



FOR
YOUR
WORLD

WWF CASE STUDY

TRURO AND FALMOUTH

© Tim Woolcock / Shutterstock

SUMMARY

The government's pursuit of net zero carbon emissions by 2050 will benefit Truro and Falmouth greatly. The constituency boasts the home of ground source heat pump manufacturer and installer, Kensa Group, which commands an almost 50% market share. Under the government's proposals the heat pump industry is expected to grow significantly in the coming decades bringing numerous spill-over benefits to the area.

Extensive economic analysis has shown the benefits the green transition will bring to the constituency, including local job creation and investment in local infrastructure.

A green transition in Truro and Falmouth will:



**CREATE
1010 - 1090 LOCAL JOBS**



**SECURE £1,200 MILLION
IN LOCAL INVESTMENT AND £4,800
MILLION OF GREEN REVENUE**



**SEE £1,360 - 1,640 MILLION
TOTAL GROSS VALUE ADDED TO
THE LOCAL ECONOMY**

WWF-UK's [Net Zero Delivery Tracker](#) applied to government spending and taxation, will help ensure that Truro and Falmouth secures the considerable benefits of the green transition.

BACKGROUND

The constituency of Truro and Falmouth was created in 2010 and has been won by the Conservatives at each of the four general elections since. While in 2010 it was the Liberal Democrats who came a close second, in 2017 and 2019 it has been Labour in second place. It is considered to be a 'Blue Wall' seat having voted to 'remain' in the 2016 referendum (54.1%) and having an above average population of degree holders (31.7%).

Truro and Falmouth is home to The Kensa Group, which manufactures and installs ground source heat pumps (GSHPs). Kensa has around a 45% market share of all GSHPs installed in the UK. In 2020 the company occupied a new, purpose-built manufacturing and office facility capable of producing 30,000 GSHPs every year.

The UK government has set an aim to increase the number of heat pumps installed each year 600,000 by 2028, and through its Boiler Upgrade Scheme is offering households and small businesses a £6,000 grant for installing a GSHP. This provides a strong foundation for companies like Kensa to grow. Truro and Falmouth therefore tells a story of local investment in manufacturing supporting a nation-wide drive to decarbonise heating.

**TRURO AND FALMOUTH
IS HOME TO THE
KENSA GROUP, WHICH
MANUFACTURES AND
INSTALLS GROUND
SOURCE HEAT PUMPS**



NET ZERO OPPORTUNITIES

Potential economic benefits from Net Zero investment

Total investment to 2050	£1,200 million
Potential investment from GSHPs	£4,800 million
Direct GVA	£730 million - £870 million
Total GVA	£1,360 million - £1,640 million
Job creation	1,010 - 1,090

Breakdown of jobs created in Truro and Falmouth

Manufacture of GSHPs	420
Decarbonising Surface Transport	280 - 340
Decarbonising Residential Buildings	170 - 260
Decarbonising Non-Residential Buildings	130 - 200

FOR TRURO AND FALMOUTH, THE GREEN TRANSITION OFFERS THE AREA THE CHANCE TO BE AT THE FOREFRONT OF THE NATIONAL DRIVE TOWARDS INCREASED USE OF HEAT PUMPS

GROUND SOURCE HEAT PUMPS

For Truro and Falmouth, the green transition offers the area the chance to be at the forefront of the national drive towards increased use of heat pumps. Through widespread public uptake, and the government's target of 600,000 heat pump installations a year, Kensa Group's 45% market share puts the constituency in line to benefit massively. The Climate Change Committee anticipates that as deployment of green heating technologies increases, the costs will fall rapidly. In a rapidly growing market for heat pumps, Kensa Group, and the Truro and Falmouth area will reap the rewards of a booming industry.

LOCAL BENEFITS OF DECARBONISING TRANSPORT

Transport is the biggest sectoral source of CO₂ emissions in the UK, accounting for around one-third of total emissions¹. Between now and 2050, around £50bn will need to be invested in new transport infrastructure to deliver the net zero target, but this cost will be more than offset by savings made as electric vehicles (EVs) are much more efficient to run.

¹ BEIS, 2021 UK greenhouse gas emissions, provisional figures, 31 March 2022

The Autumn 2021 Budget and Spending Review provided £620 million to support the uptake of EVs and £817 million for the electrification of UK vehicles and their supply chains². These welcome investments were partially offset by high-carbon policies such as reducing air passenger duty for domestic flights which drive up emissions. Implementing WWF-UK's Net Zero Delivery Tracker (explained in detail below) would help government avoid policies that increase emissions or balance them out by delivering more ambitious emissions reductions elsewhere in the Budget.

Truro and Falmouth will benefit from **£520 million of investment in low carbon transport by 2050**. Around three-quarters of this will relate to personal forms of transport such as cars, vans and motorcycles. Total surface transport investment will include both public investment (including on deployment of public charging infrastructure) and private expenditure (such as for purchase of vehicles³). Helping to significantly improve connectivity and mobility in the constituency. This investment will create an estimated 280 to 340 local jobs.

LOCAL BENEFITS OF DECARBONISING HOUSING

Changes to the housing and non-domestic building stock will be a big part of the adjustments that the public sees as we target net zero. This will include retrofitting existing homes to improve their energy efficiency and install low carbon heating options such as heat pumps. New-build homes in the constituency will need to be future proofed and zero-carbon ready.

The Autumn 2021 Budget and Spending Review provided £3,900 million to decarbonise buildings and make homes warmer and more environmentally friendly⁴. This was welcome investment, but came in a package of announcements that WWF-UK's Net Zero Delivery Tracker (explained in detail below) found did not do enough to put the UK on track for net zero.

Investing in buildings in line with the net zero target would not only make homes warmer and lower bills, it would also create local employment and grow the local economy. In Truro and Falmouth, improvements to housing in line with climate targets will require investment of £390 million in residential housing and £300 million to non-domestic buildings. This investment will create an estimated 300 to 460 local jobs.

**INVESTING IN BUILDINGS
IN LINE WITH THE
NET ZERO TARGET
WOULD NOT ONLY
MAKE HOMES WARMER
AND LOWER BILLS, IT
WOULD ALSO CREATE
LOCAL EMPLOYMENT
AND GROW THE LOCAL
ECONOMY**

2 HM Treasury, Autumn Budget and Spending Review 2021, October 2021

3 CCC, The Sixth Carbon Budget, December 2020

4 HM Treasury, Autumn Budget and Spending Review 2021, October 2021

CONCLUSION

The world needs to decarbonise to tackle climate change - but making these changes will deliver real local benefits too. This briefing outlines why supporting the net zero transition will have significant and tangible economic benefits in Truro and Falmouth, particularly as it looks to harness the growth in the heat pump market.

Reaching net zero will require significant investment from the public and the private sector. In many cases, as has been seen for example in the offshore wind sector, early public sector investment will help leverage in private sector capital.

This will require government policy to incentivise the big changes needed across the economy in industry, power, buildings, transport etc. These policies will typically be announced by government at set piece events such as Budgets and Spending Reviews. Government should be transparent at each of these occasions as to whether the policies they announce are commensurate with the trajectory for emissions reductions proposed by the Climate Change Committee and legislated for by Parliament in the five-yearly Carbon Budgets.

WWF is calling for the government to apply a Net Zero Delivery Tracker to all spending and taxation decisions in Budgets and Spending Reviews. This will ensure that areas such as Aberavon receive the significant local benefits of the green transition identified in this note, including job creation, improved local infrastructure and faster economic growth.