energy saving trust

Consultation response

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Energy Saving Trust's response to the Skills Strategy for Northern Ireland consultation

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1. **Are you content with the overarching strategic direction set out in the section The Programme for Government, our Economic Vision (a 10x Economy) and the Skills Strategy for Northern Ireland?**

   The section referred to can be found at page 28 of the consultation document

   "the skills strategy must be directly aligned to the PfG aim of improving wellbeing for all by supporting efforts to tackle inequalities, providing low skilled, low paid, or unemployed individuals with the opportunities they need to work in 'better jobs', whilst concurrently focussing on provision of the skills and qualifications needed to drive economic growth and competitiveness in the sectors where Northern Ireland has real global potentials."

   Yes/No

In general, Energy Saving Trust agrees with the overall strategic direction outlined in the consultation document, but we think that it can be strengthened by placing greater emphasis on the role of decarbonisation and whole-systems impact of climate change on Northern Ireland's future skills landscape.

While the strategy highlights zero carbon as one of the "new and emerging" sectors influencing future skills demand, we think that zero-carbon is the key growth area because all branches of society and job sectors need to be decarbonised over the next thirty years. The Intergovernmental Panel on Climate Change (IPCC) report published this month suggests "immediate, rapid and largescale reductions in greenhouse gas emissions" are necessary to halt the most damaging effects of climate change (https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/).

We know that decarbonisation to achieve net zero will drive change in certain skills profiles, altering existing jobs and creating new types of jobs. We also know that the "high growth, high value-added sectors", such as fintech, agritech and advanced manufacturing, mentioned in this strategy as a route to boost Northern Ireland's economy, will need to play a significant role in addressing climate change too.

Research from The Institute for Public Policy Research (IPPR) finds that government investment to significantly reduce carbon emission from homes could generate 200,000 jobs across the UK (https://energysavingtrust.org.uk/home-energy-efficiency-should-be-central-covid-recovery-package/). Claims that jobs from a major energy efficiency retrofit and heat programme can act as economic stimulus is nothing new. It has long been a prevailing view that investing in energy efficiency and low carbon technologies has the potential to lead to new skilled jobs distributed across the country. By way of

example, in developing Energy Efficient Scotland, it was found that for every £100m spent on energy efficiency improvements in 2018, approximately 1,200 full-time equivalent jobs might be created across the Scottish economy (https://www.gov.scot/publications/energy-efficient-scotland-route-map/). While there are no firm estimates for the potential for new retrofitting jobs in Northern Ireland, we can estimate based on the number of homes below EPC band C as these will be primarily targeted. With approximately 12 million UK homes falling within this bracket, 390,000 of which are based in Northern Ireland, we can estimate that over 3% of UK retrofitting jobs will be based in Northern Ireland. This is broadly in line with research from IPPR which estimates that around 9,000 new jobs could be created in Northern Ireland for energy efficiency retrofits as well as heat pump and heat network installations (https://www.ippr.org/files/2020-07/transforming-the-economy-after-covid19-july2020.pdf).

Retrofitting to decarbonise has multiple benefits for the economy as well as the climate and people's health and wellbeing. The Climate Change Committee (CCC) highlights the potential for competitive advantage for UK businesses that shift to zero-carbon practices sooner than later (https://www.theccc.org.uk/the-need-to-act/). Inevitable growth in demand for retrofitting skills presents opportunities to create better jobs with high growth potential to suit a wide range of skillsets. These jobs offer clear pathways for individuals to upskill or reskill and make a positive contribution to addressing climate change in the process. It's important to note that retrofitting serves as just one example of a skills sector driven by decarbonisation. Research commissioned by National Grid found that the energy sector alone will need a wide range of skillsets e.g. electrical engineers, data analysts, machine learning experts and skilled tradespeople (https://www.nationalgrid.com/document/126256/download).

While decarbonisation creates the potential for new and better jobs, there's a risk that economic instability as a result of climate change and a shifting focus on climate mitigation will lead to an unequal post-pandemic recovery, particularly for younger and lower skilled individuals in Northern Ireland. IPPR's report Transforming our Economy states that "workers must be given a greater voice and stake over their futures, particularly those who will be directly affected by the transition" (https://www.ippr.org/files/publications/EJC%20final%20report%20July%2021/fairness-and-opportunity-part2.pdf). Addressing inequalities in a decarbonising society will be a long-term project in reskilling and upskilling. On this, IPPR advise "government at all levels must focus on the education, training and skills needed of workers of all ages, at all points in life" (https://www.ippr.org/files/publications/EJC%20final%20report%20July%2021/fairness-and-opportunity-part2.pdf).

We agree that there are benefits in explicitly linking economic and skills strategies and suggest that this should be coupled with greater connections with energy and environmental strategies. For example, connecting the Skills Strategy for Northern Ireland with the Northern Ireland Energy Strategy and proposed Climate Office might be an effective route to help ensure that there are enough appropriately skilled individuals to do the jobs that will be necessary to ensure climate change targets are met.

On this note, feedback that we continually receive from the supply chain through our work on the Scottish Government's Sustainable Energy Supply Chain Programme, suggests that the most important thing that can be done to ensure that local supply chains are expanded and up-skilled is for the government to provide them with long term policy certainty – in terms of what the government plans to do and how much funding will be allocated (https://energysavingtrust.org.uk/business/energy-efficiency/support-for-supply-chain/). The view from some suppliers is that this time period needs to be at least five years. With long term certainty of funding comes long term confidence to invest in training and staff. Industry may want to invest in skills but are likely to stall if they don't feel secure that their investment will pay off. We recommend setting detailed targets and action plans to alleviate this.

2. **Do you agree with the need to rationalise the skills landscape by limiting the number of strategies governing separate parts of the skills system, instead focusing on a single, overarching, Skills Strategy for Northern Ireland?**
   See pages 40-41 of the Skills Strategy for Northern Ireland for further details, under the section 'Rationalising the Skills Landscape'.

   Agree/Disagree

While we commend the cross-department nature of the proposed Skills Strategy and the desire to reduce duplication and inconsistencies, we stress the need to set out specific targets to achieve the necessary skills to decarbonise Northern Ireland's economy. We agree that the proposed development of a new Northern Ireland's Skills Council is an appropriate format to connect the skills system to economic need. We recommend that academics and experts in decarbonisation are represented within the proposed group of senior figures across government, business, education and trade unions.

Industry specific climate mitigation plans are already in consideration in Northern Ireland. DEARA's Plan to 2050 sets out a vision for Northern Ireland's agri-food sector to

create the conditions for harmony between people, businesses and the environment. Four strategic priorities; economic growth, natural environment, rural communities and exemplar organisation are underpinned by ten climate focused goals e.g. sustainable food and farming. This means that agri-food sector growth is balanced by the wider demands of addressing climate change. Similarly, the Climate Bill for Northern Ireland proposes 'sectoral plans' through specific policies and proposals for different parts of the economy such as agriculture and transport. The Bill also suggests that sectoral plans must "support jobs and growth of jobs that are climate resilient and environmentally and socially sustainable" and "create work which is high-value, fair and sustainable" (http://www.niassembly.gov.uk/assembly-business/legislation/2017-2022-mandate/non-executive-bill-proposals/climate-change-bill/). Looking at best practice examples elsewhere, the Scottish Government has already developed a Climate Emergency Skills Action Plan outlining sector specific opportunities and skills implications in the zero-carbon transition until 2025 (https://www.skillsdevelopmentscotland.co.uk/media/47336/climate-emergency-skills-action-plan-2020-2025.pdf). This action plan might serve as useful reference in embedding issues relating to the climate emergency with the new Skills Strategy for Northern Ireland

3. Have you any other comments on the Strategic Context Chapter?

Yes/No

Covid-19 recovery, automation and climate change:

The impact of Covid-19 on the labour market demonstrates the importance of building a resilient and diverse economy. High levels of unemployment resulting from the pandemic have hit those under the age of 25 as well as those in low-skilled jobs hardest. Coupled with accelerated automation, post-pandemic recovery risks leaving some people in our society behind. The Strategic Context chapter frames climate change as separate from Covid-19 and under the umbrella of the fourth industrial revolution. We think that the Covid-19 recovery and the fourth industrial revolution should be viewed as intrinsically linked to climate change across this strategy because we know that rebuilding Northern Ireland's economy to achieve economic resilience must be balanced with the urgent need to address climate resilience. On this subject, Climate Change Committee (CCC) Chairperson, Lord Deben said:

"The COVID-19 crisis has shown the importance of planning well for the risks the country faces. Recovery means investing in new jobs, cleaner air and improved health. The actions needed to tackle climate change are central to rebuilding our economy. The Government must prioritise actions that reduce climate risks and avoid measures that lock-in higher emissions" (https://www.theccc.org.uk/2020/05/06/take-urgent-action-on-six-key-principles-for-a-resilient-recovery/).

A post-pandemic recovery presents opportunities to shift the mix of skills in Northern Ireland's labour market to address climate change. We suggest that as the Skills Strategy develops, it should be continually considered through the lens of decarbonisation. As we note in our answer to question one, our research suggests that widespread adoption of home energy efficiency measures to meet climate targets could generate 200,000 new skilled jobs across the UK (https://energysavingtrust.org.uk/report/our-view-opportunity-green-recovery-post-covid-19/). Of course, energy efficiency is not the only type of low carbon job, but it is employment intensive, shovel-ready work that can deliver direct benefits to local labour markets and economies across Northern Ireland. According to the International Public Policy Institute at the University of Strathclyde, tackling energy efficiency can support local economies further by freeing up household spending power through lowering of household bills

(https://strathprints.strath.ac.uk/63819/1/Turner_etal_IPPI_2018_Potential_wider_economic_impacts_of_the_energy_efficient_scotland_programme.pdf).

Low-Carbon Skills:

Designing the future skills landscape of Northern Ireland to address climate change will require enhanced policy cohesion and strengthened relationships between businesses, educational institutions and employee representatives. While this strategy suggests that the proposed skills council would bring these stakeholders together, we mention in our answer to question two that we think it would be useful to include academics and experts on decarbonisation and climate change too given how critical it will be to address this challenge in an equitable way. For example, fostering close connections with education organisations to develop suitable training pathways ahead of demand should help promote confidence in reskilling for decarbonisation. In our response to the Energy Strategy for Northern Ireland we suggest government bodies engage with stakeholders to identify future skills gaps, particularly in relation to the clean energy sector (https://energysavingtrust.org.uk/report/our-response-to-northern-irelands-energy-strategy-consultation/). The Scottish Government are already developing a skills matrix for the clean energy sector to link skills needs, roles, qualifications, standards and incentives(https://www.gov.scot/publications/consultation-scottish-skills-

requirements-energy-efficiency-zero-emissions-low-carbon-heating-systems-microgeneration-heat-networks-homes).

While the Strategic Context chapter highlights zero carbon as one of the "new and emerging" sectors influencing future skills demand, all branches of society and job sectors must decarbonise in the next thirty years so taking account of the need to decarbonise must be central to all economic and skills considerations moving forwards. Northern Ireland's relatively advanced manufacturing capacity is well placed for the development of energy efficiency and production technologies such as heat networks, hydrogen infrastructure and offshore renewables. Similarly, biproducts from Northern Ireland's agri-food sector may have the potential to bolster new circular businesses. Far from being restrictive, the road to net zero should be viewed as a series of opportunities for Northern Ireland to capitalise on to become a leader in the transition.

The low-carbon skills gap is only expected to widen as Northern Ireland continues to decarbonise unless proactive action is taken. By 2030, the majority of Northern Ireland's workforce will have already completed compulsory education, up to and including GCSE Levels, therefore support for reskilling and upskilling will be important. This means that the Skills Strategy for Northern Ireland must ensure frictionless access to lifelong learning. In the context of low carbon jobs, the CCC suggests targeted support to "train designers, builders and installers is needed for low-carbon heating, energy and water efficiency, ventilation and thermal comfort, and property-level flood resilience" (https://www.theccc.org.uk/wp-content/uploads/2019/02/UK-housing-Fit-for-the-future-CCC-2019.pdf). As noted in the Scottish Government's Climate Emergency Skills Action Plan, "developing a skilled, flexible, and adaptable workforce will be central to a successful transition", particularly as the lifecycle of skills is shorter than ever before (https://www.skillsdevelopmentscotland.co.uk/media/47336/climate-emergency-skills-action-plan-2020-2025.pdf).

Levelling up:

We agree that the proposed Skills Strategy should aim to create better jobs for all. Breaking the low skills equilibrium of "low wages, low productivity and low levels of in-work progression" has multiple benefits for the economy and society. Though not mentioned explicitly, the widespread adoption of remote working in response to the Covid-19 pandemic presents new opportunities for individuals to find jobs or courses that may not have previously been accessible to them. The Skills Strategy notes that around 16% of economically inactive people in Northern Ireland want to work if the circumstances were right. Remote access to labour markets may be significant in helping those individuals find flexible employment close to or at home.

A green recovery should seek to bank on the positive opportunities of remote working spurred on by the pandemic. Supporting remote working increases labour market productivity without the climate impacts associated with commuting. The Welsh Government have set a target of 30% of the population to work remotely. This has positive implications for local economies, work-life balance and reductions in carbon emissions (https://gov.wales/remote-working). Retrofitting homes so that they are warmer and more efficient will make remote working more comfortable and less expensive.

We recognise that not all jobs are suitable for remote working. In a decarbonising economy, demand for skills in energy efficiency retrofit will be spread across Northern Ireland providing opportunities to level up every community by bringing money into local economies. IPPR's Fairness and Opportunity report states that low carbon job opportunities in low carbon technologies such as EVs, charging infrastructure, energy efficiency, hydrogen and solar PV are evenly spread across the UK (https://www.ippr.org/fairness-and opportunity/?mc_cid=6e2db74b70&mc_eid=310567389b).

4. **Acknowledging the need for the development of 'SMART' targets, do you agree that the skills supply gap identified under the Skills Barometer's high growth scenario should be placed at the centre of the proposed Strategy?**
   You will find further details of this at page 43 of the proposed strategy.

   Agree/Disagree

We largely agree with placing the Skills Barometer high growth scenario at the centre of the proposed strategy but as discussed elsewhere in this response, we propose stronger ties with energy and environmental strategies to ensure that the high growth scenario is compatible with Northern Ireland's decarbonisation trajectory.

We also note in our answer to question one that the Northern Ireland Executive should provide policy certainty to help businesses to plan skills needs, to help education institutions tailor skills programmes and to ensure that individuals engaged in education to attain the right mix of skills. Communication between all actors in Northern Ireland's skills landscape should be sustained to continually address the developing conversation around decarbonisation. We suggest that the Skills Barometer remains flexible to adapt to changes in this context.

A decarbonising economy will benefit from increased uptake of STEM subjects in Northern Ireland. The Skills Strategy makes clear that current uptake is too low and too imbalanced. Connecting the narrative of climate change to STEM subjects may be useful to demonstrate how prospective students can make a difference.

While STEM skillsets will be in demand in addressing the challenges of a climate emergency and building a resilient economy, we note the value of behavioural change within this mix. We would like to emphasise the importance of not losing sight of the value of wider softer skills such as stakeholder engagement and customer focus to bring people along in the transition to a greener economy.

5. **Are you content that the proposals contained in pages 43-56 provide an ambitious and comprehensive approach to 'Addressing Skills Imbalance, Driving Economic Growth'?**

   Yes/No

6. **Are there any additional proposals you believe should be considered under the 'Addressing Skills Imbalances, Driving Economic Growth' objective?**

   Yes/No

Choosing STEM (in a climate emergency):

As we note in our answer to question four, a decarbonising economy will benefit from increased uptake of STEM subjects in Northern Ireland and connecting the narrative of climate change to STEM subjects may be useful to demonstrate how prospective students can make a difference. We are living in a period of rapid change. Automation and decarbonisation will mean that new green jobs will continue to be created. Careers services should seek to keep abreast of this developing picture. The consolidated careers portal proposed in Commitment 11 could include profiles of jobs that can make a positive impact to address climate change. Similarly, placement schemes could be themed around climate targets or sustainable development goals to give an idea of the wide range of jobs that can make a difference (https://sdgs.un.org/goals).

Green jobs:

At Energy Saving Trust, we think that low carbon jobs should be referred to more explicitly in relation to the objective above. We know that growing demand for retrofit skills will create a large skills gap unless individuals are incentivised to up and reskill soon. Retrofit for energy efficiency is a long term, high growth sector with opportunities for a range capabilities and skillsets. In our answer to questions one and three, we reflect further on the potential for low carbon jobs in Northern Ireland.

Eliminating barriers to work:

In our response to question three we mention that widespread adoption of remote working in response to the Covid-19 pandemic presents new opportunities for individuals who currently face barriers to work. Although not explicitly discussed in the strategy, remote working can be good for the environment as it reduces the number of private vehicle commuters on roads. Retrofitting homes so that they are warmer and more efficient to heat should incentivise uptake of remote working while also supporting local low carbon jobs.

7. **Are you content that the proposals contained in pages 57-75 provide an ambitious and comprehensive approach to 'Creating a Culture of Lifelong Learning'?**

   Yes/No

8. **Are there any additional proposals you believe should be considered under the 'Creating a Culture of Lifelong Learning' objective?**

   Yes/No

The ongoing impact of Covid-19 has spurred on a conversation around how decarbonisation could facilitate a fair economic recovery for both people and planet. At Energy Saving Trust, we know that retrofitting will be vital to achieve climate targets. We also know that extensive re-skilling will be required to install low carbon technologies such as external wall insulation, solar PVs and heat pumps to meet targets. The IPPR Fairness and Opportunity report (2021) indicates that high emission sectors such as

construction, manufacturing and motor trades require the highest levels of upskilling and highest levels of anticipated future skills demand (https://www.ippr.org/fairness-and-opportunity/?mc_cid=6e2db74b70&mc_eid=310567389b). Within this report, IPPR found that "97 per cent of workers across different high-carbon industries would consider moving into low carbon sector jobs with the right support, but just under 60 per cent were not very aware of training to help them to move into a low-carbon sector". Education and skills infrastructures in Northern Ireland must help existing workers and new graduates with the necessary skills to transition to green jobs.

A similar view has been articulated by the Just Transition Commission which made a recommendation to the Scottish Government calling for more action on energy efficiency retrofit as part of a green recovery stimulus package. Separately, the Scottish Government has announced a range of plans throughout 2020 with the purpose of supporting the economic recovery. The aim is for a package of measures to be developed that can address the impacts of the pandemic which will deliver a resilient economy in a way that supports wellbeing and transitions toward a low-carbon country (https://www.gov.scot/news/advisory-group-on-economic-recovery/).

9. **Do you agree with the approach that an expert panel is appointed to develop a specific Digital Skills Action Plan for Northern Ireland?**
   You can find details of this under 'Enhancing Digital Skills, Creating Our Digital Spine' at pages 76-81 of the proposed strategy.

   Agree/Disagree

10. **Have you any other comments on the Strategic Goals and Policy Objectives?**

    Yes/No

The strategic goals and policy objectives in this strategy are inclusive of different age groups, skillsets and abilities and consider the many facets of the current skills system. However, as we discuss elsewhere in our response, we think that this section could be strengthened by placing greater emphasis on the role of decarbonisation and whole-systems impact of climate change on Northern Ireland's future skills landscape. As discussed in our answer to question one, we agree that there are benefits in linking the

economic and skills strategies but think that considering the urgent need to address climate change, greater connections with energy and environmental strategies should be fostered too. We also note in our answer to question one that fostering policy certainty should help low carbon industry suppliers, such as heat pump installers, to invest in low carbon skills in a timely manner whilst ensuring consumer protection.

We agree with the scope of the three objectives in the skills strategy:

1. Addressing skills imbalances, driving economic growth

2. Creating a culture of lifelong learning

3. Enhancing digital skills, developing our digital spine

We stress that all three objectives should be considered through the lens of decarbonisation and climate change because strengthening Northern Ireland's economy must be compatible with climate targets. We discuss this further in our answers to questions six and eight.

We also agree with the proposal to form an expert panel to consider the future of digital skills needs in Northern Ireland. We suggest that academic and third sector experts should be included as stakeholders along with individuals from industry and education.

11. **Do you agree that the first two 'policy enablers': are a useful and appropriate approach to improving the development and implementation of the skills policy in Northern Ireland?**
    The first two 'policy enablers' are 'Enhancing Policy Cohesion' and 'Building Stronger Relationships' focusing on a refreshed approach to the governance of the skills system. You will find further details within the proposed strategy at pages 84-90.

    Agree/Disagree

We largely agree that (1) enhancing policy cohesion and (2) building stronger relationships will improve the development and implementation of the skills policy in Northern Ireland however we stress the importance of both enablers informing policy within the context of decarbonisation and climate change. The Skills Strategy highlights the need for skills rebalance to improve Northern Ireland's economy and create better

jobs, both will rely on a green recovery to foster a sustainable and resilient long-term job market. Reframing Northern Ireland's skills policy in this way means that all future jobs must be low carbon jobs which will affect how the whole skills system and labour market operates. For example, future careers services would need to translate the changing picture of decarbonisation into the advice they provide, while businesses might go a step further to embed carbon impacts within work quality indicators. A shift to low carbon jobs will also have wider implications on society beyond the remit of the Department for the Economy, maintaining close connections with all departments and key stakeholders will be necessary to ensure that sustainable working behaviours are supported across Northern Ireland

12. **Do you agree that 'investment in the Skills System' should be prioritised?**

    The third policy enabler focuses on 'Investment in the Skills System'. The programme of change proposed in this consultation document is likely to require substantial investment.

    Agree/Disagree

    Consultees who agree should remain mindful that this may mean reductions in funding for other public services. Please elaborate on this response if possible:

We agree that investment in the skills system should be prioritised to ensure that all individuals can obtain better jobs as we transition to a low carbon economy. With public spending on education 14% lower than 2010/11, and approximately £461,000,000 needed to rebalance previous levels of investment, we understand that this is a big task. To address this, skills investment should be carefully considered through joined-up, long term thinking. This means looking at the future of Northern Ireland in the context of decarbonisation and climate change.

We know that any redressing of skills in Northern Ireland's economy must compliment the transition to decarbonisation. As we mention in our answer to question three, the Scottish Government's Climate Emergency Skills Action Plan suggests that "developing a skilled, flexible, and adaptable workforce will be central to a successful transition" (https://www.skillsdevelopmentscotland.co.uk/media/47336/climate-emergency-skills-action-plan-2020-2025.pdf). This transition is urgently required. As we note in our answer to question one, the latest IPPC report stresses that quick and largescale action to

address climate change needs to happen now (https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/). This is backed up by The Office for Budget Responsibility's Fiscal Risks Report for July 2021 where the impact of different climate change mitigation timeframes is measured against public sector debt predictions. to demonstrate the positive economic impact of early action. The report indicates the considerable economic cost of not acting to mitigate against climate change as well as the significant economic benefits of decarbonising early (https://obr.uk/docs/dlm_uploads/Fiscal_risks_report_July_2021.pdf, https://www.icaew.com/insights/viewpoints-on-the-news/2021/jul-2021/chart-of-the-week-obr-climate-change-scenarios). Investing in the right mix of hard and soft skills for a decarbonised society must happen now so that Northern Ireland can play its part to address the climate emergency.