

Policy Position:

CLEAN & GREEN GROWTH

June 2020

ADEPT

The Association of Directors of Environment, Economy, Planning & Transport

POLICY POSITION: CLEAN & GREEN GROWTH KEY MESSAGES

- As we look to get the economy back on its feet post Covid-19, future economic growth must be resilient and green – we need to ‘build back green’, to both create jobs and build resilience against future shocks. Policies must be clear, ambitious and owned across government in order to achieve this. Above all, pace and scale are critical.
- The key principles of clean growth are to cut greenhouse gas emissions, reduce the use of finite natural resources, support the development of carbon sequestration, low/zero carbon and climate resilient technologies and industries, and develop a circular economy.
- Clean growth can protect and enhance the environment, and improve public health and wellbeing, while delivering economic benefits. Widespread behaviour change in response to government action to contain Covid-19 offers a huge opportunity to accelerate and deliver clean growth ambition.
- Finance must be aligned to support this – public and private investment must incentivise and enable clean growth. Business cases must demonstrate the priority of clean growth and the contribution to cutting emissions. This imperative must be reflected across all government departments and agencies. The Government must provide national leadership, with support and resources for local actions.
- Councils (including combined authorities) have a pivotal role to play in reducing emissions from their own operations and regulatory powers, and in influencing emissions within the wider local area through their programmes, policies, procurement and supply chains. As place shapers, councils also provide leadership in their areas, engage with local communities and businesses, and make connections across boundaries.
- Local industrial strategies must prioritise the shift to a low carbon economy and plan for the green skills needed to achieve this, while supporting an ambitious research and innovation agenda. It is critical that delivering clean and green growth in the UK is not at the expense of increased emissions in other countries (i.e. embedded carbon).

In the UK, clean growth sits at the centre of the Industrial Strategy as one of four ‘grand challenges’. The Government claims that the UK has led the world in taking action to tackle climate change and protect the environment from the Climate Change Act 2008 through to the present day. The Clean Growth Strategy was published in October 2017:

‘Clean growth means growing our national income while cutting greenhouse gas emissions. Achieving clean growth, while ensuring an affordable energy supply for businesses and consumers, is at the heart of the UK’s Industrial Strategy. It will increase productivity, create good jobs, boost earning power for people right across the country, and help protect the climate and environment upon which we and future generations depend’.

The Clean Growth Strategy sets out the Government’s commitment to a clean and low carbon future, describing it as one of the ‘greatest opportunities of our time’. Although it is still a small proportion of the UK economy, the low carbon and renewable energy (LCRE) economy is growing four times faster than the traditional economy, both in terms of value and workforce. The environmental and community benefits include cleaner air, enhanced natural capital, warmer houses and better health.

The Clean Growth Strategy includes key policies and proposals to:

- **Accelerate clean growth – develop world leading green finance capabilities**
- **Support businesses to improve their energy efficiency**
- **Improve the energy efficiency of our homes**
- **Accelerate the shift to low carbon transport**
- **Deliver clean, smart and flexible power**
- **Enhance the benefits and value of our natural resources.**

The Strategy makes little mention of the role of local government in delivering clean growth. However, in a section on leading in the public sector there is the recognition that:

‘Moving to a productive low carbon economy cannot be achieved by central government alone, it is a shared responsibility across the country. Local areas are best placed to drive emission reductions through their unique position of managing policy on land, buildings, water, waste and transport. They can embed low carbon measures in strategic plans across areas such as health and social care, transport, and housing. The Government recognises the importance of anchoring economic growth in the strengths of local areas. Indeed, each local area will be responsible for coordinating its own local industrial strategy in alignment with the national Industrial Strategy’.

The Government set up the Green Finance Taskforce, which published its report Accelerating Green Finance in 2018, leading to the establishment of the Green Finance Institute. The Green Finance Strategy was published in July 2019, coinciding with the first London Climate Action Week and following the high-profile announcement by the UK Government the previous week to legislate to achieve net zero greenhouse gas emissions by 2050 – the first major economy to do so. Together with the rising prominence of the climate emergency debate and the declaration of a Climate Emergency by many local authorities, clean growth has been an increasingly important priority. The Treasury’s Net Zero Review was launched in November 2019. The All-Party Parliamentary Group on Sustainable Finance was launched in 2020, to provide a forum for the finance sector and the energy industry to meet with parliamentarians to discuss the policy and regulatory framework needed to unlock sustainable finance.



Clean and green growth – opportunities and challenges

As we look to get the economy back on its feet, post Covid-19 and thereafter, all economic growth must be resilient and green. We need to ‘build back green’ to both create jobs and build resilience against future shocks. Clean growth delivers economic benefits, innovation and new skills as well as a range of co-benefits to protect the environment and improve public health. All policy must be seen through this lens – focussed on cutting greenhouse gas emissions, reducing the use of finite natural resources, supporting and enabling the development of new low/zero carbon and adaptive technologies and industries, and a circular economy.

The move to cleaner economic growth – through low/zero carbon technologies and the efficient use of resources – is seen as one of the greatest industrial opportunities of our time. The Committee on Climate Change commissioned a report on UK business opportunities, which concluded that the low/zero carbon economy could grow at four times the rate of GDP. They foresee a future where whole new industries will be created, and existing industries transformed, covering power generation, transport, heating, industrial processes and agriculture. The scale and pace of these changes means that their impact will be felt by businesses throughout the economy and will involve the reallocation of trillions of pounds of public and private investment.

Clean growth brings other benefits in terms of environment and health. The Clean Growth Strategy sits alongside the 25 year Environment Plan with objectives including clean air and water, thriving plants and wildlife, a reduced risk of harm from environmental hazards such as flooding and drought, and efficient resource management, alongside tree planting and the restoration of degraded landscapes. There are also multiple health benefits to be gained from the transition to a net zero carbon economy, improving both physical and mental health through a shift to more active travel, warmer homes, and better green spaces. For example, the co-benefit of cutting transport emissions is cleaner air, which has an important effect on public health, the economy, and the environment.

Councils can play a key part in driving clean growth in their areas through their roles in planning, transport, housing, economic development, and public health. They are in a unique position to be able to identify opportunities to make connections across boundaries, sectors and organisations, provide political leadership for clean growth initiatives, and engage with residents and communities. Councils are also leading their communities in developing resilience and adaptation to the unavoidable impacts of climate change. Councils can use their spending power and estates to help drive market change, using their commissioning and procurement to green their supply chains.

One of the main challenges for the scale and pace of the transition is finance. Finance and funding are currently complex, often coming from more than one organisation including public, private and community-based sources. They need to be simplified and based on much longer-term returns on investment to allow for innovation, and to accommodate the challenges of an ageing public sector estate. Funding from offsetting of new developments striving to be net zero should be maximised and used to retrofit existing infrastructure. **To attract maximum investment, new infrastructure must be multi-functional addressing economic, social, health and environmental challenges and creating opportunities to be able to provide the widest range of benefits possible.**

Government leadership – as well as adequate, accessible finance, there is a need for a stable policy framework that is aligned at all levels: national, regional and local. Clean growth must be prioritised across government departments and agencies. Government must provide leadership and a governance framework that requires and facilitates co-operation between tiers, agencies, and the private sector.

Resilience – clean growth must go hand in hand with supporting existing communities to become net zero and climate resilient; 80% of the buildings we will have in 2050 are already built. We must support retrofitting and behaviour change and enable the appropriate adaptation to climate change impacts that are already occurring.

Place shaping – we need more homes, but this is not just about numbers. New development must be well built, smart and connected and underpinned by low carbon and green infrastructure. There must be a fundamental shift from buildings and developments to connected places and communities. This must be enabled by a parallel move from individual road transport to a greater use of technology to reduce the need to travel and a rapid increase in public transport, walking, cycling and alternative fuelled vehicles. Additionally, there needs to be more low carbon heating networks and renewable energy generation.

What ADEPT is doing and will do

- Building on our Strategic Plan, clean growth is central to our proposals for economic recovery and renewal from Covid-19. It runs through our three strategic priorities of place-based funding, communities and infrastructure, and environment and climate change. We will lobby Government to ensure that the national approach to Covid-19 economic recovery is about wider place shaping and green economic renewal, whilst providing effective local partnerships and leadership.
- We will look to join up with all aspects of Covid-19 recovery and renewal within the public sector (including ADASS, ADCS, ADPH, LGA and the LEP Network).
- We will work with a coalition of public sector and green organisations to develop a blueprint for accelerating climate action and green recovery at the local level, and set out immediate priorities for building back better and setting the foundations for a net zero carbon future.
- We will continue to share best practice case studies, tools, articles and advice via our website, including information and guidance (policy/practical) to enable members to deliver broader socio-economic renewal and place shaping plans in their localities.
- In addition, we will take a Live Lab demonstrator approach to testing new ways and means of working to drive clean growth at scale and pace across local places. We are working with one of our corporate partners to develop a national programme of post-Covid-19 green economic restart Live Lab sites, and will seek backing for this from the relevant government departments.
- We will develop a clean/zero growth commissioning and procurement checklist for Place Leaders, in partnership with our various partners, as a tool to help them identify and focus on clean growth issues as they work through commissioning and procurement processes. Buying low carbon is an important way to deliver low/zero carbon regions.
- Our ongoing work programme on climate change includes parallel conversations with our members, our corporate partners and our civil society partners to identify common ground and priorities for future action and shared policy asks. We published our Climate Change Policy Position in June 2019.
- The Energy Working Group will continue to deliver internal and external workshops and conference sessions on energy efficiency and clean growth.
- We are reviewing skills in the sector, both within the council workforce and the wider supply chain, to identify reskilling/retraining gaps and capacity issues and to work with partners and the Government to look at how these can be addressed.
- As part of our *Excellence in Place Leadership* thought leadership programme, delivered in partnership with one of our corporate partners, we held a workshop on green finance and have published a Green Finance Toolkit for Place Leaders.
- We will lobby Government to ensure that policy and spending decisions on strategic national infrastructure (energy, transport, housing) are consistent with clean growth principles.



Asks of Government

- Covid-19 economic recovery planning and financing considers the whole place system agenda and goes further than recovery into green economic renewal and transformation of economies and places.
- Government should review and update its Clean Growth Strategy within this new context to provide more detailed targets for decarbonising the key sectors and activities (energy, buildings, transport, industry, agriculture and land use), to commit to enacting an ambitious Environment Bill and Resource & Waste Strategy, and to mainstreaming green finance.
- The role of the Government in providing clear and ambitious cross-departmental leadership at a national level is crucial, now more than ever. Clean growth must be reflected across government and government-funded organisations at all levels, local to national. Local actions need national support and resourcing.
- To demonstrate this leadership and commitment, we call upon the relevant government departments – BEIS, Defra, MHCLG and HMT – to support and fund the Net Zero Live Labs proposition that ADEPT is developing.
- Strategic infrastructure (road, rail, housing, aviation) investment decisions and Treasury Green Book to prioritise reducing greenhouse gas emissions and adapting to climate change.
- The Shared Prosperity Fund to replace departmental silo funding streams with place-based funding allocations. Simplify funding and finance and ensure the Shared Prosperity Fund includes funding for clean growth and includes the ability to provide grants and finance to local businesses.
- Build more flexibility into SALIX funding including allowing longer term payback and some level of revenue payback during the life time of the loan.
- Duty for upper tier and unitary authorities to develop a strategic infrastructure plan to enable clean growth and link climate emergency activity, infrastructure needs (public and active travel, energy, digital connectivity) and local air quality plans.
- Require Local Industrial Strategies to align with the statutory national carbon budgets, and to put decarbonisation, climate adaptation and nature restoration at the heart of local economic and industrial development.
- Strengthen the duty to cooperate between local authorities, utilities, developers and private sector.
- Allow local authorities the ability to specify local companies (including SMEs) in procurement to reduce low carbon business miles and embedded carbon.
- Incentivise local authorities to have a pooled pot of business rates to fund public and active travel and alternative fuel vehicle infrastructure.
- Allow development of cross-area offsetting fund linked to planning that can address air quality and biodiversity net gain (linked to planning and development).

Asks of others

Local bodies such as Local Enterprise Partnerships (LEPs), Subnational Transport Boards (STBs) and Energy Hubs, alongside national agencies such as Highways England, will be important partners in delivering the clean growth agenda. We are keen to work with partner organisations to achieve the following:

- Highways England, Network Rail and Homes England to take local and national low/zero carbon strategies and plans into account when planning and delivering major new housing, rail and road schemes.
- LEPs and STBs to incorporate clean growth as a cross-cutting issue in local industrial and transport strategies through supporting low/zero carbon sector growth, investing in an ambitious research and innovation agenda, and working with businesses to be more resource efficient, reduce carbon and design out negative environmental impacts.
- LEPs to work closely with councils to bring forward local low/zero carbon energy infrastructure. Energy Hubs to support the LEPs and councils to deliver their local energy strategies.
- Business organisations and professional bodies to work with LEPs and councils on potential market opportunities for clean growth (including for export), with supply chain analysis to identify where there are capabilities and opportunities, and to identify the skills and resources needed.
- LEPs to prioritise identification and development of the skills needed to achieve clean growth and net zero carbon, and put UK businesses at the forefront of a low carbon transition. Local industrial strategies should aim to develop the skills needed to deliver clean growth. The major structural changes needed to move from high emissions activities to the low carbon economy require significant planning and investment in training and retraining.



- ADEPT members are the place-making strategists and policy shapers across top tier local authority areas
- ADEPT members are specialists, delivering services and sharing best practice across key sectors including environment, planning, housing, transport and economy
- ADEPT members design strategies for the future, taking communities beyond 2035
- ADEPT members operate in networks, cutting through boundaries to work with partners across the political, public, private and community sectors
- ADEPT members provide opportunities to develop new talent, supporting the Place Directors of tomorrow

ADEPT

The Association of Directors of Environment, Economy, Planning & Transport

www.adeptnet.org.uk

