



Green Jobs and Skills in London

This briefing alerts members to the main findings in the recent report on Green Jobs and Skills in London, published by WPI Economics and the Institute for Employment Studies on behalf of London's four Sub-Regional Partnerships. The research considers the potential scale and nature of green jobs in London and their skills implications at present and in the coming decades.

Background

In 2019, the government amended the Climate Change Act and committed the UK to achieve net zero emissions by 2050. Last year, the government launched a ten-point plan to launch a "green industrial revolution", which included investing £12bn to create and support up to 250,000 green jobs in the UK. Ahead of the COP26 summit in Glasgow, the government released its Net Zero Strategy, which sets out the plans, processes, and pathways it will exercise to decarbonise the UK economy, together with estimates of how many green jobs can be supported in different sectors.

At the London level, the London Recovery Board agreed nine missions to support London's recovery from Covid-19. Of these, the Green New Deal mission aims to double the size of the green economy by 2030, and the Supporting Londoners into Good Work mission aims to help Londoners most affected by the pandemic into good jobs. In December 2019, London boroughs agreed an ambitious Joint Statement on Climate Change, which includes a commitment to deliver seven collaborative programmes of climate action. These include a Green Economy programme, which will focus on supporting green jobs and skills, and aligns with the overall target for the Green New Deal mission.

It is in this context that London's four Sub-Regional Partnerships commissioned research to consider the potential scale and nature of green jobs in London and their skills implications at present and in the coming decades.

Analysis

There are several key findings from the research.

Existing Green Jobs and Definition

The research considered six existing definitions of 'green jobs' used by different organisations, and developed the following London mission-based definition: "Green jobs are those jobs

that facilitate meeting net zero and broader environmental goals". There are 11 areas that this definition applies to:

1. Climate adaption
2. Climate change research and development
3. Climate change strategy, policy, monitoring, and planning
4. Green finance
5. Green infrastructure
6. Homes and buildings
7. Industrial decarbonisation, hydrogen, and carbon capture and storage
8. Low carbon transport
9. Power
10. Reduce, reuse, recycle
11. Reducing localised pollution

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In 2020, there were approximately 234,300 green jobs in London, representing 4.4 per cent of total employment in the city. The three largest sectors were power (83,000 jobs), homes and buildings (58,200), and green finance (50,700), which account for 82 per cent of green jobs. The main boroughs that these jobs are concentrated in are Barking and Dagenham, Camden, the City of London, Islington, and Westminster. Green jobs are predominantly high-level managerial, professional, and associate professional/technical roles, and 19 per cent of all green jobs are skilled craft type compared to 6 per cent of all jobs in London. Skilled craft workers include occupations such as gardeners and landscape gardeners, and heating and ventilation engineers.

People from ethnic minority backgrounds and women are under-represented in London green jobs. 66 per cent of London's green workforce is male, compared to 54 per cent of London workers, and 30 per cent are from BAME backgrounds compared to 36 per cent of London workers. In terms of qualifications, two thirds of London's green workforce have an undergraduate or higher degree. The most common vocational qualifications are building and civil engineering, electricity, and energy.

Skills Supply Considerations

Just 1 per cent of the green workforce enter directly from full-time education annually compared with 3 per cent across all sectors, which causes staff to be drawn directly from other sectors. A considerable pool of relevant skills exists in other sectors, but skilled-craft occupations, homes, and buildings have the lowest concentrations of relevant skills in other sectors.

Future Green Jobs Projections

If a net zero pathway is followed, the research projects that green jobs could increase to 505,000 by 2030 and over 1 million in 2050 in London. This decade, green jobs would increase by 8 per cent per year, which is double the annual rate of growth in the technology sector during the last decade. Consequently, net jobs in London - new green jobs that are created minus existing jobs that are eliminated - could increase by around 50,000 by 2030. As a sectoral example, jobs in low carbon transport are projected to increase to 147,200 by 2050, representing 14 per cent of green jobs in London.

There is currently a national skills shortage of skilled craft workers, particularly electricians, plumbers, and construction production managers. However, under the projections, skilled craft workers could rise by around 140 per cent by 2030 as well as a corresponding increase of around 120 per cent in managerial and professional roles. A commensurate increase in recruitment would also be needed by green employers to meet this shortage, particularly

education leavers; at present, the sector recruits around 2,500 education leavers per year, so the rate of recruitment would need to rise more than ten-fold to over 25,000 to acquire sufficient personnel with the skills needed.

By way of comparison, London Councils commissioned a data modelling report earlier this year by Parity Projects, which modelled the costs and benefits of two different carbon-cutting scenarios towards retrofitting properties in London by 2030. One scenario that seeks to achieve a 56 per cent cut in carbon emissions would sustain an average of 40,900 trades jobs per year, while the second scenario, which seeks to achieve net zero, would sustain an average of 72,723 trades jobs.

Carbon-Intensive Jobs

London currently has 390,000 jobs in carbon intensive sectors, such as agriculture, land transport, and oil and gas, which makes up 7 per cent of employment in the capital. Aviation, construction, and land transport make up the majority of these jobs. However, men and people from non-white ethnicities are over-represented in these jobs, and are more likely to be disproportionately affected by the transition. This is reinforced by the findings of a research project that the GLA undertook earlier this year that examined the impact of the transition to a net-zero carbon and circular economy would have on London's labour market.

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Commentary

This report is the first comprehensive piece of research to examine green skills and jobs provision in London, and the Sub-Regional Partnerships deserve credit for their leadership in delivering a much-needed analysis. The new definition of green jobs should allow boroughs to come together around a single definition of the green economy, which in turn can drive programmes of support into these sectors.

The projection that the green economy could more than double by 2030 is positive news in providing confidence that the target set by the London Recovery Board's Green New Deal mission can be met and to skills providers to invest in developing the necessary provision required to educate and upskill the workers needed.

Four sectors will power the vast majority of this growth: Green finance, homes and buildings, low carbon transport, and power. The green finance sector is less likely to need local government support to expand due to factors such as a strong financial industry and investor engagement; others sectors have a strong overlap with London Councils' climate programmes, notably Retrofit London, Low carbon transport and Renewable Power for London, and the Green Economy Programme led by LB Hounslow.

Boroughs can utilise this research as well as The Data City industrial classification tool to further develop and provide support for their own green skills efforts and plans.

However, such an ambitious recovery and growth effort to transform London's economy raises challenges around ensuring that the transition from carbon-intensive jobs to more low-carbon and green is just and inclusive.

Significant numbers of jobs from high-emission sectors could be eliminated and replaced with others supporting greener sectors of the economy, which are more likely to affect poorer and diverse Londoners negatively.

It is imperative that the transformation and generation of new green skills and jobs helps to reduce the plethora of existing inequalities within London rather than continue to widen

them. London Councils will use this research to inform our collaborative work with the GLA, Sub-Regional Partnerships, boroughs, and learning providers. This includes adopting a common working definition of green jobs and developing a common understanding of the opportunities and challenges across London to play our part in supporting the growth of the green economy, enabling a just transition, and achieving net-zero.

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Links:

[WPI Economics Report on Green Jobs and Skills in London](#)
[Government Net Zero Strategy](#)
[London Councils Retrofit London Housing Action Plan](#)
[GLA Analysis of the Impact of Just Transition](#)

This member briefing has been circulated to:

Portfolio holders and those members who requested policy briefings in the following categories: Environment, Economic Development