

Integrating the Net Zero and Levelling Up Agendas – the skills challenge

Jim Coleman
Head of Economic Advisory - WSP

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Challenging times... but some opportunities too



Levelling Up ... not a new challenge

- Central and local government have been attempting to 'level up' under-performing parts of the UK since de-industrialisation in the 1970s/80s
- EU structural funds and other regeneration programmes have all attempted to improve socio-economic conditions
- The **skills base** has always been key to rebalancing
- Regional and sub-regional disparities persist









Levelling Up ... critical missions

- By 2030, the number of people successfully completing **high-quality skills training** will have significantly increased in every area of the UK.
- In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas



The big difference... Net Zero & devolved control

Sector		% of UK emissions in 2017	% of UK emissions in 2050	Approx. net cost in 2050
Buildings		17%	0.9%	£15-25bn
Transport		33%	6%	£0-2bn
Industry		21%	2%	£8bn
Natural resources		16%	4.8%	£2-£4bn
Power		15%	0.6%	£0 - £4bn
Greenhouse Gas Removals			-14.9% (i.e sums to zero)	£10-20bn

Net Zero

- UK Government has committed to Net Zero Carbon emissions by 2050 – this goal is enshrined in law – this will drive substantial economic activity in cities
- Net Zero requires **decarbonisation** of key sectors: Buildings, Transport, Industry & Energy
- New **jobs** will be created, requiring new **skills** and expertise – workers must **transition** out of declining industries where jobs are disappearing
- There will be a need for significant **R&D** and **innovation** activity leading to new products and services

Net Zero ... new industries ... new skills



- **Onshore & Offshore Wind**
- **Solar**
- **Hydrogen**
- **Electric vehicles**
- **Green stimulus - retrofit** of millions of homes involving multiple, integrated building fabric measures, new heating systems and rooftop solar.
- **Energy Efficient products** - supply chain operations including in R&D, manufacturing and services
- **Professional services/** financial services and consultancy - planning
- **Natural Capital** - Urban tree management, forestry/woodland management and environmental management

Place-based policy

Freeports & Investment Zones


- Placed based policies to stimulate inward investment in high-value industries
- Developing internationally competitive clusters of economic activity
- Tax incentives
- Skills base will be fundamental
- Initially focussed on regeneration priorities



Skills & Learning Agenda



- **All levels of learning and skills development** will play a crucial role in supporting sustainable economic growth
- The needs of the **'green economy'** will be central to successful levelling up
- **Transition** of industries and people – the FE sector is the key enabler
- **Place based policies** – how far can they support devolved control and re-organisation of skills delivery?
- **Communicating** the critical role of FE in securing and resilient, sustainable economy



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