

Briefings for Elected Members



BRIEFING 1:

Developing your Local Low Carbon,
Green Economy for Enterprise and Jobs

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Introduction

The low carbon economy is recognised as one of the fastest growing parts of the UK economy, with major opportunities for business growth and jobs. The Confederation of British Industry (CBI) has stated that a third of last year's growth came from green business¹. Elected Members have a valuable role to play in helping to ensure that the local area can capitalise on these opportunities. This briefing explains why the low carbon economy is important, your role as an Elected Member, who to involve and key questions to consider. It includes case studies and links to further information.

Why It's Important

Planning for a low carbon economy is important to local authorities because it delivers benefits on multiple fronts and across a range of local authority priorities.

Boosting growth: The move to a low carbon economy is helping businesses develop new products and services and there are increasing opportunities for export and diversification in sectors such as construction, agriculture, professional services, and manufacturing.

Enhancing business competitiveness: Reducing resources especially waste, water, and energy in business processes can insulate businesses against energy price fluctuations which can therefore reduce risk and enable investment in the company and its employees.

Retaining money in the local economy: The low carbon economy can be a big part of supporting the local economy. Many low carbon goods and services require local supply chains, and investment in energy efficiency and local sources of energy helps to reduce economic leakage. A city the size of Liverpool, for example, spends approximately £600 million per year on energy, and over 90% of this goes to energy suppliers based outside the city.

Employment and skills: The low carbon and environmental sector requires new skills, with jobs from entry level to high level skilled roles in construction, engineering and professional services. Providing training can tackle joblessness and up-skill the existing workforce.

Attracting inward investment: International companies are increasingly looking at the issues of energy, resource security and climate risk when considering investing in an area. Through robust approaches to carbon reduction and climate



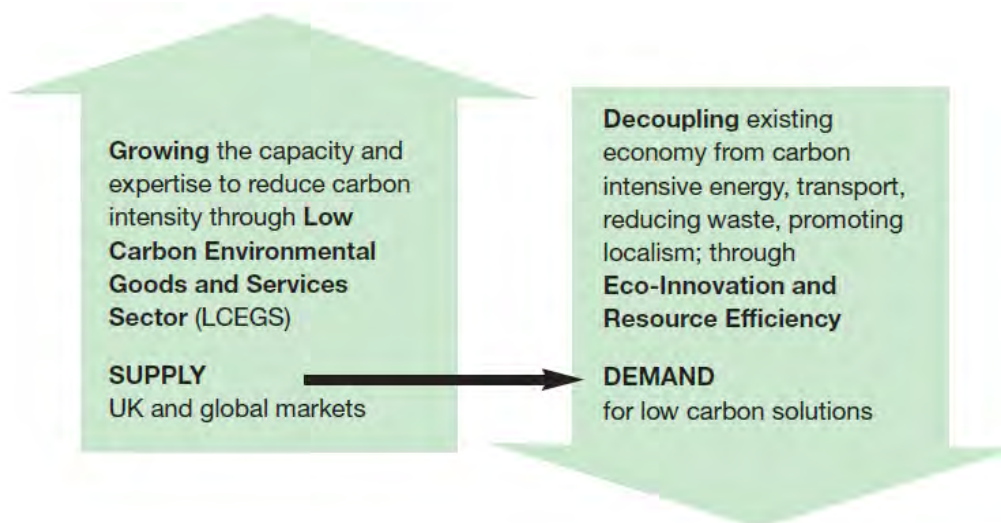
adaption, local authorities can develop their local supply chains and skills to attract these sources of jobs and growth. Low carbon work is also often a key priority for funding from central government, the EU, private and community sources.

Social and community benefits: Developing a low carbon economy will ensure that communities benefit from long term sustainable economic growth, with a strong local skills base and businesses delivering the goods and services needed at home and abroad (such as home insulation and renewable energy). This sustainable growth can deliver improved environments and underpins future opportunities for regeneration, better housing and improved health.

Funding regime: 2013 sees the launch of the Green Deal and the Energy Company Obligation (ECO), with a potential £20 billion market in the North West. Local authorities and Local Enterprise Partnerships (LEPs) are expected to play a key role in promoting, providing, or partnering with companies as part of this. Without local leadership, local businesses risk losing out to national companies.

Achieving carbon emission targets: To achieve our legally binding carbon targets, each unit of economic output in Britain will need to be produced using on average one tenth of the carbon dioxide emitted today².

This presents major **economic opportunities** – improving energy efficiency in our homes and buildings, changing the way we travel and communicate, the design of goods and services and how we manage our resources will open up new markets and require new skills across all sectors of our economy.





FACT BOX

A Growth Sector for Business, Jobs and Skills

In 2010/11 the global low carbon and environmental goods and services (LCEGS) sector was estimated to be worth around £3.3 trillion, after growing around 3.7% since 2009/10. The UK is currently the sixth in the world in this sector with an estimated value of over £122 billion (approximately 3.7% of the global market). The UK sector employed an estimated 939,600 people in 2010/11, and the market experienced growth of 4.7% from 2009/10³ at a time when other parts of the economy were struggling.

Business Opportunities in the Low Carbon Economy

The shift towards a low carbon economy is creating major opportunities for businesses in areas such as:

- Low carbon and renewable energy generation, and transmission networks.
- Digital communications technology.
- Energy efficient equipment and appliances such as LED lighting and heating controls.
- Insulation and building materials.
- Low emission vehicles and transport infrastructure.
- Re-manufacture and re-use of materials.
- Locally grown food and low input agricultural practices.
- Flood resilience products and services.
- Consultancy, finance and legal services.
- Environmental and energy management and land management.
- Innovation and development of new products and services for the domestic and global markets.



Cumbria:

17,000 jobs in the LCEGS sector, worth £1.2 billion in gross value added (GVA). Opportunities identified to create or safeguard 3,000 jobs in the energy, manufacturing, tourism and low carbon construction sectors.

Lancashire:

The LEP has identified priorities including an Enterprise Zone based on the BAE Systems supply chain covering aerospace, automotive, nuclear and growth area of energy. Lancashire County Developments is working to help deliver new markets in the energy and environmental sectors.

Liverpool City Region:

400 companies & 8,400 jobs in the energy & environmental technologies sector alone. The Low Carbon Economy Action Plan aims to create 12,000 new jobs in the low carbon sector by 2015.

Greater Manchester

The whole low carbon environmental goods & services (LCEGS) sector is worth £4.4 billion with 34,000 jobs. The Low Carbon Hub aims to support 68,000 jobs and generate a further £1.4 billion.

Cheshire & Warrington:

9,000 jobs in the energy & environmental technologies sector and opportunities to safeguard or create 1,500 more jobs.





CASE STUDY

Low Carbon Economy Jobs in Stockport



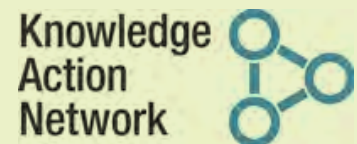
Stockport Metropolitan Borough Council with Stockport Economic Alliance and University of Manchester's Innovation Centre run the Stockport Low Carbon Business Network supporting low carbon innovation and green technology.

Councillor Bodsworth, Executive Member for Sustainable Futures, makes the case for action by Members to support the low carbon economy:

"We think the low carbon economy is absolutely vital to promote and maintain the prosperity of our residents. If we can provide the skills the low carbon economy needs, that will help bring investment to our borough. We have a strong workforce here and Stockport is a great place for brown businesses to go green and for green businesses to thrive."

CASE STUDY

Supporting Businesses in Sustainable Innovation



Linked to the Britain's Energy Coast Initiative, The University of Cumbria has launched a new programme aimed at supporting businesses throughout the county. The Knowledge Action Network (KAN) will help over 40 businesses interested in developing new markets in low carbon products or services and sustainable business practices.

The KAN provides workshops, specialist speakers and coaching; participants work with other like-minded businesses in a similar supply chain to address their challenges jointly and investigate collaborative approaches. Business coaching is offered throughout the programme to help them turn creative ideas into real products and services. See www.cumbria.ac.uk/KAN



How Can Elected Members Make a Difference?

Elected Members can help businesses capitalise on opportunities in the low carbon economy and reduce the risks caused by rising energy costs.

- **Leading:** Setting a clear ambition for your local economy to seize business opportunities in the low carbon economy – with buy-in and commitment from cabinet, full council, committees and portfolio areas.
- **Communicating:** Talking to businesses about the opportunities in the low carbon economy. Talking about the local authority's own energy investments.
- **Networking:** Bringing together businesses, training providers and support organisations to develop local plans for the low carbon economy. Working across authorities on funding bids to support businesses (e.g. bids to the EU and central government) and to create economies of scale for investment and delivery.
- **Mobilising:** Enthusing, motivating, and building the confidence of others. Making the case for actions that support a low carbon economy and for establishing clear effective plans. Working with LEPs and support providers to ensure that appropriate business support is available locally.
- **Signposting:** Knowing what support can be drawn on from the council and other agencies, while acting as a bridge between key people/organisations and local businesses.
- **Supporting delivery:** Using local authority procurement decisions to drive demand for low carbon goods and services. Ensuring planning policies and decisions help to drive demand for low carbon products and services in new developments and energy infrastructure.

Who to Involve

- Local Economic Partnerships, colleges, universities, businesses, small-medium enterprises (SMEs) & social enterprises and business support organisations.
- Other local authorities, to share knowledge on opportunities, skills and businesses.



Key Questions

To gain benefits from the transition to a low carbon economy, it is important that the local authority, the LEP and other strategic bodies embrace the agenda. Here are some questions that you could ask about local activities.

Developing a Plan

- Does your local authority recognise the low carbon economy as an important economic growth opportunity? Have you made any commitments to help grow it locally?
- Have you identified the scale of potential local opportunities? (e.g. jobs, new businesses, cost savings etc.)
- Are there key local growth opportunities you should focus on? (e.g. low carbon housing retrofit, specialist sectors and skills, generation of renewable energy etc.)
- Have you developed an action plan (locally or across a wider area) to grow the low carbon economy, based on local priorities and strengths?

Working with Strategic Partners

- Is the local authority working with other key partners such as the LEP, social housing providers and training organisations?
- Are your local authority and LEP actively supporting business networks to raise awareness of low carbon opportunities and to access support, e.g.
 - o Developing business networks for suppliers of low carbon technologies and services, and businesses seeking to improve efficiency.
 - o Offering innovation support for businesses.
 - o Signposting for businesses on support and funding for developing low carbon business activities.
 - o Supporting low carbon sites and premises.
 - o Supporting businesses in energy and resource efficiency.
- Are local colleges or other institutions providing courses to develop the skills required for the transition to a low carbon economy, and is the local authority actively supporting this?

Internal Local Authority Actions

- Do energy reduction plans for local authority buildings, housing and transport support local suppliers?
- Do your procurement procedures recognise and support the development of a local low carbon economy?
- Is your local authority playing an active role in encouraging low carbon housing retrofits and take up of Green Deal by local residents and businesses?
- Are there officers in the local authority with roles and time allocated to support the development of the low carbon economy? (e.g. accessing finance, working with the LEP, developing business networks, supply chain clusters etc.)



FACT BOX

Funding and Investment Opportunities

Local authorities and their partners are tapping into the wide range of funding opportunities to promote and develop the low carbon economy.

- UK sources: Growing Places, Regional Growth Fund, Local Sustainable Transport Fund, Growth & Innovation Fund (skills), Technology Strategy Board for low carbon innovation.
- EU sources such as ESF, ERDF, JESSICA, ELENA, EU Energy Efficiency Fund, Intelligent Energy Europe, Smart Cities.

“This is such a big growth opportunity that’s good for everyone. By working together we can really make the most of it!”

Resources

Greatest Hits for Low Carbon Economic Development

www.claspinfo.org/resources/greatest-hits-low-carbon-economic-development

Green Finance Guide and Resources

www.claspinfo.org/resources/green-finance-support-programme

Liverpool City Region Low Carbon Action Plan and related information

www.liverpoollep.org/priorities/low_carbon_economy.aspx

Greater Manchester Low Carbon Hub and related information

www.agma.gov.uk/what_we_do/gmlowcarbonhub/index.html

Climate Local

<http://bit.ly/OiLM7v>

How Green is your LEP? Sustainability West Midlands

www.sustainabilitywestmidlands.org.uk/media/resources/Green_LEP_Guidev-FINAL-28may2012.pdf

¹ Baroness Verma at the LGA Green Deal/ECO conference, 16th November 2012

² “The UK Low Carbon Industrial Strategy” – BIS and DECC, July 2009

³ www.bis.gov.uk/policies/business-sectors/green-economy/market-intelligence