

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Economic & Community Development Policy Development & Scrutiny Panel	
MEETING/ DECISION DATE:	29th May 2014	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Green Jobs in B&NES Update	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1: Green Skills Academy, Targets and performance table		

1 THE ISSUE

To update the Economic and Community Development PDS Panel on the potential for 'green' jobs in B&NES, on work underway to exploit those opportunities and to safeguard relevant existing local businesses and jobs.

2 RECOMMENDATION

2.1 That the Panel note the update.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 There are no direct resource implications for the Council arising from the report. This work will be undertaken within existing resources and there will be no additional financial impact. Any exception to this will require managing of a budget to absorb these costs or a potential further decision in line with the council's budgetary processes.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

The Council action outlined in the report, either underway or planned, should lead to the creation of jobs across a range from building trades, through to design and consultancy and so would contribute to the Council's equalities agenda.

5 THE REPORT

5.1. **What is a 'green' job?:** The most commonly accepted definition of a 'green' job is one created in one of a range of businesses in the Low Carbon Environmental Goods and Services sector (LCEGS). The obvious businesses included are those in energy efficiency, such as home energy retrofitting (building trades, micro-renewable installation, plumbing etc) and renewable energy generation. However, it is now becoming more widely understood that the economic opportunities of the shift to a low carbon and environmentally sustainable economy exist for many other business and commercial activities, such as engineering companies supplying components for offshore wind and wave. In addition, existing businesses of all types need to be planning to meet the increasing challenges of rising resource and energy costs and climatic disruption. Greening of these businesses will in turn increase demand for the products and services of the LCEGS and the growth of 'green' jobs.

5.2. **Strategic importance for West of England LEP:** Research and analysis led by Bath and North East Somerset Council, on behalf of the West of England local authorities in 2011, into the low carbon economic opportunities for the West of England recommended a "green and grow" model to ensure on-going competitiveness of the area's overall economy. This work has been taken up by the Low Carbon Sector Group of the West of England Local Enterprise Partnership (LEP), which has developed a draft Low Carbon Economic Strategy to inform the LEP's work and ensure the area maximises green job potential. It's important to note that in the midst of the economic downturn the LCEGS sector has consistently posted growth above 4.5%pa nationally.

5.3. Guided by the draft Low Carbon Economic Strategy, the LEP has submitted the following proposed projects for investment in the **West of England LEP's Strategic Economic Plan:**

5.3.1. Solar Region; UK Tidal Blade Facility; Retrofitting existing housing and businesses; Payment for Ecosystem Services Support; West of England Circular Economy Business Support Services; Increasing Business Resource Efficiency; Bristol Channel Tidal Energy Test Bed (feasibility)

5.3.2. These projects are predicted to deliver 1841 new green jobs in the West of England from 2015-2021, of which 1775 are expected to come from a rapid acceleration in the home energy efficiency retrofitting market. Retrofitting has been recognised as being capable of delivering growth and jobs quickly and at scale, with development of renewable energy likely to deliver jobs over the longer term. Retrofitting technologies are low risk, involving known technology with fast completion time-scales - typically days or weeks - leading to high turn-over and job potential.

5.4 **B&NES Economic Strategy:** The emerging review of the Economic Strategy includes Sustainability as a cross cutting theme and a priority called ‘Sustainable Urban & Rural Communities’. This covers: work to enable existing businesses to go green, reducing their resource costs in the future and increasing demand for local LCEGS products and services; support for the development of LCEGS businesses locally; the emerging B&NES Food Strategy and action plan, which will aim to increase local production and consumption and the consequent health, environmental and economic benefits.

5.4. **B&NES retrofitting scheme and job creation potential:** In 2012 B&NES commissioned a Green Deal Scoping Study to identify how the Council and its partners could support local retrofit delivery. The research suggested that if the retrofitting market develops at a rate that would be sufficient to meet national carbon reduction targets, it could create an additional market value to B&NES of £10-20 million a year, above current home refurbishment activity. The government estimates that the Green Deal alone could create an additional 40,000 jobs nationally in the insulation sector alone. Pro rata, that would be about 120 additional jobs in B&NES just from the Green Deal, which is potentially only a small part of the overall retrofit market.

5.5. The consultants also highlighted that strong local action would help to prevent all of this additional business being picked up by big national operators, rather than local small, medium and micro-businesses, so that existing local jobs and businesses are safeguarded as well as new local jobs created.

5.6. In considering the green jobs potential locally, it is important to note the dependency of market growth in home retrofitting and renewable energy on national policy stability – it isn’t just down to what we can do at a local level.

5.7. **B&NES Energy@Home Scheme:** The Energy@Home scheme, which is now at an advanced stage of development, has been designed to ensure maximum local economic benefit and jobs by stimulating the local retrofitting market and requiring our delivery partners to support and utilise local installers – to ‘Think Local’.

- **Developing the Local Retrofitting Market:** At present, few local trades are qualified or have the appropriate accreditation to take on this work. Our business engagement work has found that the current slow uptake of retrofitting, including the Green Deal, means that local trades are reluctant to invest in the necessary training and accreditation. The B&NES Energy@Home scheme, which will launch its first phase this summer, will attempt to tackle this issue through creating local demand for retrofitting and support for local businesses.
- **Demonstrating demand:** We have recently secured just over £700,000 from the Department of Energy and Climate Change’s (DECC) Green Deal Communities Local Authority Fund, which will be used to provide top-up grants, via the B&NES Energy@Home Scheme, to local householders to remove or reduce any up-front retrofitting costs and thus incentivise the local market.

- **Providing skills and market access:** In addition to incentivising the market, a further £104,000 of the DECC funding will be used to help local trades become accredited, to develop a specialist training course for heritage buildings and to set up a local installer network to coordinate and support these businesses to access the local market – building on the work already underway in the Green Skills Academy project (see 5.8).

5.8. **Green Skills Academy:** In 2011 the B&NES Local Area Performance Reward Grant awarded £80k to the B&NES Learning Partnership to pump prime a Green Skills Academy (GSA) between Norton Radstock College and the City of Bath College. The grant provided funds to install a set of renewable energy and solar thermal ‘rigs’, sustainable building materials workshop, eco house and associated products/ tooling. Over 3 years, the GSA aimed to train 200 trades’ people: 150 16-18 year olds, 10 apprentices and 50 unemployed people with 10 progressing to trades-based training programmes. These targets were met in part, but have not been met in full yet due to the lack of market demand already noted in 5.7 (see Appendix 1). The Colleges will be involved in the Energy@Home scheme and will benefit from the boost to local demand that it aims to deliver and making it easier to interest local businesses in diversifying their range to cover the more retrofitting measures through extra training. The additional DECC funding will enable more work to support businesses to do this.

5.9 **Renewable Energy:** Whilst retrofitting provides the best opportunity for quick jobs growth, renewable energy development will also provide opportunities. There is little data for the West of England so far on the exact number of jobs that will be created through the growth of the renewable energy market. However Regen SW, the regional renewable energy agency, estimates job creation potential of 24,000 jobs if the 19TWh renewable energy target for the South West is met, and suggests a significant proportion of these will be in the West of England, where many of SW’s engineering companies and environmental consultancies and services exist, including several in B&NES. The £1m allocated in this year’s Council budget for Green Investment and Jobs will contribute to B&NES’s ability to take its share of these new jobs in the future.

5.10 The Council’s approach to date to renewable energy has always been centred upon the economic and community co-benefits it can bring, in addition to reducing carbon emissions. The Government’s recent Community Energy Strategy (2014) cited B&NES as an exemplar in supporting community energy, for our work with **Bath & West Community Energy (BWCE)**. BWCE is a not for profit social enterprise with local shareholders that contributes a portion of its revenue to a local Community Energy Fund.

5.11 BWCE estimates that £1m investment in projects developed via their community model would yield about £500k for the Community Energy Fund over 20 years, but that the knock-on economic benefits would be greater. BWCE estimates that the combination of returns accruing to community share-holders (c 7% per annum) and the reduction in local fuel bills from the locally produced energy amounts to about £8million extra circulating in the local economy over a 25 year period. BWCE are committed to using as much local labour as possible in order to help create local green jobs as the business grows.

5.12 BWCE’s ability to work with local companies as sub-contractors depends on having a skilled local workforce. The Green Skills Academy has a role to play here, and so the work planned under Energy@Home to increase skills, some of

which relate directly to renewable energy, will support the development of the local renewable energy market. How many of the projected West of England renewable energy jobs come to B&NES will depend to some extent on how proactive we are in terms of both skills development and local project stimulation through the investment or other renewable energy project development.

- 5.13 **Working in partnership:** we have worked with and will continue to work with key partners and agencies to help in the effort to bring green jobs to B&NES, especially in the retrofitting and renewable energy areas. These include: The West of England Local Economic Partnership Skills team; Regen SW; Low Carbon South West; Federation of Master Builders; Federation of Small Businesses and the National Trust.

6 RATIONALE

- 6.1 This report is being brought in order to brief panel members on the current range of opportunities that exist to create green jobs in B&NES and to update them on the actions being taken to exploit those opportunities.

7 OTHER OPTIONS CONSIDERED

- 7.1 None.

8 CONSULTATION

- 8.1 The Strategic Director for Resources, the S152 Officer and the Monitoring Officer have been consulted in the preparation of this report.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	<i>List here any background papers not included with this report, and where/how they are available for inspection.</i>
Please contact the report author if you need to access this report in an alternative format	