

Meeting note – Heat in Buildings Skills and Supply Chains Round Table Discussion Held on 21 February 2024

Attendees

Scottish Government

- **Partick Harvie MSP (PH)**, Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights
- [redacted], Private Secretary, Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights
- **Catherine Williams (CW)**, Deputy Director, Heat in Buildings Delivery Division
- [redacted], Team Leader, Heat in Buildings Skills and Supply Chains
- [redacted], Senior Policy Officer, Heat in Buildings Skills and Supply Chains

External

- **Steve Anderson (SA)**, Managing Director, Aberdeen Training Centre
- **Jennifer Phin (JP)**, Managing Director, A.C. Whyte & Co. Ltd.
- **Liam Donaghy (LD)**, Owner, Boiler Genie
- **Steve Petrie (SP)**, Regional Director for Skills, British Gas
- **Jennifer Smart (JSm)**, Head of Sustainability, Built Environment – Smarter Transformation (BE-ST)
- **Josiah Lockhart (JL)**, Chief Executive, Changeworks
- **Mike Thornton OBE (MT)**, Chief Executive, Energy Savings Trust
- **Jim Brown (JB)**, Director, Energy Skills Partnership (ESP)
- **Stacey Dingwall (SD)**, Head of Policy and External Affairs (Scotland), Federation of Small Businesses
- **Ken Gordon (KG)**, Chief Executive Officer, Ground Sourced Heat Pump Association
- **Russell Dean (RD)**, Residential Product Group Director, Mitsubishi Electric
- **Stephanie Lowe (SL)**, Deputy Chief Executive, The Scottish and Northern Ireland Plumbing Employers' Federation (SNIPEF)
- **Victoria Matthews (VM)**, External Affairs and Policy Manager, Vaillant

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Meeting note

- PH welcomed everyone to the meeting and provided an overview of the Scottish Government's Heat in Buildings ambitions, highlighting the current consultation on proposals for a future heat in buildings bill and encouraged participation.
- All attendees provided short introductions.
- PH opened discussions with an ask of attendees to provide their perception of the current opportunities and challenges facing Scotland's supply chains and the clean heat market.

Policy/ Certainty

- Initial discussions focused around the need for certainty for our transition. Attendees agreed that in the absence of sufficient certainty, appetite for investment and supply chain development will be limited. It was felt that Scottish Government have an opportunity to provide this certainty through the proposed regulatory framework.
- Significant changes, such as the UK Government's change to their net zero policy in September 2023, causes uncertainty which negatively impacts on supply chains appetite to invest and develop. For example, since the announcement, Vaillant has seen a drop in uptake for their low carbon training programme.
- Conversely, the Warmer Home Scotland (WHS) scheme, which has a 7 year commitment, has instilled confidence and helped stimulate supply chain investment and development.
- Certainty and realistic targets are essential to attracting supply chains to locate in Scotland.
- The decoupling of energy prices was also referenced as a key driver to increasing the uptake of clean heating systems but attendees recognise that this sits outwith devolved powers of the Scottish Government.

Communication/ engagement

- Attendees felt that current communication is complex and limits engagement, for example it is much easier for installers and consumers to understand negative media stories on clean heating installation than policy communications. Consumers rely heavily on experienced heating engineers as a guiding voice for the transition and there is often a negative message being communicated through this channel.
- PH noted the challenges in the landscape and cited a number of occasions he has engaged with consumers who have been interested in clean heating systems only to be deterred by their heating installer.
- PH highlighted the need to avoid negative communication and better utilise energy suppliers to support the communication of our transition to consumers.
- There is a need to make technologies and improvements attractive to consumers, but this will take time similar to the transition to electric vehicles.

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Training

- Concerns were raised around the training provision currently available in Scotland. Currently, heating apprentices are required to go through the SVQ Heating and Plumbing apprenticeship which has a wide focus and a small selection of optional modules dedicated to renewable technologies. SNIPEF/ SDS/ SQA are currently reviewing the qualification with the intention to make the renewable training modules mandatory. The Scottish Government's Low Carbon Skills grant was welcomed and seen as a positive incentive to ensure apprentices complete their renewable heating modules.
- In England a specific apprenticeship dedicated to low carbon heating is now available. KG viewed this approach as a necessity to ensure sufficient time is dedicated to learning the skills to install clean heating systems.
- In terms of upskilling, concerns were raised by a number of attendees on the suitability of short training courses and if this provided enough time and support for heating engineers to become competent in installing clean heating systems.
- Scottish Enterprise's workplace innovation pilot scheme was a welcomed programme to support training, however more flexibility is required to allow this to be accessible to smaller businesses within the supply chain. Expansion of this programme would provide welcomed support to the supply chains to develop skills.
- Current training infrastructure in colleges needs investment however this is deprioritised due to lack of demand for this training. With limited public sector budgets, it is difficult to justify investment in college facilities and investment in their workforce to carry out CPD training without a demand.
- Apprenticeships were noted as a key pathway to creating the skilled workforce for the future, however, the number of apprentices has declined in recent years due to lack of funding and certainty of availability of work.

Skills

- SP raised concern with the skills capacity for installing heat networks, referencing large gaps in the current supply chain. This has also resulted in a lack of connection between supply chain tiers due to many contractors coming from overseas.
- In addition there is a perceived polarisation within the clean heat and energy efficiency sector with the need for better skilled individuals to carry out building assessments and provide advice. The sector is currently dominated by either architects who provide recommendations on the fabric measures and manufacturers who provide recommendations and advice regarding the heating systems. There needs to be a skilled middle tier that can advise on the whole house approach. This is an area British Gas are looking to fill with their own workforce.
- PH noted the current offer that is available through HES advice services to support the whole house approach and provide independent advice to consumers.
- JSm shared view that the process for decarbonising a whole building should be the main focus as opposed to focusing on individual technologies and measures and queried if PAS2035 could be a solution to address this.

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Funding

- Current funding is not sufficient to incentivising upskilling in the sector. Previous schemes like the National Transition Training Fund was successful because it was flexible and targeted specific sectors but, the short timeframe that it was delivered in reduced its impact. Appropriate funding for upskilling should be available to all sizes of businesses and have significant longevity for installers to see the commitment.

Key aspirations

- A review of the support provided to apprentices, including looking at how we use procurement to better support apprenticeships. CW referenced WHS as an example of a contract with conditionality on providing support for apprentices throughout the duration of the contract.
- Procurement could be utilised to better support smaller businesses who are currently limited in their ability to bid and successfully win contracts. JL highlighted that in the Highlands and Islands only one insulation supplier is set up to fit into procurement contracts due to the frameworks in place.
- The work being taken forward by Mr Dey, Minister for Higher and Further Education and Minister for Veterans following the Withers review is welcomed and is seen as a key opportunity to better shape the skills system including; ensuring that apprenticeships are employer led.
- Continuation and expansion of Scottish Enterprise's workplace innovation fund should be considered given its potential to positively support upskilling in the sector. Thought should also be given to making this fund more accessible to smaller organisations.
- Continuation of the Low Carbon Skills Fund is required to ensure apprentices are incentivised to undertake renewable heating training modules.
- More continuity is required across Government programmes and messaging should be consistent. An example would be ensuring the ambition and work for heat in buildings is consistent within the work and messaging in the just transition plans.
- Attendees encouraged Scottish Government to commit to implementing an appropriate and ambitious regulatory framework. Resistance will be present regardless of the future pathway away from fossil fuel boilers but attendees were confident the sector would adapt similarly to when the change to condensing boilers were made.
- KG raised an opportunity to develop skills through the construction of new build houses. With the new build regulations coming into force and the requirement for clean heating systems to be installed, this could present an opportunity for installers to collaborate with developers to develop their skills and carry out installs.