

Press Release from the Insulation Industry Forum
**Open letter to Ed Davey warns of 16,000 job
losses in insulation industry**

10th October 2012. For immediate release

A coalition representing over 70% of the UK's £700m insulation industry has written to DECC Secretary of State Ed Davey MP to warn that 16,000 jobs in the industry are under threat in the next year – based on his Department's own figures.

DECCs figures indicate an:

- 87.5% reduction in the loft insulation market
- 57% reduction in the cavity wall insulation market
- 16% drop in the solid wall insulation market

The losses come from the gap between the ending of the existing subsidy schemes for cavity wall solid wall and loft insulation, and the Green Deal and ECO becoming fully functional. This will seriously impact on the continuity of work and number of cavity wall, loft insulation and solid wall jobs undertaken from the 1 January 2013. As a result of this gap, 16,000 (45%) of jobs in the insulation industry, the majority of which will be in loft insulation and cavity wall insulation will be lost in 2013. The lack of any transition planning will also stifle and restrict investment and job creation in solid wall insulation which is necessary to transform the market in order to meet Government carbon targets.

The Forum predicts that the closure of loft and cavity wall insulation manufacturing plants and loft and cavity wall insulation installation contractors going out of business, with employee numbers reduced by 45% from 36,000 to 20,000 in 2013.

This will be combined with a lack of capability for the insulation installation industry to develop the training programmes and capacity necessary to deliver the ambitions for solid wall insulation market transformation.

Insulation Industry Forum spokesperson John Sinfield of Knauf Insulation said:

"The loft and cavity wall insulation installation industry will fall off a cliff in 2013.

"The policy by the current Government risks destroying businesses, putting 16,000 people out of work and undermining the Coalition's green ambitions for the country.

"It will result in a lack of continuity of work from 1st January 2013 and dramatically fewer insulation installations in 2013 – we predict 16,000 job losses, many of them before Christmas.

"We are calling on the Secretary of State to recognise the scale of the problem that is about to hit our industry and develop a set of measures to address the insulation gap and implement a suitable solution".

Supporting the Forum, Which? executive director, Richard Lloyd, said:

"Consumers tell us that rising energy prices are one of their biggest concerns. Lagging lofts and filling draughty cavity walls are relatively straightforward and low cost ways to reduce bills, so this warning about a drop in basic insulation work is clearly worrying. Even under the Government's current schemes it's estimated there are still just over 8 million homes that need their loft insulation topping up and 6 million homes that need cavity walls filled. With all of this still left to complete, the Government must ensure that support is available to get these jobs done."

ENDS

Notes to Editors

The Insulation Industry Forum is made up of a range of major installers, contractors and manufacturers, as well as leading trade bodies.

For more information contact:

Simon Benson on 07917301897
John Sinfield on 07921 108954

Below: Text of letter.

9th October 2012

Dear Secretary of State,

Although there are numerous positives to the Government's Green Deal and Energy Company Obligation (ECO), the Insulation Industry Forum, which represents more than 70% of the UK's £700m a year insulation industry is extremely concerned about the Government's plans for its implementation. The withdrawal of the existing subsidies ahead of Green Deal Finance and ECO coming fully on stream will put 16,000 people out of work in the industry over the next year – with many jobs going before Christmas, the majority of which will be in loft insulation and cavity wall insulation.

The Government's own Impact Assessment shows that the loft and cavity wall insulation installation industry will fall off a cliff in 2013, even while assuming all necessary Green Deal and ECO mechanisms are in place from January 2013.

This will have severe implications for our industry. With declining demand, loft and cavity wall insulation manufacturing plants will struggle to remain at capacity, and subsequently not be able to continue with their current investment levels. It will also stifle and restrict investment and job creation amongst solid wall insulation companies.

The Government's own figures suggest this will lead to an 87.5% decrease in the loft insulation market, a 57% drop in the cavity wall insulation market and a 16% drop in the solid wall insulation market. It will also prevent the Government from meeting its green commitments.

We are supportive of the Green Deal and ECO, which we want to succeed. We are therefore calling on the Government to recognise the real threat to thousands of jobs in our industry, and work with us immediately to develop a set of measures to address the insulation gap and implement a suitable solution.

Yours faithfully,

John Sinfield, Managing Director Northern Europe, Knauf Insulation

Richard Pemberton, Chief Executive Celotex

Tony Hardiman, Chair Cavity Insulation Guarantee Agency (CIGA)

John Garbutt, Marketing Director, Kingspan

David Robson, Director InstaGroup

Thomas Heldgaard, Managing Director Rockwool UK

Alex McLeod, Chief Executive - SuperGlass

Eamon McDonnell, Managing Director Isover Saint Gobain

Padraig Barry, Managing Director Saint-Gobain Weber

Neil Marshall, Chief Executive National Insulation Association (NIA)

Andrew Warren, Director Association for the Conservation of Energy (ACE)