



03 July 2020

Gillian Keegan MP, Minister for Apprenticeships and Skills
20 Great Smith Street
Westminster
London, SW1P 3BT

and

Rishi Sunak MP, Chancellor of the Exchequer
1 Horse Guards Road
Westminster
London, SW1A 2HQ

CC: Alok Sharma MP, Secretary of State for Business, Energy and Industrial Strategy
Kwasi Kwarteng MP, Minister for Business, Energy and Clean Growth
Mims Davies MP, Minister for Employment
Phillip Duffy, Director-General, Growth and Productivity, HM Treasury
Will Aitchison, Policy Adviser, Clean Growth, BEIS
Darren Jones MP, Chair of BEIS Select Committee
Lord Deben, Chair of Committee on Climate Change

Dear Rishi and Gillian,

Re: Retraining revolution

We welcome the news that there will be initiatives supporting a retraining revolution in the economic update on 08 July 2020. We are writing to make the urgent case for a commitment in the announcement for a major new investment in further education to close the skills gap that is rapidly widening across the low carbon sectors. New and updated skills are urgently needed for us to transition to net-zero and to adapt to climate change, and we believe that now is the time to act on this.

The latest progress report from Committee on Climate (25 June 2020)¹ states that the pandemic will hasten the decline in employment in unsustainable sectors and recommends a 'just transition' for workers transitioning from high-carbon to low-carbon and climate resilient jobs.

The report states that reskilling should include *'support to train designers, builders and installers [which] is urgently needed for low-carbon heating (especially heat pumps), energy and water efficiency, passive cooling, ventilation and thermal comfort, and property-level flood resilience.*

It adds *'The ability of a decarbonised UK manufacturing sector to compete in global markets is dependent on having a labour force with the requisite skills, not only in manufacturing products and materials, but also engineering, procurement and construction management services. If suppressed oil prices continue to affect jobs in the North Sea, we must retrain and redeploy this highly-skilled workforce in the UK's future low-carbon industries, including carbon capture and storage.'*

¹ www.theccc.org.uk/publication/reducing-uk-emissions-2020-progress-report-to-parliament

The Local Government Association's new report *Local Green Jobs - Accelerating a Sustainable Economic Recovery* (12 June 2020)² states that there were 185,000 full-time workers in England's low-carbon and renewable energy economy in 2018, but that it could rise to 694,000 by 2030³, and 1.18 million by 2050, but only if we can close the skills gap. The report goes into detail about what skills are required to deliver this rapid growth and documents the specific skills that are currently lacking in the workforce.

The Aldersgate Group's report *Building a Resilient Economy in the Aftermath of COVID-19* (June 2020) cites research that the financial impact of a lack of skilled labour is costing business £6.3bn per year. Tackling the skills gap will unleash the potential for the UK's low carbon economy to grow up to four times faster than the rest of the economy, delivering between £60 billion and £170 billion of export sales of goods and services by 2030⁴, creating tens of thousands of new jobs.

Education and skills are among the biggest determinants of local productivity and vital to levelling up economic performance across regions and left behind places. As tens of thousands of people in the UK lose their jobs due to the pandemic, our further education sector needs to be supporting as many of them as possible to retrain to work in the low carbon sectors, so we can build a resilient and sustainable recovery.

Whilst we welcomed the £3bn National Skills Fund, the £100m National Retraining Scheme and the online Skills Platform launched during lockdown, more emphasis must be placed on, and funding directed to, the clean growth skills agenda through any retraining revolution.

The UK Climate Commission for FE and HE Leaders and Students is developing short- and medium-term strategies to support colleges in making a significant and positive impact on climate change, including embedding sustainability in the formal curriculum and developing the skills and knowledge needed for the emerging sustainable technologies.

However, given the scale of job losses, and the magnitude of the economic opportunity through clean growth⁵, we would like to see £500m of new money allocated to colleges over this parliament, frontloaded to the 2021/22 academic year. This will allow our cash-strapped colleges to bring in experienced additional staff to prioritise the development and delivery of low-carbon vocational training and reskilling. £400m of this money should be delivered directly to colleges alongside a framework for implementation and monitoring, which we can draft, working in partnership with industry.

The remaining £100m should be used to establish a new network of National Centres of Excellence in Low Carbon Skills at number of further education colleges (with the funding being ringfenced for colleges, rather than the private sector), each focusing on different aspects of the low carbon skills gap. The Centres of Excellence should be geographically spread to help with the levelling-up agenda, based on regional hubs that could be linked to existing regional projects. Collectively the network will lead on designing new teaching resources, training and assessments, as well as reskilling teachers and sharing best practice through new networks. These centres would also support Government with retrofitting low carbon skills into the curriculum to help bridge the skills gap further at a time when many students face a highly uncertain future.

² www.local.gov.uk/local-green-jobs-accelerating-sustainable-economic-recovery

³ Of these, the report states 23% will be in electricity generation, 23% providing low-carbon heat for homes and businesses and 21% in energy efficiency products.

⁴ <https://www.gov.uk/government/publications/clean-growth-strategy>

⁵ The industrial strategy states that by 2030 the UK's clean economy has the potential to support 2 million jobs and generate up to £170bn in annual exports.

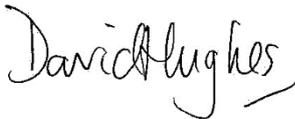
It is only with significant new investment can we substantively repurpose vocational training with the urgency required, which we argue is critical to Government delivering a resilient and sustainable recovery.

We would appreciate a response to our suggestions and would welcome a chance to discuss them with you at the earliest opportunity.

Yours sincerely

A handwritten signature in black ink that reads "Jo Grady". The signature is written in a cursive style with a large initial "J".

Jo Grady, General Secretary, University and College Union

A handwritten signature in black ink that reads "David Hughes". The signature is written in a cursive style with a large initial "D".

David Hughes, Chief Executive, Association of Colleges

A handwritten signature in black ink that reads "Zamzam Ibrahim". The signature is written in a cursive style with a large initial "Z".

Zamzam Ibrahim, President, Students Organising for Sustainability UK