



## ECONOMIC DEVELOPMENT AND CLIMATE CHANGE

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### INTRODUCTION AND PURPOSE

The recently published Stern Review<sup>1</sup> has set out a key challenge for central and local government in terms of the economic impact that climate change will have on the local, national and global economy.

The review demonstrates that ignoring climate change will damage economic growth. At its heart is the concept that tackling climate change is the pro-growth strategy for the longer term, with Stern and his fellow author's arguing that it can be done in a way that does not cap the aspirations for growth of rich, or poor, countries. The earlier effective action is taken, the less costly it will be. Without action to address climate change, over the coming few decades we risk major disruption to economic and social activity, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century, and it will be difficult or impossible to reverse these changes.

As such, the purpose of this research is to identify to what extent the Stern Review and mitigation of the effects of climate change are influencing or should influence economic development activity in the UK, at the national, local and regional level. This research assesses the strategic lead played by economic development departments on climate change strategies, and wider corporate environmental sustainability policies. It is also designed to assess the extent to which economic development departments are involved in taking action to reduce the impact of climate change on business activity as well as highlighting and promoting the economic benefits that can be gained from taking action, e.g. resource consumption and developing new energy technologies. It will also look at the role that economic development, together with spatial planning is playing in reducing the impact of climate change on the economy of the UK.

In order to do this, this rapid research will:

- explore the issues surrounding climate change from a global perspective, including looking at international targets that the UK has agreed to;

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<sup>1</sup>Stern, Nicholas (2006), *The Economics of Climate Change*, HM Treasury, London: [http://www.hm-treasury.gov.uk/independent\\_reviews/stern\\_review\\_economics\\_climate\\_change/stern\\_review\\_report.cfm](http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm)

- ❑ consider the findings of the Stern Review, including the relevance and consequences of the report for local government, and look at how the RDAs are responding to the review's findings;
- ❑ examine the wider governance and policy responses surrounding the mitigation and prevention of the effects of climate change, including the Nottingham Declaration, the 2003 Energy White Paper, the Local Government Bill, the forthcoming Climate Change Bill; changes to the planning system; and other more localised policy and governance responses; and
- ❑ explore local responses to the agenda.

## METHODOLOGY

This research has involved the following three methods:

- ❑ A policy and literature review to examine current and forthcoming governance and policy responses to climate change, at the international, national and local levels;
- ❑ Interviews with five local authority officers to determine the level and depth of activity with their authority and the strategic input of their economic development team to wider climate change mitigation activity;
- ❑ A case study of a local authority that has made adjustments to its economic development policies in the light of the threat posed by climate change to economic development, and more widely.

## THE STERN REVIEW<sup>2</sup>

The Stern Review was set in motion in 2005, with the intention of assessing the economics of moving to a low-carbon global economy as well as exploring timescales for action, and the choice of policies, mechanisms and institutions for reducing net emissions. To do this the Review consulted stakeholders to examine the evidence on energy demand and

economic growth as well as the economic, social and environmental consequences of climate change. It also sought to explore the potential of different approaches to adaptation to the changes in the climate; and sought to consider any specific lessons for the UK, in the context of its existing climate change goals.

The Review noted that average global temperature would rise by 2 - 3°C within the next fifty years or so. This warming will have many severe impacts, often associated with water, including; flooding and reduced water supplies and increasingly vulnerable ecosystems. It will also result in increased deaths from starvation, malnutrition and heat stress, and more widespread vector-borne diseases, such as malaria. To determine the costs and benefits of action to reduce the emissions that cause climate change, the Review considered the physical impacts of climate change on the economy, on human life and on the environment and used economic models to estimate the economic impacts of these, comparing the cost of action against the cost of doing nothing.

From all perspectives, the evidence gathered by the Review led to one simple conclusion: the benefits of strong, early action considerably outweigh the costs of not doing anything. The Review found that mitigation - taking strong action to reduce emissions - must be viewed as an investment, a cost incurred now and in the coming few decades to avoid very severe consequences in the future. It found that if investments are made wisely, the costs will be manageable, and there will be a wide range of opportunities for growth and development.

Central to this Review, is the idea that the challenge of climate change also presents a unique challenge for economics: it is the greatest and widest-ranging market failure ever seen. The economic analysis must therefore be global, deal with long time horizons and have the economics of risk and uncertainty at its heart. This is a key feature of the Stern Review. To meet these challenges, the Review draws on ideas and techniques from most of the important areas of economics, including many recent advances. Later in this report we will unpack

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<sup>2</sup> Stern, Nicholas (2006), *The Economics of Climate Change*, HM Treasury, London: [http://www.hm-treasury.gov.uk/independent\\_reviews/stern\\_review\\_economics\\_climate\\_change/stern\\_review\\_report.cfm](http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm)

how these findings are influencing the activity of a range of local and regional partners. First, however, it is necessary to look at the international and national policy context within which the Stern Review sits.

## NATIONAL POLICY, TARGETS AND AGREEMENTS

The UK is currently required via the Kyoto/Burden Sharing Agreement to cut greenhouse gas emissions by 12.5% by 2008-12, against the 1990 base year. Additionally, the Government has set the national target of a 20% CO<sub>2</sub> emission reduction by 2010, again against the 1990 rate. In 2003, the UK *Government's Energy White Paper*<sup>3</sup> set an aspiration for the UK to reduce carbon emissions by 60% and create a low carbon economy by 2050, accepting the recommendations of the Royal Commission on Environmental Pollution (RCEP)<sup>4</sup> of a need to stabilise greenhouse gas emissions, with real progress on the path to 60%, evidenced by 2020.

The existing UK Climate Change Programme<sup>5</sup> combines both regulatory and obligation based measures with fiscal and support measures to place the UK on a path to reduce carbon emissions by 60% by 2050 through a combination of energy efficiency in the short term and renewables in the long term. In 2006, the Government published a review of the UK Climate Change Programme.<sup>6</sup> This was followed in July 2006 by the publication of the Government's Energy Review,<sup>7</sup> a major review

of progress in achieving the UK's four long term goals for energy policy:

- ❑ To put the UK on a path to cut our carbon dioxide emissions by some 60% by about 2050, with real progress by 2020;
- ❑ To maintain reliable energy supplies;
- ❑ To promote competitive markets in the UK and beyond, helping to raise the rate of sustainable economic growth and to improve our productivity; and
- ❑ To ensure that every home is adequately and affordably heated.

Additionally, in March 2007, the Government published its draft *Climate Change Bill*.<sup>8</sup> The Bill will establish an independent body, the Carbon Committee, to work with Government to reduce emissions over time and across the whole of the economy. It will put in place new emission reduction measures and improve monitoring and reporting arrangements, including implementing the publishing of a carbon budget every 5 years. At the same time it will be mindful of sectoral and competitiveness impacts, including the need to secure energy supplies at competitive prices. The key points of the draft bill are:

- ❑ A series of clear targets for reducing carbon dioxide emissions - including making the UK's targets for a 60% reduction by 2050 and a 26% to 32% reduction by 2020 legally binding.
- ❑ A new system of legally binding five year "carbon budgets", set at least 15 years ahead, to provide clarity on the UK's pathway towards its key targets and increase the certainty that businesses and individuals need to invest in low-carbon technologies.
- ❑ A new statutory body, the *Committee on Climate Change*, to provide independent expert advice and guidance to Government on achieving its targets and staying within its carbon budgets.
- ❑ New powers to enable the Government to more easily implement policies to cut emissions.

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<sup>3</sup> DTI (2006) *Our energy future - creating a low carbon Economy*, Stationery Office limited, London <http://www.dti.gov.uk/files/file10719.pdf>

<sup>4</sup> Royal Commission on Environmental Pollution (2000), *Energy - The Changing Climate*, Stationery Office limited, London: <http://www.rcep.org.uk/energy.htm>

<sup>5</sup> Defra (2006), *The Climate Change UK Programme 2006*, Stationery Office limited, London: <http://www.defra.gov.uk/environment/climatechange/>

<sup>6</sup> Defra (2006), *The UK Climate Change Programme 2006*, Stationery Office limited, London: <http://www.defra.gov.uk/environment/climatechange/uk/ukccp/pdf/ukccp06-all.pdf>

<sup>7</sup> HM Government (2006), *The Energy Challenge*, DTI, London: <http://www.dti.gov.uk/files/file31890.pdf>

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<sup>8</sup> HM Government (2006), *Draft Climate Change Bill*, Stationery Office limited, London: <http://www.official-documents.gov.uk/document/cm70/7040/7040.asp>

- ❑ A new system of annual open and transparent reporting to Parliament. The Committee on Climate Change will provide an independent progress report to which the Government must respond. This will ensure the Government is held to account every year on its progress towards each five-year carbon budget, and the 2020 and 2050 targets.
- ❑ A requirement for Government to report at least every five years on current and predicted impacts of climate change and on its proposals and policy for adapting to climate change.

## **AWARENESS**

All the local authority officers we spoke to were aware of the Stern Review, and the majority of officers felt that it was both important, as well as possible, to balance the demands of economic development with environmental demands of reducing the impact of climate change. All of the officers we spoke to were also aware of the Climate Change Bill currently passing through parliament and the targets attached to this. In addition, all those officers we spoke to were aware of the Nottingham declaration (for more information please see page, although not all were signatories to the declaration).

## **WHAT IS HAPPENING REGIONALLY?**

The Regional Development Agencies (RDAs) have been tasked with leading on the response to The Stern Review. As such Yorkshire Forward have pioneered Carbon Action Yorkshire (CAY). This is Yorkshire Forward's programme to accelerate development of a low carbon economy in the region. It will bring together the private and public sectors to cost effectively reduce carbon emissions in line with national and regional targets. The programme will also work with its partners to stimulate development and take-up of low carbon products and services. Thus using the challenge of climate change to promote and foster the development of new and emerging industries, and thereby enhancing the regional economy.

Alongside the commitment in the Climate Change Bill to cut UK carbon emissions by

60% by 2050, Yorkshire and Humber has set shorter term climate change targets, namely:

- ❑ the Regional Economic Strategy requires Yorkshire and Humber to cut greenhouse gas emissions by 20-25% by 2016; and
- ❑ the draft Regional Spatial Strategy requires Yorkshire and Humber to generate 10% of our grid connected electricity supplies from renewable sources by 2010, and 20% by 2021.

Carbon Action Yorkshire will work with partners to achieve these regional targets by securing carbon reduction commitments from, and improving the resource efficiency of, the region's major public and private sector organisations. It will also work with partners to move the region towards a low carbon economy through the development of new low carbon products, services, technologies, energy generation facilities and the use of carbon markets.

CAY will not replicate the existing business support programmes for innovation and environmental improvement but will work with organisations such as the Carbon Trust, Manufacturing Advisory Service, Business in the Environment and the Environmental Industries Unit of DTI/DEFRA to deliver carbon reductions innovation in low carbon products and services.

## **WHAT ARE LOCAL AUTHORITIES DOING?**

While the Stern Review takes an international perspective, its principal message that the cost of not addressing this threat is considerably greater than the cost of preventing it, has enormous relevance for national and local government. The premium on early and effective action in tackling climate change for local authorities is just as high as it is for other sectors.

In our interviews, respondents noted that, in particular, there were three key ways in which local authority economic development departments could play a role, these were:

- ❑ By reducing the impact of the local authority area, as a whole, on the climate and climate change
- ❑ By ensuring that businesses located within the local authority area are able to take advantage of changing technologies and be at the forefront of environmental business innovation
- ❑ To assist businesses to adapt and adjust to the impact of climate change, and to minimise the impact of climate change upon their activity and their business success.

### Nottingham Declaration on climate change

The declaration is a voluntary pledge to address the issues of climate change. It represents a high-level, broad statement of commitment that any council can make to its own community. The declaration was originally launched in October 2000 at a conference in Nottingham. Nottingham City Council and North Tyneside Metropolitan Borough Council were the first to commit themselves, and there are now over 200 local authorities signatories to this voluntary declaration, under which they are committed to working with central government to contribute, at a local level, to the delivery of the UK Climate Change Programme, including the Kyoto Protocol and the goal of reducing carbon dioxide emissions by 20% by 2010. The declaration is informal, as such there is no binding monitoring process, and as the declaration is non-statutory there are no sanctions if a council does not deliver on a particular aspect of the declaration. However, you are encouraged to set targets and publicise your achievements in order to maintain momentum and to motivate both staff and the community. The council recognised the challenge that climate change posed to local government and hosted a national conference in October 2000 (ten days before the UK's worst floods in fifty years).

As regards the role of local authorities it was felt that economic development teams were currently undertaking a number of activities related to mitigating the impact of climate change on the local economy, but the majority of this was in partnership with other

departments and organisations. A greater critical mass of activity was being undertaken by environmental or sustainability teams with local authorities. Similarly, the Cornwall LAA outcome to increase Cornwall's sustainable energy economy, reduce greenhouse gas emissions and reduce fuel poverty, rather than being contained within the *'economic development'* block of the LAA is contained with the *'Safer, Stronger and Sustainable Communities'* block. However, a number of the people we spoke to, felt that the priority given to climate change and economic development was likely to change over the coming year with the increasing development of the Climate Change Strategies and the publication of the Climate Change Bill.

For example, Newcastle City Council already has an internal energy efficiency programme and works with a range of partners to reduce both fuel poverty and cut carbon emissions in the wider community. This is set out in detail in the Council's *Energy Strategy*. The Council has also acknowledged that climate change is happening and is committed to producing a *Climate Change Strategy* for the Council, and also for the city, by Summer 2007. It is hoped that this approach will allow the lessons learned from developing the *Council's* strategy to be reflected in the development of the wider and a more complex citywide strategy. The development of the LDF and the *Sustainable Community Strategy* is also heavily related to Newcastle's role in mitigating the effects of climate change by addressing proximity and density of future physical development in the city, linking this to transport plans and a reduction in the reliance on the private car, and also improving the sustainability of homes built in the city.

Several of the authorities we spoke to were also Science Cities<sup>9</sup> and through this were strongly pursuing the development of new and renewable energy technologies as business and enterprise opportunities for the city as a way of tackling the effects of climate change. In the North East, this economic opportunity is a central plank of the Regional Development Agency's approach to tackling

<sup>9</sup> For example Newcastle Science City: <http://www.newcastlesciencecity.com/?&pageid=2>

the economic as well as environmental effects of climate change.

Flowing from the Science city programme in Manchester and also its bid to be the greenest city in England, the economic development service in Manchester is tasked with leading on a number of key areas of work relating to climate change, these are:

- ❑ Supporting green business advice through the green business pledge, although in Manchester the delivery of such advice is through partner organisations such as the Mersey Basin campaign, EnCams, Groundwork and the Environment Agency;
- ❑ Improving public transport and congestion management – feeding into the bid to the Transport Innovation Fund and also plans for congestion charging and the extension of the Metrolink light rail scheme.
- ❑ Increasing business innovation and development of environmental technologies and market opportunities. This is a key area for Manchester and is thought to be an area in which a big impact can be made, in particular through working with partners such as Manchester Knowledge Capital and the universities located within the city.
- ❑ Improved planning and land use – including cutting edge targets for new buildings
- ❑ Targets for reductions in CO<sup>2</sup> emissions, for which a baseline has just been established.

It was also felt by the interviewees that the political control had an influence on the extent to which climate change and the wider environment played a key role in all local authority activity. There was a feeling that, where this was a priority for elected members, it was a stronger corporate priority and was also more likely to feed into the development of Regional Spatial Strategies.

That said, not all of those we spoke to felt that the Stern Review was likely to influence their activity. This was either because they were already undertaking activity to address climate change from an economic development perspective or because it was outside of their remit and climate change is

better tackled from elsewhere within the authority. For some the Stern Review had provided a focus for existing activity, but had not actually resulted in a change of activity as regard economic development. For one authority, whilst their in house economic development service had not been transformed by the publication of the Stern Review, it was felt that it was a useful catalyst for future activity within economic development and for existing sustainability activity outside of the economic development department.

## **THE LOCAL GOVERNMENT BILL<sup>10</sup> AND LOCAL AREA AGREEMENTS**

The Government is committed to providing greater support for local government in the drive to combat climate change. The 2006 Local Government and Public Involvement in Health Bill provides a useful summary of current and future Government initiatives for assisting local government to reduce their impact on the climate. The most important aspect, and the most interesting, is the reinforcement of the commitment made in the 2006 Climate Change Programme that the set of 200 mandatory outcome based indicators in the new performance framework will have “an appropriate focus” on climate change. For both central and local government, the new performance framework, by identifying climate change as a key priority for local government, will enable local authorities to place this issue much higher up its agenda. However, there is little further guidance about how this might be achieved.

By requiring the mandatory indicators to focus on climate change, the Bill also encourages local authorities to include climate change outcomes in Local Area Agreements (LAAs), and many have already done so. For example, Leicester City Council has agreed indicators on energy efficiency of houses and council buildings. Indeed, of those people we spoke

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<sup>10</sup> For information on the progress of the Bill through Parliament and the text of the bill please see: [http://www.publications.parliament.uk/pa/pabills/200607/local\\_government\\_and\\_public\\_involvement\\_in\\_health.htm](http://www.publications.parliament.uk/pa/pabills/200607/local_government_and_public_involvement_in_health.htm)



to, the majority had climate change targets included within their LAA, however none had specific climate change targets within the economic development block or theme of their LAA, for example the number of businesses taking up environmental advice or energy efficiency advice. Those authorities working within the LAA framework felt that they would be freer to incorporate more climate change and economic development related targets in the future and some even predicted that this would be very likely.

Manchester City Council has a number of targets relating to climate change within and outwith the LAA. However, although some of these are explicitly related to the work of the economic development service they sit elsewhere in the LAA structure. This is because the LAA, as regards economic development, has remained very focussed on the issues of employment / worklessness, which the city regards as its number one economic development priority. In addition, and as the impetus behind the inclusion of these targets, Manchester has developed the Green Cities Programme<sup>11</sup>, this is a city council-wide scheme overseen by the Green Cities team within the Neighbourhood Services division. The Green Cities (Manchester) programme is Manchester's quest to become Britain's Greenest City and is based on the idea that *"the success of a city is based around different things; its social, economic and environmental well being"* and to continue Manchester's growth requires thought about *"a future that is sustainable"*.

Durham County Council has also been working both corporately and through its LSP to integrate economic, social and environmental issues into decision-making. The Durham County Community Strategy contains several themes and 12 challenges, and it was originally proposed that the Durham Local Agenda 21 (LA21) partnership should be the lead partnership for the environment theme. However, this was felt to be inappropriate

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<sup>11</sup> For more information on Manchester's Green City work please see:  
<http://www.manchestergreencity.co.uk/site/index.php?option=content&task=view&id=39&Itemid=63>

because of the need to treat economic, social and environmental priorities together. As a result, the LSP agreed that the LA21 partnership will undertake sustainability appraisals of all of the LSP's key decisions and initiatives through an innovative appraisal mechanism, employing the expertise of partnership members.

Under the programme, established in 2005, the LA21 partnership will undertake sustainability appraisals of the LDF documents produced by four district councils as well as the County Council's waste and minerals plans.

#### **Case Study: Nottingham city council**

Since kicking off the signing of the Nottingham Declaration, Nottingham City Council has not rested on their laurels. They have continued to push forward the agenda and taken action on climate change at the local level. In particular, strong links between economic development and climate change have been made and action is currently being taken to mitigate the effects climate change has on the economy of the city.

Last September the policy lead on sustainability transferred from the Chief Executives Department to the Economic Development Department and the Service Director for Economic Development is the lead officer for sustainability across the whole authority. That said, responsibility for the issue is shared across a number of departments including Neighbourhood Services, Leisure and Community, Children's Services; Adult Services and Corporate Services.

There is corporate and department wide acknowledgment that climate change is an economic, as well an environmental, issue and that action should be taken accordingly, to create opportunities for the people of Nottingham, the local authority, its partners and businesses in the city. As such Nottingham has taken steps to actively engage with the business community. They have arranged a number of business breakfasts for both SMEs in Nottingham and separately for the 25 largest companies in the city, and are fostering a collaborative

approach to CO<sup>2</sup> reduction and accreditation, encouraging businesses to apply for ISO 1401 and the Eco-Management and Audit Scheme (EMAS).

Public and employee engagement is also central to this, in particular encouraging reductions in energy usage and increased uptake of public transport and green travel within the city. The authority is also working with both the public sector and private businesses in Nottingham to foster an approach used by one of its largest companies, Experian<sup>12</sup>, to improve the environmental status of its supply chain companies. Experian have asked their suppliers to meet certain criteria at either a bronze, silver or gold level if they wish to continue to do business with them, in the future.

Nottingham City Council has also set in motion corporate reduction targets for becoming carbon neutral in 10 years as well as encouraging public CO<sup>2</sup> reduction targets, with the aim of making the entire city carbon neutral by 2100. As regards their LAA, there is a 3-year, corporate target of reducing overall energy consumption by 10% from 2005/2006. However there are no explicit climate change targets within the economic development block of their LAA.

## HOW CAN PLANNING HELP ADDRESS CLIMATE CHANGE?

It has long been acknowledged that spatial planning can have a significant impact upon economic development. In addition, the Government published Planning Policy Statement 1 on sustainable development in 2005, requiring regional and local planners to consider climate change in their spatial planning and development decisions. Local authorities can also be great initiators in promoting the development of onsite renewable energy, an approach that was further reinforced by Yvette Cooper, Minister for Housing and Planning, in her announcement, earlier this year, that the

Government intended to consult on a new Planning Policy Statement specifically on climate change. This will build on existing policies to focus, reinforce and clarify the role of the spatial planning system in combating climate change. Indeed, from our interviews, planning was described as a key method by which several local authorities were introducing more stringent regulation and targets to mitigate against the impact of climate change.

However, the links between spatial planning that promotes and influences economic development, which in turn is able to address the demands of climate change, on the other hand, have been slower to develop. Planning, with its influence over, and links to economic development, can shape the way in which economic development policies and practitioners can respond to the challenge of climate change. For example, Newcastle City Council are using the development of their Sustainable Community Strategy and the LDF as an opportunity to think about proximity, density and the future boundaries of the city, as well as how people will travel around the city in the future, and in doing so are seeking to 'climate change proof' these plans, yet at the same time plan for the needs of economic development and business.

For Newcastle City Council, ensuring high quality, sustainable construction will be key to improving the fabric of local communities and enhancing people's sense of place. The Council is currently developing a *Sustainable Construction Supplementary Planning Document* as part of the city's statutory *Local Development Framework*. Similarly, Manchester is incorporating into its Development Guide, a framework of environmental standards to encourage progressive achievement of the UK's most ambitious environmental targets for new build – reflecting eco-footprint methodology. This has resulted in the development of targets that are above and beyond the national standards for resource and energy efficiency. The work will inform the drafting of new policies for the Local Development Framework and guidance on sustainability issues in the revised 'Guide to Development in Manchester'.

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<sup>12</sup> For more information on Experian, please see: <http://www.experian.co.uk/corporate/index.html>



### The 'Merton Rule'<sup>13</sup>

The 'Merton Rule' is the planning policy, pioneered by the London Borough of Merton, which requires the use of onsite renewable energy to reduce annual carbon dioxide (CO<sub>2</sub>) emissions in the built environment. Hundreds of local authorities have looked to follow Merton's lead, which will impact all new major development projects throughout the UK. Following the publication of *Planning Policy Statement 22* (PPS22), Planning Guidance on Renewable Energy, issued by the Office of Deputy Prime Minister in 2004, the London Borough of Merton was the first to formalise the Government's renewable energy targets in its adopted Unitary Development Plan (UDP), setting the target for the use of onsite renewable energy to reduce annual CO<sub>2</sub> emissions for all new major developments<sup>14</sup> in the borough by 10%. The first project to comply with this target – ten light industrial units - was completed in June 2005 at Willow Lane, Mitcham, using micro turbines and solar Photovoltaic panels to meet the requirement. (See Appendix 2 for a full list of authorities applying the Merton Rule).

The Merton Rule and other such mechanisms, which put in place regulations about energy efficiency of buildings and onsite renewable energy generation, can help business to adapt and adjust to the threat of climate change, by helping to ensure energy security and reducing future energy costs, thereby impacting upon business success and longevity. They can also promote 'green' energy technologies such as the manufacture of turbines or solar panels, thereby promoting economic development.

<sup>13</sup> For more information please see here: <http://themertonrule.org/the-merton-rule>

<sup>14</sup> Definition of a major development: For dwellings: where 10 or more are to be constructed (or if number not given, area is more than 0.5 hectares. For all other uses: where the floor space will be 1000sq metres or more (or site is 1 hectare or more). Area of site is that directly involved in some aspect of the development. Floor space is defined as the sum of floor area within the building measured to the external wall faces at each level. Basement car parks, rooftop plant rooms, caretakers' flats etc. should be included.

### CONCLUSION: THE CONNECTIONS BETWEEN CLIMATE CHANGE AND LOCAL ECONOMIC DEVELOPMENT

Action to mitigate the impact of climate change is taking place at the corporate level, and is often well-advanced, but action led by economic development departments tends to be more limited, even within these authorities. It was largely felt that the activity around climate change, led by economic development departments would increase over the coming year. In some cases the involvement of economic development officers in strategic or corporate climate change policy was dependent on several key factors:

- ❑ **The influence of key personnel and the their interest in the issues** – where this was key personal interest the involvement of economic development departments was higher;
- ❑ **Buy in of partners** - the extent to which external partners concerned with delivering economic development are interested in climate change impacts upon the extent to which these agendas can be dove-tailed as does the relationship between economic development departments and these partners;
- ❑ **The position of elected members** – the extent to which elected members are driving this agenda forward and making the connection between economic development and climate change; and
- ❑ **The development of key documents/policies (SCS, LDF and LAA)** – the renewal of these documents offers opportunities to rethink the connections between economic development and climate change mitigation.

Economic development functions and services within local authorities do have a role to play in reducing the impact of climate and change upon the local economy. This role is largely threefold:

- ❑ To reduce the impact of the local authority area, as a whole, on the climate and climate change;
- ❑ To ensure that businesses located within the local authority area are able to take

advantage of changing technologies and be at the forefront of environmental business innovation;

- ❑ To assist businesses to adapt and adjust to the impacts of climate change to minimise the impact of climate change upon their activity and their business success.

Climate change is rarely a core objective of economic development departments, who are more often concerned with worklessness, employment, enterprise and development. This is particularly the case within the economic development themes or block of LAAs, where there is little recognition of the connections between climate change and economic development and growth. Instead, activity on climate change is generally confined to blocks themes dealing with the environment and sustainable communities. Only a few LAAs mention of the role that the green business advice can play in mitigating the effects of climate change or in giving businesses a competitive advantage. However it was felt that there is scope in LAAs to include targets and outcomes with more of this focus, in the future. In particular around issues such as 'green' business advice, the development of 'green industries', planning authority land use targets, sustainable procurement outcomes and the climate change proofing of businesses. The *Local Government and Public Involvement in Health* Bill was also thought likely to be a catalyst in this.

In all, whilst there is a significant amount of activity relating to climate change, there remains a distinct challenge for local authorities and their partners to make the connections between economic development and mitigating the effects of climate change as well as ensuring that the local economy is able to capitalise on 'green' economic development. In particular, the challenge is for economic development practitioners to look at the whole range of their activities and to think how this can contribute to tackling climate change. The recently announced LGA climate change commission may go some way to facilitating this. However, also key to this will be central government working with their local colleagues to facilitate increased action

at the local level and to ensure that appropriate guidance and advice accompany the Climate Change Bill

Clearly climate change affects and is affected by growth, which is central to the role of local authority economic development services across the UK. Therefore there is need for economic development practitioners to take greater ownership of the agenda and to bend and temper local economic growth away from that of a wealth producing economy to that of a healthy and environmentally sustainable economy, which is turn is able to support that the creation of wealth.

This rapid research was written by Victoria Bradford, a Policy Consultant at the Centre for Local Economic Strategies (CLES). CLES can provide bespoke support and advice on the connections between local economic development and climate change, what it means in your area and for your organisation. CLES can also offer support and advice on other aspects of economic development, regeneration or governance. To discuss this research further or how CLES can assist you please contact Victoria on 0161 236 7036 or email [Victoriabradford@cles.org.uk](mailto:Victoriabradford@cles.org.uk)

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## APPENDICES

### APPENDIX 1 Nottingham Declaration signatories

1. **Adur District Council**
2. **Alnwick District Council**
3. **Amber Valley Borough Council**
4. **Ashfield District Council**
5. **Association of North East Councils**
6. **Bassetlaw District Council**
7. **Bath and North East Somerset Council**
8. **Birmingham City Council**
9. **Blaby District Council**
10. **Blyth Valley Borough Council**
11. **Bolsover District Council**
12. **Bolton Metropolitan Borough Council**
13. **Borough of Poole**
14. **Borough of Telford and Wrekin**
15. **Bournemouth Borough Council**
16. **Braintree District Council**
17. **Brighton and Hove City Council**
18. **Bristol City Council**
19. **Broxtowe Borough Council**
20. **Bury Metropolitan Borough Council**
21. **Calderdale Metropolitan Borough Council**
22. **Cambridge City Council**
23. **Cambridgeshire County Council**
24. **Canterbury City Council**
25. **Carlisle City Council**
26. **Charnwood Borough Council**
27. **Cheltenham Borough Council**
28. **Cherwell District Council**
29. **Chester City Council**
30. **Chesterfield Borough Council**
31. **Chichester District Council**
32. **Chiltern District Council**
33. **Chorley Borough Council**
34. **City of Bradford Metropolitan District Council**
35. **City of Lincoln Council**
36. **City of Sunderland Council**
37. **City of York Council**
38. **Colchester Borough Council**
39. **Corby Borough Council**
40. **Coventry City Council**
41. **Crawley Borough Council**
42. **Darlington City Council**
43. **Daventry District Council**
44. **Derby City Council**
45. **Derbyshire County Council**
46. **Derbyshire Dales District Council**
47. **Derwentside District Council**
48. **Devon County Council**
49. **District Of Easington**
50. **Dudley Metropolitan Borough Council**
51. **Durham County Council**
52. **East Cambridgeshire District Council**
53. **East Lindsey District Council**
54. **East Midlands Regional Assembly**
55. **East Northamptonshire District Council**
56. **East Staffordshire Borough Council**
57. **Eastleigh Borough Council**
58. **Eden District Council**
59. **Elmbridge Borough Council**
60. **Essex County Council**
61. **Exeter City Council**
62. **Gateshead Metropolitan Borough Council**
63. **Gedling Borough Council**
64. **Gloucester City Council**
65. **Halton Borough Council**
66. **Hambleton District Council**
67. **Hampshire County Council**
68. **Harborough District Council**
69. **Hartlepool Borough Council**
70. **Hastings Borough Council**
71. **Herefordshire Council**
72. **High Peak Borough Council**
73. **Hinckley and Bosworth Borough Council**
74. **Hull City Council**
75. **Huntingdonshire District Council**
76. **Hyndburn Borough Council**
77. **Kennet District Council**
78. **Kent County Council**
79. **Kerrier District Council**
80. **Kettering Borough Council**
81. **Kirklees Metropolitan Council**
82. **Lancashire County Council**
83. **Lancaster City Council**
84. **Leeds City Council**
85. **Leicester City Council**
86. **Leicestershire County Council**
87. **Lewes District Council**
88. **Lichfield District Council**
89. **Lincoln City Council**
90. **Lincolnshire County Council**
91. **London Borough of Barking and Dagenham**
92. **London Borough of Barnet**
93. **London Borough of Bexley**
94. **London Borough of Brent**
95. **London Borough of Camden**
96. **London Borough of Croydon**
97. **London Borough of Haringey**
98. **London Borough of Havering**

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|---|---|
| 99. London Borough of Islington                 | 152. Rushmoor Borough Council                 |
| 100. London Borough of Lambeth                  | 153. Rutland County Council                   |
| 101. London Borough of Lewisham                 | 154. Ryedale District Council                 |
| 102. London Borough of Redbridge                | 155. Salford City Council                     |
| 103. LB of Richmond Upon Thames                 | 156. Sefton Metropolitan Borough Council      |
| 104. London Borough of Sutton                   | 157. Selby District Council                   |
| 105. Macclesfield Borough Council               | 158. Sheffield City Council                   |
| 106. Maidstone Borough Council                  | 159. Shropshire County Council                |
| 107. Manchester City Council                    | 160. Solihull Metropolitan Borough Council    |
| 108. Mansfield District Council                 | 161. South Cambridgeshire District Council    |
| 109. Medway Council                             | 162. South Derbyshire District Council        |
| 110. Melton Borough Council                     | 163. South Gloucestershire Council            |
| 111. Mid Suffolk District Council               | 164. South Holland District Council           |
| 112. Mid Sussex District Council                | 165. South Kesteven District Council          |
| 113. Middlesbrough Council                      | 166. South Norfolk Council                    |
| 114. Milton Keynes Council                      | 167. South Northamptonshire Council           |
| 115. Newark and Sherwood District Council       | 168. South Oxfordshire District Council       |
| 116. Newcastle City Council                     | 169. South Somerset District Council          |
| 117. Norfolk County Council                     | 170. South Staffordshire Council              |
| 118. North Devon District Council               | 171. Southampton City Council                 |
| 119. North East Derbyshire District Council     | 172. St Albans City and District Council      |
| 120. North East Lincolnshire Council            | 173. Staffordshire Moorlands District Council |
| 121. North Kesteven District Council            | 174. Stevenage Borough Council                |
| 122. North Lincolnshire Council                 | 175. Stockport Metropolitan Borough Council   |
| 123. North Norfolk District Council             | 176. Stockton on Tees Borough Council         |
| 124. North Somerset Council                     | 177. Stoke-on-Trent City Council              |
| 125. North Tyneside Metropolitan BC             | 178. Stratford-on-Avon District Council       |
| 126. North Warwickshire Borough Council         | 179. Suffolk Coastal District Council         |
| 127. North West Leicestershire District Council | 180. Suffolk County Council                   |
| 128. North Wiltshire District Council           | 181. Swindon Borough Council                  |
| 129. Northampton Borough Council                | 182. Tamworth Borough Council                 |
| 130. Northamptonshire County Council            | 183. Taunton Deane Borough Council            |
| 131. Northumberland County Council              | 184. Teesdale District Council                |
| 132. Norwich City Council                       | 185. Teignbridge District Council             |
| 133. Nottingham City Council                    | 186. Tendring District Council                |
| 134. Nottinghamshire County Council             | 187. Three Rivers District Council            |
| 135. Nuneaton and Bedworth Borough Council      | 188. Tonbridge and Malling Borough Council    |
| 136. Oadby and Wigston Borough Council          | 189. Torridge District Council                |
| 137. Oldham Metropolitan Borough Council        | 190. Trafford Metropolitan Borough Council    |
| 138. Oxford City Council                        | 191. Tunbridge Wells Borough Council          |
| 139. Oxfordshire County Council                 | 192. Tynedale Council                         |
| 140. Penwith District Council                   | 193. Uttlesford District Council              |
| 141. Peterborough City Council                  | 194. Vale Royal Borough Council               |
| 142. Plymouth City Council                      | 195. Walsall Metropolitan Borough Council     |
| 143. Portsmouth City Council                    | 196. Warrington Borough Council               |
| 144. Preston City Council                       | 197. Warrington Borough Council               |
| 145. Reading Borough Council                    | 198. Warwickshire County Council              |
| 146. Redcar and Cleveland Borough Council       | 199. Watford Borough Council                  |
| 147. Redditch Borough Council                   | 200. Waveney District Council                 |
| 148. Restormel Borough Council                  | 201. Waverley Borough Council                 |
| 149. Rossendale Borough Council                 | 202. Wear Valley District Council             |
| 150. Rugby Borough Council                      | 203. Wellingborough Borough Council           |
| 151. Rushcliffe Borough Council                 | 204. Welwyn Hatfield District Council         |

- 205. **West Berkshire Council**
- 206. **West Dorset District Council**
- 207. **West Midlands PTA**
- 208. **West Midlands Regional Assembly**
- 209. **West Oxfordshire District Council**
- 210. **West Sussex County Council**

- 211. **Winchester City Council**
- 212. **Wirral Borough Council**
- 213. **Woking Borough Council**
- 214. **Wolverhampton City Council**
- 215. **Worcestershire County Council**
- 216. **Wycombe District Council**

**APPENDIX 2**  
**Merton rule authorities**

Fully Adopted	Included in draft UDP/SPD	Actively progressing	Assessing feasibility	Regional Strategies
Croydon E. Devon Hammersmith & Fulham Isles of Scilly Lancaster Leicester Luton Merton Milton Keynes North Devon Oldham Richmond Sefton Southampton Tandridge Vale Royal Wakefield Waltham Forest W. Devon	Ashford Arun Barking & Dagenham Barnsley Bedford Bolton Blyth Valley Bracknell Forest Bromley Calderdale Carrick Cambridge Camden Cantebury Chichester Chorley Corporation of London Darlington Doncaster Ealing Eastbourne East Cambridgeshire  East Staffordshire Enfield Fareham Forest Heath Gateshead Gloucester Greenwich Guildford Hambleton Haringey Hillingdon Huntingdonshire Isle of Wight Islington Lambeth Lewisham	Aylesbury Vale Bexley Blackburn with Darwen Bradford Breckland Brighton & Hove Bury Charnwood Chelmsford Craven Crawley Dacorum Dartford Derby East Northamptonshire East Riding Edinburgh Exeter Harlow Harrogate Harrow Hart Havant Havering Hull Kirklees Leeds Liverpool Mid Bedfordshire Newcastle under Lyme N. Hertfordshire N. Lincolnshire N.E. Lincolnshire N. Tyneside N. Wiltshire Poole Purbeck	Amber Valley Belfast Derwentside Dudley E. Hampshire Elmbridge Malvern Hills New Forest N. Kesteven Penwith Redditch South Gloucestershire S. Lakeland	London (revising) South West East North East Yorks & Humber <b>County</b>  Cheshire ( <b>adopted</b> ) Cornwall (progressing) Derbyshire ( <b>adopted</b> ) Essex (assessing) Lincolnshire ( <b>adopted</b> ) Northamptonshire (assessing) Northumberland ( <b>adopted</b> ) Oxfordshire (progressing) Shropshire (draft) Somerset (progressing) Surrey ( <b>adopted</b> ) Wiltshire ( <b>adopted</b> ) Worcestershire (assessing)  <i>Scotland</i> <i>Wales</i>



	Lichfield Maidstone Manchester Melton Middlesbrough Newham North Cornwall North Norfolk North Somerset N. Warwickshire Norwich Portsmouth Reading Redbridge Redcar and Cleveland Rugby Ryedale Salford Sheffield City Council Solihull South Cambridgeshire South Bucks South Norfolk Southwark Sutton Tower Hamlets Tunbridge Wells Warwick Waverley West Berkshire Westminster Woking Wokingham Wychavon York	Rotherham Runnymede Scarborough Sedgefield South Hams South Holland South Somerset St Albans Stockport Stockton on Tees Surrey Heath Telford & Wrekin Tendring Test Valley Three Rivers Waveney Wigan Wolverhampton Worcester City Wycombe		
<b>Sub Total 19*</b>	<b>Sub Total 73</b>	<b>Sub Total 57</b>	<b>Sub Total 13</b>	<b>Total 162 (excluding regions/counties)</b>