

MAYOR OF LONDON

Zack Polanski AM

Deputy Chair
London Assembly Environment Committee
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Our ref: MGLA290923-7465

Date: 4 March 2023

Dear Zack,

Thank you for the hard work you put in to research and write on the state of play of retrofit delivery in London. I especially welcome the recognition you make in your report that the barriers to delivering retrofit at scale are due to a lack of ambition and investment from the government, and policy uncertainty. I share your frustration over this.

As you are aware, London's buildings generate 78 per cent of the capital's carbon emissions, and most will need significant retrofitting if London is to meet my Net Zero by 2030 target. You and I agree that the government must devolve funding and end the short-term, stop-start cycle that has undermined supply chain delivery and negatively impacted the retrofit industry for the last decade. Despite the national government's inaction, I have nevertheless been working with London Councils and social housing providers to set up programmes that are helping thousands of London's homes with retrofitting improvements.

In your report, you highlight skills provision as one of the areas for further improvement if London is to rise to the retrofit challenge. I understand that you recently met with Jules Pipe to discuss the progress that is being made on green skills provision and I trust that gave you the assurance that my skills programmes and funding are developing delivery models for green skills training that can be scaled up as demand for retrofitting grows.

Detailed responses to the report recommendations are set out in the annex.

I am committed to doing all I can to deliver London's retrofit revolution and I am keen to work with you and all partners on this ambition.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

Sadiq Khan
Mayor of London

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Annex

The Mayor of London's response to the recommendations of the London Assembly Environment Committee's report:

The Mayor and London Partnership Board should urgently assess the recent failure to deliver existing retrofit funding from the Government, through councils and the GLA, and share their findings.

Too many local authorities across the country have had to return Government funding because the period between them being issued and needing to be spent is too short, the money is too little and short-term to build up a supply chain, the criteria are too inappropriate for local area needs, and the process is too arduous to be effective. I hope that the Government will learn this important lesson.

The Mayor should work with the London Partnership Board retrofit subgroup to publish a GLA retrofit strategy, with actions the GLA specifically can make across training provision, procurement, and elsewhere.

The GLA collaborated with London Councils to develop and publish the Retrofit for London Strategy in 2021. The GLA is now taking this work forward, working with other organisations, including London Councils, to develop London's capacity to deliver at scale through the Retrofit Delivery Model system. This model will lay out a series of actions to be implemented to support retrofits across London.

Recommendations for Possible actions for a GLA Retrofit Strategy

Training provision

Develop pathways to specialist retrofit work and fund learners on specialist (Level 3+) retrofit-relevant courses via AEB & other Mayoral funding programmes (like the UKSPF), moving past the nebulous category of 'green skills'.

The pace of investment into greens skills provision by the Mayor will be dependent on the growth in green jobs. Until the work opportunities are there, take-up of training will remain low as Londoners will not feel confident enough to invest time and money in training if the employment prospects are limited. Mayoral skills programmes are already creating pathways to green jobs. Through the AEB, the Mayor has introduced relevant funding policy changes to support retrofit training and other technical green skills in response to local employer demand. These include widening provisions to include:

- Level 4 retrofit assessor and EV repair and maintenance qualifications to AEB eligible in London, starting in the 2023/24 academic year.
- Level 3 retrofit awards for AEB eligibility in London, starting in the 2023/24 academic year.

The Mayor's Green Skills Academy hubs are introducing retrofit training. For the latest full year of data (2022/23), the AEB delivered 27 Level 2 Retrofit Awards. Officers are looking to build on this further in the current and future academic years in order to create those clear pathways into specialist work.

The South London Partnership Green Academy hub, funded by the Mayor, recently received Department for Energy Security and Net Zero funding through the Greater South East Net Zero

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hub to develop a retrofit skills action plan for South London. This will include a retrofit careers resource.

The Mayor is prioritising retrofit and energy efficiency skills in the next procurement round of Wave 5 Skills Bootcamps for Londoners, to be launched shortly. The programme provides opportunities for employers to upskill their current workforce in green skills. A key part of marketing these bootcamps once live will be in showcasing the pathways to work that they support.

Work with providers to embed retrofit modules on *all* construction courses the Mayor funds or supports.

Again, the biggest barrier to skills training is the lack of potential for a career following training. London training providers are responding to the Mayor's priorities to support greener skills. Through the Mayor's Green Academy hubs, for example: CONEL, part of the Capital City College Group-led hub, ran a train-the-trainer programme for its construction staff. This focused on developing retrofit knowledge to build teaching expertise and capacity. This has supported new provisions – for example, Introduction to Retrofit courses targeted at Londoners with previous experience in construction. It has also supported retrofits to be included in the delivery of current courses in Construction, Built Environment and Planning.

Recommendation 1

Use mayoral convening powers to bring together key retrofit and wider construction employers and suppliers with the aim of encouraging investment in training for their workforces and across businesses where appropriate.

The GLA's stakeholder engagement in preparing for the 2nd round of Skills Bootcamps for Londoners' procurement will include key retrofit and construction representatives. Skills Bootcamps are well-placed to encourage employer investment in their workforces.

Recommendation 2

Develop a comprehensive method of assessing the development of London's construction and retrofit skills capacity via engagement with training providers to ensure the Mayor maintains clear oversight of the skills gap's evolution. This includes consideration of current qualifications and apprenticeship standards to ensure the Mayor can lobby for improvement if needed.

GLA officers are working continuously with employers, skills providers, and sector bodies to ensure London's skills system is evolving to meet the green skills challenge. The Mayor has no devolved control over apprenticeships, and has called for more local oversight of apprenticeships in London.

Procurement

Explore how procurement processes can link funding to skills development via the Warmer Homes Scheme, and provide strategic advice to local authorities on how to follow a similar model, for instance, by: Requiring contractors to train a certain number of Londoners in an accredited qualification or apprenticeship, with that specified number based on contract value. Requiring contractors to show a workforce skills development strategy.

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What businesses need is a guaranteed pipeline of work. Sustained funding for housing retrofit over a multi-year period is the best route for making retrofit apprenticeships a viable proposition. Without that, we are reliant on contractors, who have little incentive to invest in a London-based workforce.

Explore how procurement processes can develop the supply of trainers for different aspects of retrofit, such as requiring Tier 1 contractors to get their skilled professional tradespeople to 'train the trainer' at colleges and other providers.

There will need to be a pipeline of retrofit work available to give the supply chain the confidence to invest. Procurement issues will be taken into account when developing the Retrofit Delivery Model system work.

Public Awareness

Launch a public campaign about the importance of retrofitting, quality of work, and salaries, encouraging diverse recruitment into retrofit-based construction work.

The Mayor will continue to raise public awareness and acceptance of the need to retrofit London's buildings and the benefits this will bring. However, Londoners are well aware of the money they waste on energy bills because of the UK Government's inaction. The Mayor will continue to call out this inadequate response. The environmental sector is amongst the least diverse in the UK, so I would encourage more Londoners to enter this growing industry with a range of highly skilled jobs, and reduce the skills gap that is a barrier to a retrofit revolution. In the future, this workforce should more closely represent the diversity of London.

The Mayor's Green Skills Academy hubs prioritise training for Londoners underrepresented in the sector. The provision includes construction training relevant to retrofit and energy efficiency work. As of December 2023, the green hubs had delivered new training and education to just over 6,000 Londoners and supported over 3,000 into employment, an apprenticeship or paid work placement.

Demand

Assessing efficacy of Warmer Homes' individual home upgrade approach, vs. alternative approaches that consider geography & housing typology to spread funding further.

Too many of the Government's criteria for retrofit feel arbitrary and inappropriate for London – for example, the focus on homes not heated by gas for the Home Upgrade Scheme.

However, the Mayor is clear that net zero is a matter of social justice, and our approach to retrofit will always prioritise the most vulnerable and those least able to manage expensive energy bills.

The Retrofit Delivery Model system identifies and assesses potential new retrofit delivery models, including making recommendations for how to progress these to support the development of an improved cross-London delivery framework. This will consider a variety of delivery models as we recognise individual approaches have their limitations.

Providing further funding for Warmer Homes scheme in next years' budget, ensuring minimum funding level to guarantee set level of demand.

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Further mayoral support will be subject to funding being available and prioritised in the GLA Budget. However, it is clear that the UK Government has presided over a wasted decade in terms of retrofit, and the Mayor will continue to call on them to fill the gap they have let widen in terms of Londoners being able to afford staggering energy bills.

Facilitating community investment in the able-to-pay group.

This already exists, both through previous reverse auctions for solar panels and the Mayor's funding of community energy schemes.

Providing mayoral advice service for the able-to-pay group.

The Mayor currently funds energy advice for Londoners through Energy Advice London, as well as the Warmer Homes Advice Service for vulnerable Londoners and those on low incomes.