



**LOCAL
PARTNERSHIPS**

JOINTLY OWNED BY



HM Treasury



Llywodraeth Cymru
Welsh Government

LOCAL AUTHORITIES & DOMESTIC RETROFIT - OVERVIEW

Michael O'Doherty, Project Director

9th April 2021



WHO WE ARE



JOINTLY OWNED BY



Local Partnerships is a joint venture between the Local Government Association, HM Treasury and the Welsh Government.

We work solely for the benefit of the public sector. We bring public and private sector experience that provides **confidence**, **capacity** and **capability**, helping councils achieve and maintain financial resilience.

Our experts provide trusted, professional support and advice over multiple disciplines, helping you make best use of limited resources as demand for services continues to rise.





HOC ENVIRONMENT AUDIT COMMITTEE

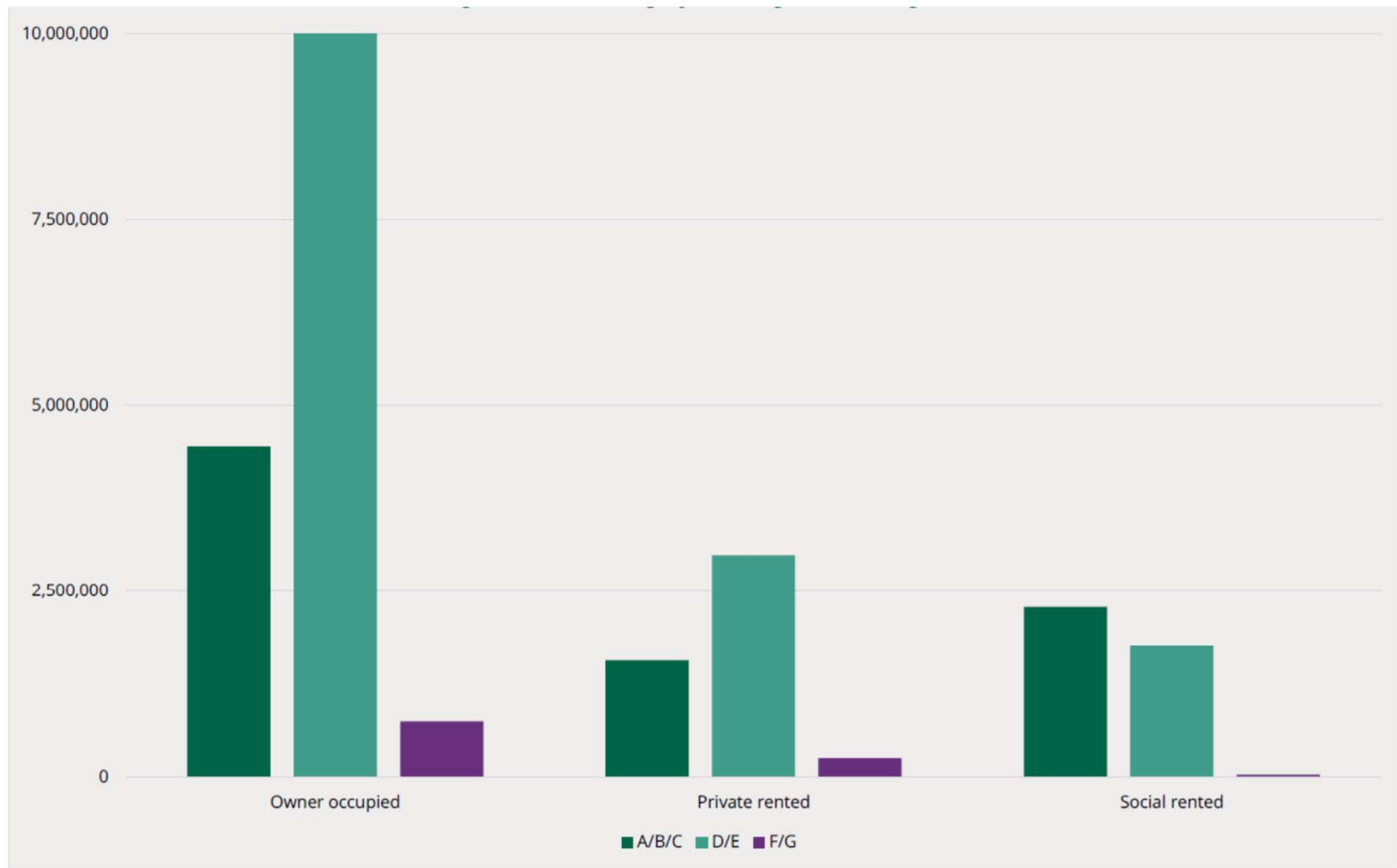
Energy Efficiency of Existing Homes – 4th Report March 2021

- Of 29 million existing homes across the UK, at least 19 million still need to be made low carbon, low-energy and resilient to a changing climate.
- Domestic properties account for 30 per cent of energy use and around 19 per cent of greenhouse gas emissions in the UK.1
- Energy efficiency is a vital first step toward decarbonising homes, making them warmer (& healthier), cheaper to run, and tackling fuel poverty.
- In England alone over 10m owner occupied homes and over 3m PRS homes need upgrading to A, B or C rating by 2035 to hit Government Targets
- Many homeowners are unaware that their involvement is needed and will need financial support and advice to upgrade and retrofit their homes.
- Improving the energy efficiency of all homes provides a huge opportunity to develop supply chains and provide jobs across the UK for all levels and



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EPC rating by Tenure in England – March 2021





BUT...

- Emissions reductions from the UK's 29 million homes have stalled
- There is a chronic shortage of skills in the home retrofit sector.
- The industry has been bruised by stop-start policy and spending decisions and Government must set long-term targets and support mechanisms
- Current energy efficiency ambitions need updating with new minimum energy efficiency standards across all tenures
- The Heat and Buildings Strategy must be urgently published. We need a plan for at least the next decade to give industry and tradespeople time to upskill



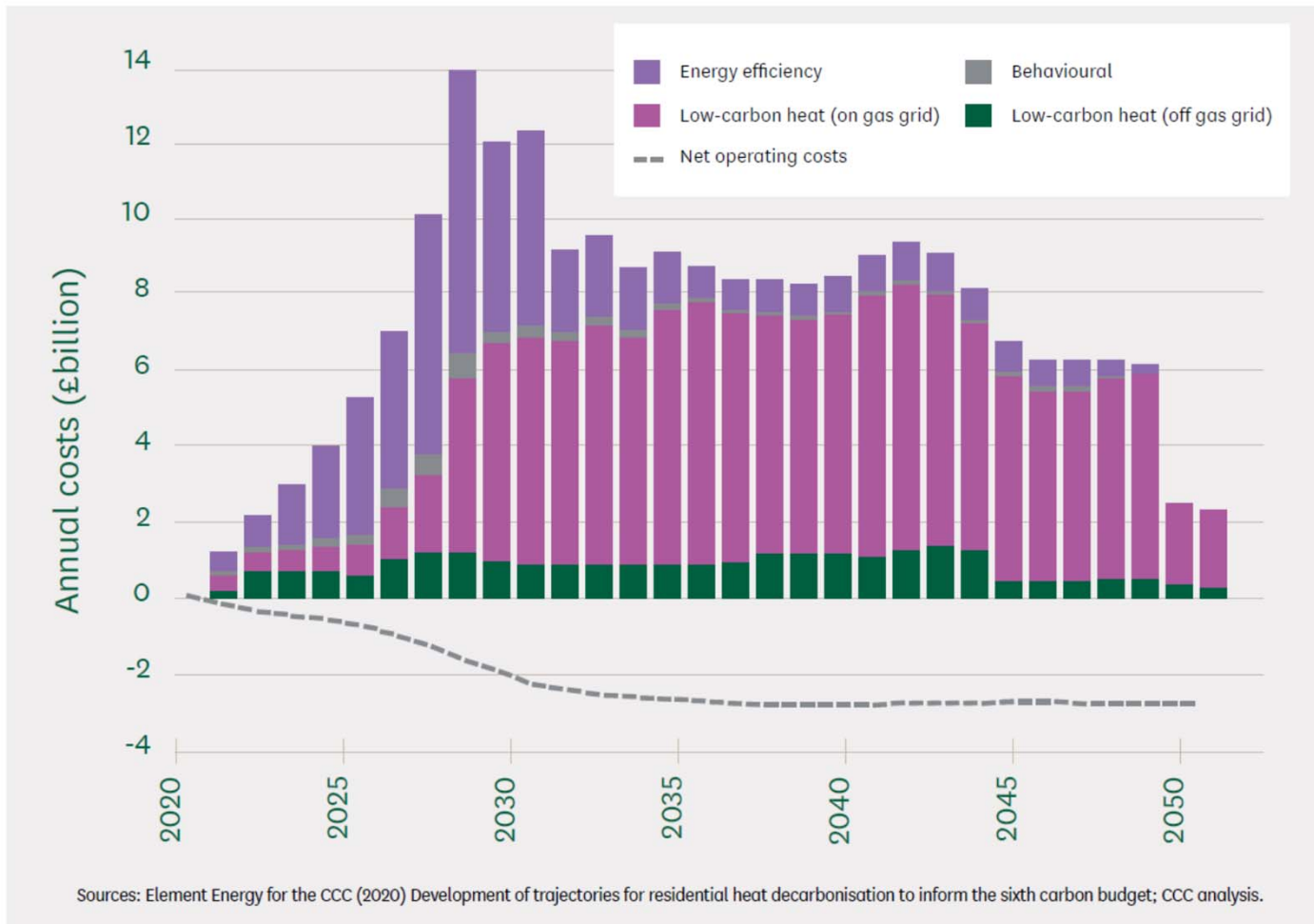
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Net Zero pathway

- UK's legally-binding climate change targets will not be met without the near-complete elimination of greenhouse gas emissions from UK buildings by 2050.
- BEIS accepts that the built environment will need to be almost completely decarbonised by 2050, through a mix of energy efficiency and a transition to low carbon heat”
- Estimates of the investment needed to bring all homes up to EPC C vary. BEIS's preliminary estimate is that it will require mobilising between £35 and £65 bn across the UK to 2035
- The Climate Change Committee “balanced net zero pathway” entails £55bn of investment in home energy efficiency to 2050 across the UK
- The Energy Efficiency Infrastructure Group estimates that upgrading UK homes to an energy performance rating of C by 2030 would require £73 bn (equivalent to an average of around £3800 per property)



Figure 2: Sixth carbon budget modelling: existing homes. Household investment and operating costs, Balanced Pathway⁴⁴





BUILDING SKILLS FOR NET ZERO – CITB 2021

Pathways to Net Zero

- Fabric First
 - Costs
 - Disruption to households
- Heat Pumps
 - Fuel Poverty concerns
 - DNO available capacity
- Hydrogen
 - Makes use of UK's gas infrastructure
 - Storage and transport concerns
- Heat Networks / District Heating
 - Little infrastructure in UK
- ON Site Energy Generation
 - E.g. PV & Battery Storage



Industry insights and analysis

Building Skills for Net Zero



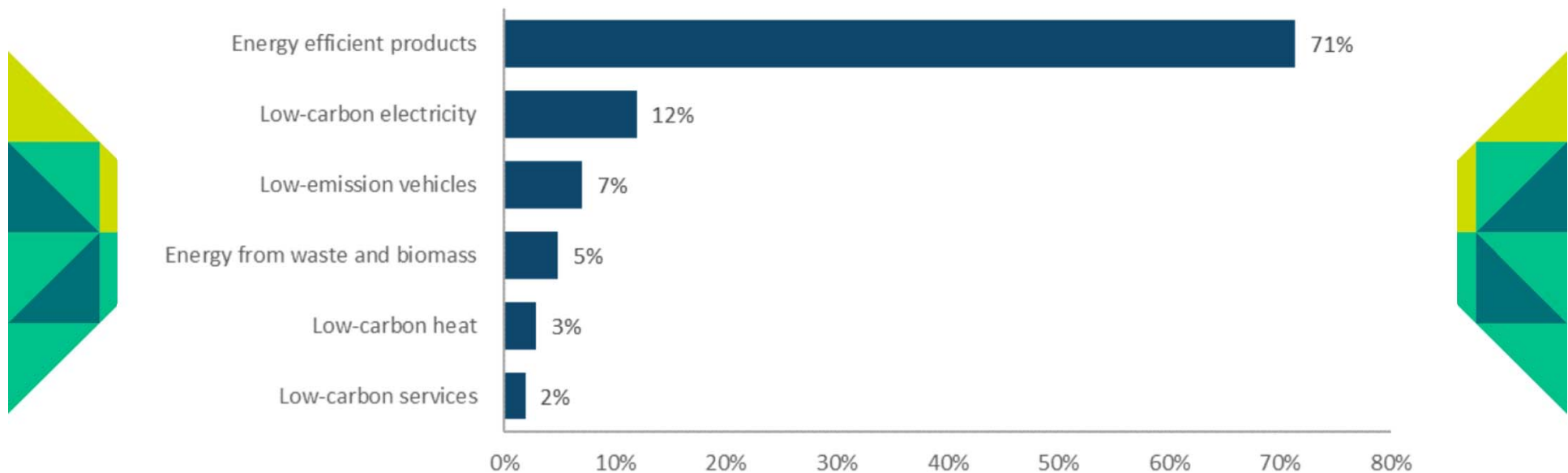
GOVERNMENT STIMULUS PROGRAMMES

- Historic Stop - start
- Energy Company Obligation (ECO) £1 bn per year (2022-2026)
 - Levy on fuel bills – Energy companies install measures to homes/ households in fuel poverty
- Green Homes Grant
 - GHG Voucher scheme £1.5bn – scrapped
 - GHG Local Authority Delivery Scheme £0.5bn
 - Targets Homes rated at EPC Bands E, F or G
 - focus on owner occupiers and private tenants with a household income of under £30,000 across England
- Home Upgrade Grant -£2.5bn to 2025
 - £150 million in 2021–22
 - Off gas grid properties
- Social Housing Decarbonisation Fund (£3.8 Bn over 10 years)



EXISTING GREEN JOBS

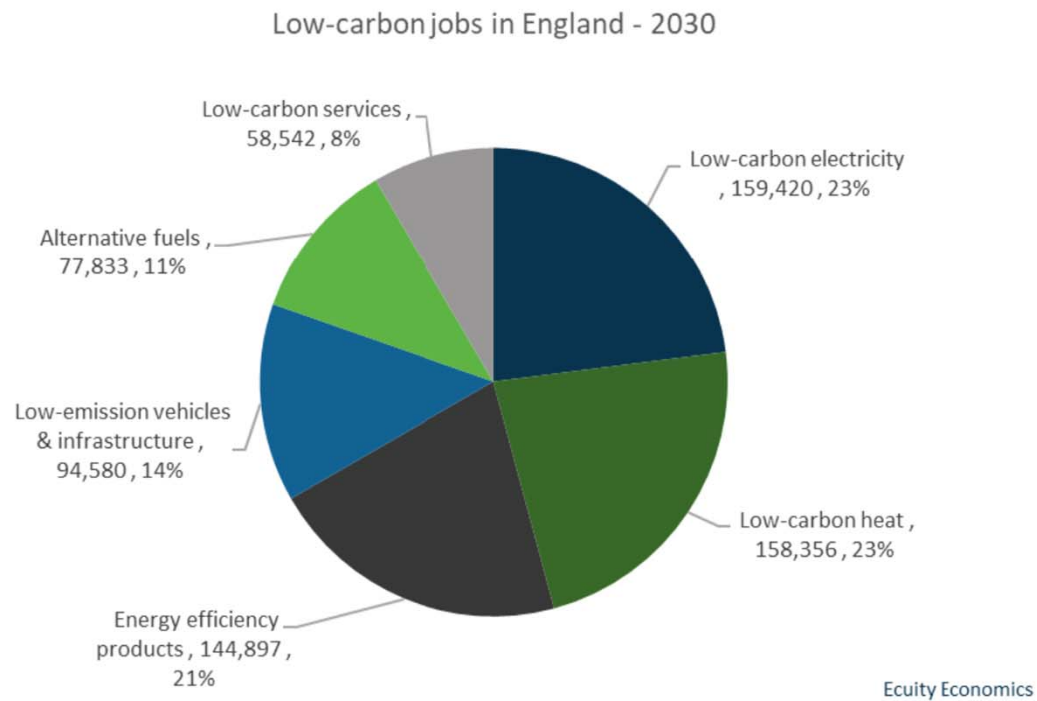
Low Carbon and Renewable Energy Economy (LCREE) Jobs 2018



Source LGA & Ecuity Economics, 2018



PREDICTED LOW CARBON JOBS - 2030



Source LGA & Ecuity Economics, 2018



SKILLS GAPS –TO 2025 & **MEDIUM TERM**

Table 5: Comments on key area of skill level gap for individual sub-sector (corresponding to relevant NVQ Level)

Sub-sector		Comment on skill gap areas	Time horizon
Low-carbon electricity	Solar	Supply chain considered relatively secure, however an uptick in demand would require technicians to be trained at NVQ level 3 equivalent to develop a larger installer base to deliver grid connected solar for utility scale/decentralised generation.	Yellow
Low-carbon electricity	Nuclear	Entire supply chain in need of upskilling to meet emerging demand; NVQ level 1 – 3 for construction; NVQ level 4+ for design and planning.	Red
Low-carbon heat	Heat pumps	Key skills gap area to meet increasing demand is in the design, specification and installation of heat pumps; NVQ level 2 – 3 .	Red
Alternative fuels	Anaerobic digestion	To meet forecasted demand, higher skill levels would be required NVQ 4+ to design and connect AD plants to the grid and ensure biomethane is of sufficient quality for DNOs.	Yellow
Alternative fuels	Hydrogen fuel cells	Highly skilled jobs (NVQ level 4+) for R&I required in future; a good stock of technicians expected to be available from existing automotive sector to meet manufacturing demand (i.e. NVQ 1 – 3).	Yellow
Energy efficient products	Smart controls	Highly skilled NVQ level 4+ in software engineering is considered as a key skill to enable future innovations within the sub-sector; good stock of manufacturing technicians expected to be available (NVQ 1 – 3) for manufacturing demands.	Yellow
Low-carbon services	Consultancies and financial services	Highly skilled NVQ level 4+ demand is ongoing and required to ensure service sector organisations can exploit emerging opportunities.	Red
Low emission vehicles and infrastructure	Electric vehicles	Sector is expected to preserve jobs across all NVQ levels as existing, large automotive capacity in UK switches to ULEV technology. Ongoing R&I activities demands highly skilled researchers NVQ Level 4+ .	Yellow



DOMESTIC RETROFIT – BUILDING SUPPORT FOR ACTION

- Within Local Authority
 - Key Politicians / Councillors
 - Planning Service
 - Building Control
 - ED / Skills (see next slide)
- Social Housing Providers
- Academia
- Colleges/ training providers
- Business representatives, CoC, CI
- Key employers / Retrofit Expertise
- Community Organisations



SKILLS - SPECIFIC ACTIONS

- Engagement with relevant Local Authority teams
 - Economic Development
 - Skills experts
 - Procurement
- Low Carbon / Green Skills Gap analysis – Regional / Sub-regional / Local
 - Align with construction skills gap analysis
- Colleges/ training providers
- Business representatives, CoC, CI
- Key employers
- SME / Supply Chain Engagement
- Procurement requirements / weighting
 - Local skills / apprenticeships etc

Local Partnerships - Support for Local Authorities

Housing retrofit Handbook and Toolkit for local authorities

- Survey of Local Authorities <https://www.surveymonkey.co.uk/r/domesticretrofit>

- Leadership
- Business Case Development
 - Risk identification and management
 - Wider Social value
- Local Authority Retrofit Strategy
 - Whole House vs Measure by measure
 - Availability and quality of Stock / SAP Data
- Engaging with households / household segmentation / One stop shops
- Procuring delivery partners / Supply chain engagement / market development
- Skills, roles and accreditation – PAS 2035
- Funding & Finance Models
- Case Studies

- Today's Breakout session

- Webinar 4th May

BREAKOUT SESSION 1

- What can local authorities do to develop relevant skills and supply chain for domestic retrofit?
- What do you think are the likely skills gaps/ bottlenecks in your area?
- What are the barriers to local authority engagement with / championing domestic retrofit?
 - What help/ support do local authorities require?

