

LONDON ASSEMBLY ENVIRONMENT COMMITTEE

WRITTEN EVIDENCE: LOW CARBON SKILLS IN LONDON

Response from: BusinessLDN, One Oliver's Yard, 55-71 City Road, London EC1Y 1HQ

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Introduction

1. BusinessLDN is a business membership organisation with the mission to make London the best city in the world to do business, working with and for the whole UK. We convene and mobilise business leaders to tackle the key challenges facing our capital. We are made up of 180 leading employers across a wide range of sectors.

2. We welcome the opportunity to provide written evidence to the London Assembly Environment Committee to inform its discussion with invited stakeholders at its meeting on 18 October 2023.

3. The Mayor of London has set a target for London to be net-zero-carbon by 2030, putting London at the forefront of global cities and UK action on climate change. This transition to a greener economy will have major implications for the labour market and skills system. Equipping people with green skills at all levels across the capital's sectors will be vital to achieving this and transitioning to a sustainable society more broadly.

4. BusinessLDN has led the development of the Local Skills Improvement Plan (LSIP) in partnership with the Federation of Small Businesses London (FSB), London Chamber of Commerce and Industry (LCCI), and Confederation of British Industry London (CBI), with the backing of the Mayor of London and London government. Over the last year, we have spoken to over 1000 employers, training providers and others, to understand more about skills needs and gaps, how the current system is working, and build a data-driven blueprint for reforming the skills system.

[See the full pan-London LSIP report on our website.](#)

5. Green skills is one of our core 'cross-cutting' skills themes we are focussing on in the LSIP. For the purposes of this submission and the LSIP, we have defined green skills as 'the skills which are needed to support the transition to Carbon net zero and a sustainable society'. As such, much of the evidence and insight in this submission is drawn from our data and findings from our engagement with employers, educators and other key stakeholders during the LSIP process.

Current and future demand for green skills

6. There is already significant demand for green jobs and skills in the capital. According to research commissioned by London's sub-regional partnerships, there were an estimated 234,000 jobs in green priority sectors (i.e. those that have an important role to play in meeting net zero and environmental goals) in London in 2020, with the number of jobs in these sectors expected to grow to 505,000 by 2030 (in a central scenario). Job growth is expected to be particularly strong in green finance, homes and buildings, power, and low-carbon transport.

7. Given the scale of the labour challenge, supporting those already in work to retrain and upskill to acquire relevant green skills will also be key. In our survey in February 2023 of more than 1,000 London business leaders and HR managers, carried out by Survation, we found that 21% of respondents indicated their business is currently lacking green skills; and 23% indicated they will require more green skills over the next two to five years. However, evidence suggests that the proportion of workers currently in receipt of training in the occupations most affected by greening is relatively low. For example, the London LSIP Evidence Base, which was produced by GLA Economics, found that only a fifth (20%) of individuals surveyed in 2017-19 who worked in a 'green occupation' in their main job reported receiving training in the past three months, compared to a quarter (25%) in non-green occupations.

8. Many existing job roles will also have to change because of the transition to a greener economy. To meet these changes in requirements there is a growing need to increase education provision in subjects and courses that are relevant for green jobs, as well as the proportion of learners progressing to employment within green priority sectors.

9. In terms of specific skills requirements, the implications of all of this are wide-ranging. The London LSIP found there will likely be increased requirements for skilled trade workers (especially electricians, plumbers and construction trades) – which are already areas of significant shortage. Demand for the specific skills needed for developing green technology (such as electric vehicle charging point and heat pump installers) is also likely to grow in the years ahead. Meanwhile, across industry companies are increasingly looking to recruit Carbon and Sustainability managers who bring core carbon literacy and project management skills. Digital technology, such as the use of building management and Geographic Information Systems, is also seen by employers as a vital tool for reducing carbon emissions.

10. It is also worth noting several challenges faced by employers when identifying and meeting demand for their green skills needs. Firstly, challenges in defining green skills and the associated green 'jargon' can be a barrier to understanding the core competencies required, and to workers' perception of the applicability of the skill to their role. This feeds into a broader lack of awareness around green skills and 'opportunities', even to those candidates with a suitable technical background for the role. Meanwhile, the lack of demand signals from central government on green skills are often barriers to investing in a stable green skills pipeline. In key green policy areas such as retrofit, the lack of government policy dampens ultimate employer demand, which acts as a barrier to developing the skills supply side.

See the report for further detail on these barriers – Chapter 2: Outlining the LSIP priorities

How current provision supports low carbon skills and what more could be done

11. BusinessLDN has welcomed the role the Mayor has played in supporting the development of green skills provision in London. For example, the Skills Academies Programme has seen the creation of five green Skills Academies Hubs, which bring together employers, education and training providers and sector bodies to work together to develop clear pathways into employment and ensure a coordinated offer of training, work experience and advice and guidance for Londoners. For example, the London South Bank Green Skills Hub, which was founded in February 2022, is made up of a partnership of five education providers, twelve London-based businesses, and three South London boroughs. Overall feedback from BusinessLDN members on the hubs has been positive.

12. There are also lots of other examples of the private sector working collaboratively with education providers on to create new qualifications that meet the green skills needs of industry. For example, South Thames College Group has collaborated with Solar Energy UK to create new courses which support adults to upskill and enter the solar technology industry.

13. Nevertheless, there is a growing need to increase education provision in relevant subjects and courses. BusinessLDN has identified several steps for improving the provision of green skills in London, as part of its roadmap for delivering on the priorities identified in the LSIP. The LSIP roadmap is an extensive set of actions for employers, training providers, and London government over a short-, medium- and long-term timeframe.

14. The actions outlined in the LSIP report do not seek to replicate or replace existing provision and good practice. Rather, the aim of our roadmap is to strengthen, streamline and amplify the work that is already being done by providers, GLA, Boroughs, employers and others to support better employment outcomes for Londoners, and create opportunities for London's businesses to grow and prosper.

15. Specifically in relation to green skills provision, the Mayor should:

- Introduce a form of 'carbon literacy' or green skills training in training courses funded by London's Adult Education Budget and associated programmes as standard.
- Convene sector bodies, funders, and educators to increase uptake of electrical engineering courses in London, particularly through employer partnered provision like apprenticeships.
- Deliver a London policy to scale retrofit, which supports work at the national level and draws on the work of the Energy Efficiency Taskforce, establishing robust local delivery plans

16. As well as these specific actions, there are some broader steps in our roadmap which the Mayor should take for the benefit of all of our priority sectors and themes, including green skills. These more general actions would further help to better align employer demand for green skills with new provision, help more business – especially SMEs – to engage with training, and support more Londoners into green jobs. The Mayor should:

- Where possible, move skills funding towards more sustainable multi-year funding settlements as opposed to short-term piecemeal funding pots.
 - This should include committing to long-term funding for the Mayor's Skills Academies Hubs, including giving them a clearer operating model and ensuring their alignment with the LSIP.

- Continue to grow a more modular, flexible approach to the delivery of existing training, through AEB funded programmes and skills bootcamps, including on green skills.
- Retain and expand the 10% London Recovery Flexibility in the Adult Education Budget to support the delivery of more locally relevant and bespoke skills programmes.
- Introduce a 'London Recruitment & Skills Support Hub' including an IAG function, to help employers especially SMEs navigate the employment and skills systems including support with apprenticeship access, working with the emerging 'Wayfinder' service being developed by London & Partners and the GLA.
 - Deliver a clear map of London's skills system through the London Recruitment and Skills Support Hub, that provides accessible information on all the relevant training programmes, their target audiences, a guide to the main actors, and dynamic information on careers that could be linked to different courses.

See the report for further details on the LSIP Roadmap – Chapter 3: A Roadmap to Delivering the LSIP priorities

Improving diversity in green skills training

17. To meet London's growing green skills needs, there is considerable scope to increase the diversity of employment in those occupations most affected by greening. A 2022 study conducted by the GLA found that jobs in green occupations are more likely to be held by men than women (73% were held by men in 2017-19) and a relatively high proportion of job holders are from a White ethnic background (74% compared to 67% for non-green occupations) with fewer from ethnic minorities.

18. Throughout BusinessLDN's engagement with stakeholders during the LSIP process, providers and employers reported a lack of awareness around and enthusiasm for green skills, training, and career pathways, particularly among people from Black, Asian and minority ethnic backgrounds. These findings support the findings of the Skills for a Sustainable Skyline Taskforce 2023 Report, which found that the Built Environment's sector's reputation and low awareness of career pathways were seen as a major barrier to recruitment.

19. The LSIP report also identified several barriers to work and study faced by Londoners from disadvantaged backgrounds. The cost of travel acts as a major barrier to increasing participation in training from under-represented groups, as does the confidence to travel across London and sometimes within Boroughs to training and employment. At the same time, despite the introduction of the Baker Clause requiring that all schools give employers and training providers access to students to promote non-academic routes, it is still too difficult and bureaucratic for many businesses to gain access to schools to break down perceptions and provide careers inspiration.

20. BusinessLDN has identified several actions in the LSIP roadmap which can help to shift the dial on labour market inclusion in London, with actions for employers, training providers and London government, working together in partnership.

21. Specifically, the Mayor should lead on:

- Driving more sustainable engagement between business and schools/colleges, working closely with the Careers & Enterprise Company to ensure schools are

promoting the priority sectors and their training and career pathways in each sub region.

- Ensuring that the GLA's programmes and funding (including the AEB, Jobs and Skills for Londoners Fund, No Wrong Door programme, UKSPF funding, Mayoral Skills Academies, Bootcamps and Careers programme) work together to deliver the priority skills needs and employment support identified in the LSIP for under-represented and disadvantaged Londoners, utilising the support and engagement of London's employers.
- Creating a targeted campaign, promoted through the boroughs and local community learning, to increase awareness of the availability of travel bursaries in London, and build confidence in young people to travel beyond their borough.
- Creating a one-stop-shop model to support job seekers that brings together the co-location of employment support (Job Centre Plus), careers advice (National Careers Service) and skills support (training providers) modernised through private sector expertise.
- Creating a programme that enables large employers to help supply chain SMEs with community outreach and training, with lessons to be learned from the Construction sector.
- Driving better borough collaboration on vacancies, recruitment and apprenticeships. This is to include joint promotional campaigns and support programmes, working together on local labour agreements through the Section 106 process, and sharing resources to expand reach.
- Building a programme that enables the GLA to act as a coordinating body for work placement opportunities for young Londoners.

22. The London LSIP roadmap is also clear that there are actions for employers to take the lead on to help improve the diversity of the workforce within our priority sectors and themes. These include for sector bodies to lead and co-ordinate improved streamlining and co-ordination between the various important sectoral initiatives and campaigns designed to improve the attractiveness of the London LSIP priority sectors to Londoners of all ages and backgrounds.