was lacking, not speaking to residents early enough and making them part of the journey.
- The reality of retrofit can be undersold, something which inhibits projects when work becomes intrusive.

- Octavia are continuing to deliver their fabric—first retrofit. They have targets to support the Government's fuel poverty strategy and reaching EPC C by 2030. They also have long-term zero-carbon plans, with a strategy launched at COP26. Low-carbon heat is not a priority; they have leaky buildings and fabric is the focus.

Ministerial Discussion with Lord Callanan

Key Discussion Points (Non-verbatim)

Q: While the additional funding is very welcomed - are there any plans for improving incentives for solid wall insulation as this is a real barrier for fitting Air source heat pumps.

A: Solid wall insulation plays a part in a range of Government funding pots for retrofit.

Tim Edwards - Don't we need to address fabric first, before incentivising funding for heating sources? Approaches are fabric-first. Moving forward there'll be a mixture of different approaches – many of which we don't know fully yet - but whatever they are fabric first is always a winner.

Q: What are the plans to ensure electrical infrastructure is in place?

A: There is a lot of work going on. The National Grid and Ofgem are working on a number of schemes. We must transition from a system of large nodes, i.e. power stations, to a system with diversified production, i.e. wind, solar, nuclear.

Q: How are we going to make the link with green skills to local jobs and local employment in our areas?

A: Very good point. This is one of the reasons we're channelling funding through Local Authorities. All existing Local Authorities are eligible for funding. I've been surprised how few Local Authorities have applied for this, however. Ability and knowledge of housing stock and how to decarbonise it varies wildly across the county. Local Authorities should be best placed to deal with this.

Q: There is a huge shortage of these 'green' skills required in the construction workforce to move us towards net zero, how will we ensure that the workforce is skilled and upskilled sufficiently? Especially when considering a large proportion of the industry is made up of SMEs?

A: Skills is a Department for Education responsibility. Many billions of pounds in apprenticeships has been created over the years and we've also channelled £8m of trainer provided courses through such schemes. There have been a number of private sector companies getting into this area. For example, retraining gas heating installers to work with new technology. Octopus are looking to open a centre in the North and look to offer the opportunity to have a heat pump installed for broadly the cost of a gas boiler.

Q: Research shows hydrogen isn't economically feasible to heat homes. It has a place in industry but we should be looking to develop green hydrogen to replace the grey hydrogen that is used here, rather than push it as a clean source. It's time to restrict lobbying from big gas companies who push this as an option.

Q: Quite right, if you think logically that we could replace the huge quantities of natural gas with hydrogen, it won't happen. Hydrogen has a role, and we launched a hydrogen strategy seeking to generate 5Gw over the next decade – though this is nowhere near what we need. There are trial schemes where hydrogen can be added to gas mains, though it is no more than 20% without modification. It does make more sense in an industrial context.

Q: Will steps be taken to reform electricity pricing so residents' fuel bills remain affordable when they switch to electric heating?

A: Another good point. In the UK at the moment, even though heat pumps are 3-4 times more efficient than boilers, gas is 3-4 times cheaper than electricity. We must improve incentives for this. It's a Treasury body of work and they are aware we must reform but given the current gas context it is not a current priority.

Parliamentary Panel

Lord Stunell, House of Lords Built Environment Committee

The Minister seemed to be very upbeat about the plans that he's got. We have some idea about what's going to happen, but I think it'll take a couple of weeks to see what's coming out.

My first impression is that we're taking a step forward. I don't think it'll be a big enough step, but the Minister shows he has a clear idea of what's coming.

On the 'silver buckshot'; it's more of a blunderbuss really. What we need is 25 years of intense work and policy, which must survive future recessions.

The figures are frightening and we've heard how many homes per second must be delivered. On this scale it sounds impossible. Of course, over 1 million boilers are replaced annually anyway, mainly by SMEs and sole-traders.

We sometimes frighten ourselves with big solutions to big problems but if we want the employment effect that won't come with a huge company. It'll be small local companies. We must have small businesses delivering these schemes. In social housing we tend to go for bigger contractors but perhaps we should be looking to smaller businesses.

The downfall of the green homes grant last year was a lack of assessors who could go round looking at properties. If I'm a small SME then I don't have surplus capacity. If I'm asked to look at a small project for over a year ahead then I would be interested.

There's good things on show today but we must avoid the mistakes of the past. I was interested to hear about staged upgrades. This means revisiting properties 3 times in the next 30 years. Community engagement is key if we must keep going back.

Lord Best, Co-Chair APPG Housing and Care for Older People

Great to hear what people are doing. Frankly, I'm not worried about Housing Associations failing. They'll do what needs to be done. I'm worried about those who own their own homes but lack the wherewithal to get into the retrofit measures.

There are a few million people whose homes desperately need retrofit and we can't expect them to get out there and source this work. It's a special interest of the NHC and the APPG Housing in the North. There's a lot of packed-up boilers that aren't replaced as homeowners don't have the money.

In a way social housing is the low-hanging fruit; a lot of sensible people who know what you're doing. However, you'll only solve around 10% of the problem. The PRS is another story all together. The worry for me is, often old people, in their own homes who need vehicles to deliver what needs to be done.

Peter Aldous MP, Co-Chair of the APPG on Housing and Social Mobility

I'd like to second Lord Best's comments on the positioning of the social housing sector. Our speakers have hammered home the enormity of the task and its need to be done. There is a great opportunity (and enormous challenges) which Lords Stunnell and Lord Best have highlighted as well as Phil Mason who identified potential pitfalls.

I think the skills shortage is prescient, I've had discussions with older workers closer to retirement who will have no desire to retrain on green heating in the later stages of their careers. I think this is where Housing Associations can come in and do this work best, working as an exemplar. I think they could aid the development of models to help the greater challenge that we have. There must be a lot of work here to get this right.

Lynsey Sweeney, Managing Director, Communities that Work

Resident engagement is important, looking at how it worked with Octavia and something that the Northern Housing Consortium are working on. Skills development is also key, how will we bridge the gap from where we are now to where we need to be to begin to tackle the scale of the problem before us? Finally, the role of SMEs and the local picture. As Lord Stunnell pointed out they will be delivering a significant proportion of this huge workload.

Ian Mearns MP, Chair of the APPG for Housing in the North

I think one of the big challenges will be scaling-up the skilling-up programme. This will be an enormous challenge.

On a localised level we need coordination of the industry and its supply chains. We must also get the most bang for our buck by addressing the worst first, taking the most polluting homes in the first instance.

I'm afraid to say that without quality assurance there has always been a propensity to cut corners and all work must be quality assured and certificated.

There's also a massive opportunity for the ways in which the building industry has not skilled its future workforce for around four decades. The industry has a high age-profile and we must make sure that all of these SMEs are involved in training their own major workforces.

Wider Discussion

Billy Clifflen, Head of Environmental Sustainability, Octavia

On selling the benefits to residents, Octavia use's case studies to demonstrate how much money can be saved as a result of having their property retrofitted. We are also talking about healthy homes, tackling damp and mould. The other thing we'd like to focus on is getting monitoring kit into homes before, so that we can show improvements.

Lord Best, Co-Chair APPG Housing and Care for Older People

The Social Housing Tenants' Climate Jury is an excellent initiative. You need a Jury that contains everyone! We can reach them of course but using material from this project is important.

Housing Association people tell me that storage heater conversion to heat pumps will reduce bills for sure, especially if it's an old storage heater.

Lord Stunell, House of Lords Built Environment Committee

I don't think the Heat and Building Strategy is enough. Business needs assurance that there will be a long-term stream of funding that can be cut off when a Chancellor changes.

Most of the construction industry is working flat out on a range of projects with current skills. The challenge is the new skills and capacity. This won't be tackled until its demonstrated to be profitable.

I'll give the Minister the benefit of the doubt but the small print in the Chancellor's statement will display this.

Ian Mearns MP, Chair of the APPG for Housing in the North

At the Education Select Committee we've recently agreed another inquiry into careers advice and guidance. Secondary Schools in particular are not giving youngsters all the options with regard to the jobs market. Unless youngsters have the options laid out in front of them, they can't make the decisions. We also don't have the agenda on upskilling adults correct either.

Lynsey Sweeney, Managing Director, Communities that Work

With all the talk of skills and higher skills that we need we must remember that there is a chronic basic skills shortage and this green skills revolution must acknowledge this. Literacy, numeracy and digital skills are the benchmarks which are critical to sustaining employment at all levels.

Supporting Information

Thanks for taking the time to join the All Party Parliamentary Groups for Housing in the North, and Housing and Social Mobility, at our joint event **Green Jobs, Housing and Skills**.

We hope you enjoyed the event, with a full and varied set of speakers on the agenda, and that you come away feeling inspired to bring green jobs and green work skills to our local social housing communities, who can so markedly and permanently benefit from reaching the new green jobs marketplace.

Here, we have collated research and information that underlines both the challenge and opportunities of investing in green jobs at the scale required to decarbonise or existing homes and neighbourhoods, in turn making a substantial contribution to the Government's own Net Zero ambitions. Given the social housing sector's central role, through the Social Housing Decarbonisation Fund, to scaling up retrofit projects, we have also emphasised how the sector can work together to ensure tenants themselves benefit from job creation and skills development in key green industries.

Bringing Good Green Jobs to the Social Housing Sector

As the secretariat for the APPG on Housing and Social Mobility, [Communities that Work](#) have been keen to draw links between the opportunities within the social housing sector for jobs and the communities that live in our areas and neighbourhoods.

Our report to the APPG on Housing and Social Mobility; [Improving Opportunities: How to support social housing tenants into sustainable employment](#); highlighted that social housing tenures provide the support people need to get into work, equipping people with new skills, confidence and the time needed to move into sustainable and good quality employment.

The report also found strong evidence about the economic multipliers achievable from social housing investment, and the wider distribution of those benefits across communities - evidence of levelling up, before the policy became central to this government's agenda.

The social housing sector can and should do more, but we need support from the government to forge lasting links between the green jobs coming, the skills we need to work in green jobs, and the communities that we serve who need good, practical, local opportunities to progress into fulfilling and long-term work.

As members of the Social Housing White Paper [Expert Panel](#), Communities that Work supports Ministerial work led by Department for Levelling Up, Housing and Communities (DLUHC) to put people at the heart of social housing regulation and reform, and tenant voice into the essence of service delivery. Creating opportunities for working-age social housing tenants and our wider communities, and working with local labour markets, encouraging new career and skills pathways into new jobs, is a strong way to show a serious social commitment from a social landlord.

Here at Communities that Work, we've launched the prospectus [The Social Housing and UKSPF Commission: Shaping the UKSPF for Success](#) ahead of the Spending Review to show the best use of the UK Shared Prosperity Fund in the social housing sector.

There are clear links and opportunities to draw together green jobs, green skills and the shared prosperity fund. Operating at a local level, and in partnership between local leaders and social housing landlords, we can create new opportunities and support our communities to make the most of green jobs.

Levelling up seeks to create places where you can 'stay local, and go far', through your working life. The green economy and the jobs that follow it are central to levelling up properly in so many areas of the country and the UKSPF is a key lever to make it happen. We call on the government to support UKSPF in housing, and you can also show your support for it too, and [sign up here](#).

Net Zero by 2050, the Role of Housing and the Jobs Needed to Make it Happen

Across 2020 / 2021 the APPG for Housing in the North has been undertaking a series of roundtables to highlight the role of investing in existing homes in neighbourhoods to the national aims of achieving Net Zero by 2050, 'levelling up' all regions, and building back better from the pandemic.

As Secretariat to the APPG, the [Northern Housing Consortium](#) has worked extensively to identify what is needed to prepare homes for Net Zero, but also the environmental and economic stimulus that could be achieved by doing so at the requisite scale.

The recently published [Northern Housing Monitor](#) offers definitive analysis and data to policy shapers and decision makers. This year's edition puts Net Zero front and centre, and outlines the huge reorientation of resources required. To reach the lower slopes of decarbonisation, 270,000 Northern homes will need to be retrofitted a year to 2035. That's one home every two minutes, at a cost estimated at £143 billion.

A significant acceleration of retrofit activity would offer the kind of investment and market certainty that would support job creation in what is ultimately a labour-intensive industry. The NHC's collaboration with IPPR North, [Northern Powerhomes](#), found that an ambitious programme of green home upgrades – involving retrofit and energy transition - could create 77,000 direct jobs across the North by the 2030s, and a further 111,000 indirect jobs across the UK.

The same study concluded that this could generate £3.85bn Gross Value Added (GVA) direct in the North and an additional £5.61bn in supply chains around the country.

Through its Spending Review Representation [Delivering on Net Zero And Levelling-Up](#), the NHC is recommending that Government confirm manifesto pledges to deliver a £2.5bn programme of Home Upgrade Grants; as well as deliver the £3.8bn Social Housing Decarbonisation Fund across England. By delivering this investment within this spending review period, and allocating funds via BEIS' local Energy Hubs / Local Net Zero Hubs, we estimate that Government can trigger a £2.76bn investment in the North's homes.

Again, managing such investment via Local Hubs offers the kind of coordination that instils confidence building among the private sector regional supply chain, with certainty on funds to be invested within their operating area and enabling them to invest in capacity and skills development at a local level. In this scenario social housing stock would be only the first benefactor, and in time would see the retrofit market grow to other tenures. As the APPG for Housing in the North has argued previously through its report [No Home Left Behind: An Inquiry into Standards in the North's Private Rented](#), housing decarbonisation can be a central flank of neighbourhood-wide, cross-tenure area renewal.

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APPG for Housing in the North:

<https://www.northern-consortium.org.uk/services/policy/parliament/appg-for-housing-in-the-north/>

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