

## Raising the Climate Change Profile Briefing Note

### Purpose of this Paper

This briefing paper provides an insight into how local authorities can get climate change up the agenda; how to sell its economic advantages; what the risk and resilience issues are; how to get the development industry to take it seriously; and what the key role is for local authorities.

### Getting climate change up the agenda

Effective Member engagement is critical to getting climate change top of the agenda. First and foremost it is necessary to have “a Champion”<sup>1</sup>:

- Only 49 per cent of authorities have an elected member who holds a portfolio for sustainable energy and climate change.
- Leadership is critical to building adaptive capacity.
- Raise awareness of the impacts of climate change and the implications for local services and communities.

No champion, no change!

Second, it is necessary to demystify climate change for members. Useful sources of material include:

- “What do the latest climate projections mean for you?”<sup>2</sup>
- “Climate Change Toolkit for Regulatory Services.”<sup>3</sup>
- In-house training for members.<sup>4</sup>

### Case Study 1 - Stockton on Tees Borough Council<sup>5</sup>

- *Embedded climate impacts and risks across council decision making*
- *Developed a comprehensive adaptation action plan to deliver the necessary steps to achieve the objectives set out in council strategies, plans, investment decisions and partnership arrangements in light of projected climate change.*
- *Implementing appropriate adaptive responses in all priority areas*

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<sup>1</sup> See: LGA survey 2004 <http://www.lga.gov.uk/lga/aio/1097144> and Local & Regional Adaptation Partnership Board - Adapting to Climate Change: Local areas action, CAG June 2009 [http://www.cagconsultants.co.uk/resources/climate-change-case-study/Adapting\\_to\\_Climate\\_Change\\_Local\\_Areas\\_Action\\_June09.pdf](http://www.cagconsultants.co.uk/resources/climate-change-case-study/Adapting_to_Climate_Change_Local_Areas_Action_June09.pdf)

<sup>2</sup> Free to download at <http://www.lga.gov.uk/lga/aio/7904638>

<sup>3</sup> See <http://www.lacors.gov.uk/lacors/ContentDetails.aspx?id=19476&authCode=>

<sup>4</sup> See <http://www.planningofficers.org.uk/file/58cc2947330b4abd5160a4c9d6dadb93/pos-enterprises-training.html>

<sup>5</sup> Source: <http://www.stockton.gov.uk/citizenservices/envpol/envclich/climch>

## Case Study 2 - Middlesbrough Council<sup>6</sup>

- *Engaged partners and community groups in developing a Climate Change Community Action Plan, covering both mitigation and adaptation, over the period 2002-2004*
- *Early consultation and political support were key to Middlesbrough's success on climate change adaptation*
- *High level of political support provided by elected Mayor and lead councillors has given Middlesbrough the edge to become a leading authority*

## Case Study 3 - Stockport BC<sup>7</sup>

- *Leader of Stockport Council takes a strategic role in Stockport's energy projects, linking them up with regeneration and economic growth opportunities in the borough and sub-region. He works with big players and has to take some risks to make things happen.*
- *Key message is that you can't be intimidated by big projects. They require working with others and getting your executive team and key services like planning on-board from the beginning.*
- *Top leadership tips:*
  - *Don't be afraid of big projects.*
  - *Respond to your community.*
  - *Make cheap and secure sustainable energy happen.*
  - *Get the planning service on-board.*
  - *Work at the sub-regional level.*
  - *Get the big players involved.*

## Selling the economic advantages of climate change

All of UK industry can save money through energy efficiency. Small and medium-sized firms alone are estimated to be able to cut over £1 billion off their energy bills every year through energy efficiency measures.

In June 2006 the Carbon Trust revealed that UK businesses could save, in the summer alone, £570 million by taking simple cost-effective efficiency measures. The Government has found that "No- and low-cost measures can result in a 20 per cent reduction in energy use and can have the same effect on profitability as a five per cent increase in sales.

Talk up the economic advantages to the local area as responses to climate change take effect. Innovation is vital for both a dynamic economy and reducing carbon emissions. Taking effective action on climate change now will boost innovation both in firms selling the solutions and those having to comply. Environmental regulations have been a spur to innovation where

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<sup>6</sup> Source:

[www.energysavingtrust.org.uk/content/download/562584/2001507/file/Middlesbrough%20Council\\_Developing%20a%20climate%20change%20community%20](http://www.energysavingtrust.org.uk/content/download/562584/2001507/file/Middlesbrough%20Council_Developing%20a%20climate%20change%20community%20)

<sup>7</sup> Source: PAS <http://www.pas.gov.uk/pas/core/page.do?pagelD=1304112>

they set challenging targets, that are enforced and that do not prescribe technologies. Time and again innovation in response to Government environmental policy has resulted in the solutions being far cheaper than predicted

There is also huge potential for the growth of new sectors – particularly the renewables sector. Already the environmental sector is growing fast - between 2002 and 2004 sector turnover increased from £16 billion to £25 billion and employment more than doubled to 400,000. The UK has some of the best wind and wave resources in Europe and the engineering skills to exploit them.

These benefits of increasing efficiency, boosting innovation and succeeding in new markets together offer a significant opportunity for the UK economy. They can increase competitiveness, create jobs and improve our security of energy supply<sup>8</sup>.

## Risk and resilience issues

An overwhelming majority of investors now consider climate change a material investment risk or opportunity according to a report published on 13 June 2011. The research, conducted by Mercer on behalf of the Institutional Investors Group on Climate Change, the Investor Network on Climate Risk and the Investor Group of Climate Change, showed 87 per cent of asset managers and 98 per cent of asset owners now incorporate climate change risk assessments into their investment processes<sup>9</sup>.

Climate change costs businesses:

- Hot summer 2003 across Europe was a 1 in 500 year event; by 2040 this will be a 1 in 2 year event, i.e. 'normal'.
- Agricultural production fell by 10% - Financial impact estimated at €13 billion.
- EDF had to shut down ¼ of its 58 nuclear power plants – lost €300 million.

Climate change is underway:

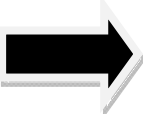
- Unless the risks are managed appropriately, climate change will increasingly impact business performance
- A wide range of business stakeholders, including governments, investors, banks and insurers are developing climate change adaptation policies
- Climate risk management should be integrated into core business risk management processes by companies with large fixed assets and their financial services partners

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<sup>8</sup> Source: [http://www.foe.co.uk/resource/briefings/econ\\_summary\\_cc.pdf](http://www.foe.co.uk/resource/briefings/econ_summary_cc.pdf)

<sup>9</sup> Source: <http://www.ft.com/cms/s/0/890f48d8-938a-11e0-922e-00144feab49a.html#axzz1PLFRXuGK>

Business risks from unmanaged climate risk can be tabulated<sup>10</sup>:

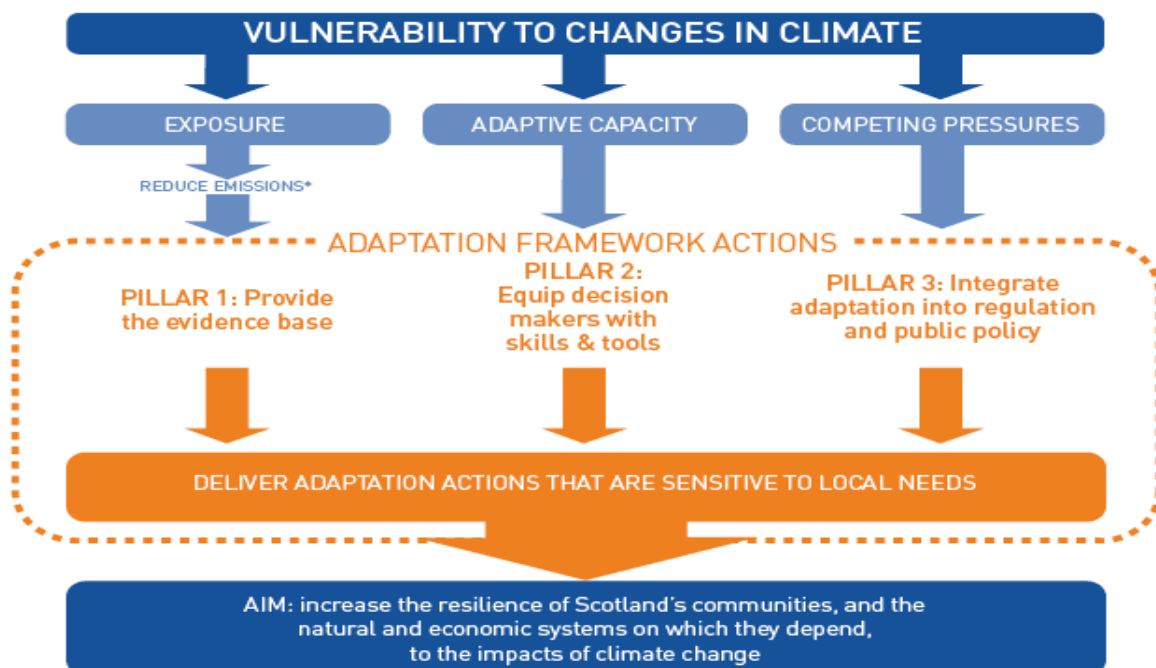
Changes in market demand		Lower profit margins
Business becomes less competitive		Lower asset values
Reduced output, productivity, efficiency		Reputational damage
Increased capital & operating expenditures		Unable to repay debts
Asset deterioration & reduced asset life		Equity growth not realised
Increased insurance costs / lack of availability		
Increased risks of environmental damage & litigation		
Increased risks of community conflict		
Decommissioning liabilities		

How great an effect changes in our climate will have is determined by several factors:

- Exposure: the degree to which an area is exposed to change, such as increases in annual temperature. There is a need to improve our understanding of the consequences of a changing climate and both the challenges and opportunities it presents.
- Adaptive Capacity: the ability of organisations to identify risks or opportunities and take appropriate action. We need to equip stakeholders with the skills and tools needed to adapt to changing climate.
- Competing pressures: the degree to which organisations are restricted in their attempt to adapt due to competing pressures and constraints. We need to assist the integration of adaptation into wider public policy and regulation so that it is a help, not a hindrance, to addressing climate change issues.

<sup>10</sup> Source: <http://www2.accaglobal.com/documents/Acclimatise>

Example - Framework model for adapting to climate change in Scotland<sup>11</sup>



### Getting the development industry to take climate change seriously

The government has set out a timeline for moving by 2016 to zero-carbon housing development. As a stepping stone to this goal, levels of carbon emissions in new homes should fall by 25% in 2010 (compared to 2006 building regulations) and by 44% in 2013.

In spite of being voluntary up until now, the requirements of the Code for Sustainable Homes have already been implemented by many of the UK's largest developers. The highest-rated (six star) homes are becoming a reality and hopefully the rest of the market will soon follow.

LPAs need to remind house builders that they need to get serious about reaching zero-carbon standards by 2016, and thus have a strategy in place that will set them on a path to achieve this target.

A recent study of the top 20 house builders in the UK showed that industry has recognised the importance of sustainability and is getting to grips with the challenge of making all new homes zero-carbon by 2016. However, the report also revealed the large gap between where the industry is now and where it needs to be by 2016 if the government's vision for a quarter of a million new zero-carbon homes a year is to be realised<sup>12</sup>.

Developers need to be constantly reminded that, apart from the obvious emission savings, building to zero carbon standards will be beneficial for a number of reasons<sup>13</sup>:

<sup>11</sup> Source: <http://www.scotland.gov.uk/Publications/2009/12/08130513/5>

<sup>12</sup> Source: [http://www.wwf.org.uk/wwf\\_articles.cfm?unewsid=863](http://www.wwf.org.uk/wwf_articles.cfm?unewsid=863)

<sup>13</sup> Source: <http://www.cih.org/policy/ZeroCarbon130307.pdf>

- Reduced domestic fuel and energy costs.
- Catalyst for sustainable living. Tenants living in 'eco' homes demonstrated an increased interest in green issue, which in many cases led to comprehensive lifestyle changes.
- Boost for the green technology industry.
- Expansion of renewable energy sector, including decentralised energy generation, fuelled by an increase in demand for clean energy.

Creating green spaces will add value to a development. They can encourage people to take-up outdoor activities such as walking or cycling that will increase their enjoyment of the site. Furthermore, research shows that homeowners are willing to pay extra for a home with a good eco-rating.

LPA's should advocate developers use the Environment Agency toolkit<sup>14</sup> which provides developers with:

- An overview of the development process and when they should contact the EA.
- Practical advice on managing flood risk, sustainable construction and protecting and improving the environment.
- Case studies on good-practice sites.
- A list of the permissions you will need from the EA.
- An environmental checklist for developments.

### Key role for local authorities

Local government has a crucial role to play in tackling climate change<sup>15</sup>. The action local authorities take now to reduce greenhouse gas emissions in their area can also boost their local economy, create jobs and slash fuel bills for their communities.

Local action on climate change can help tackle social injustice: insulating homes will lift people out of fuel poverty and reduce health problems caused by living in cold, damp homes; improving public transport will benefit poorer communities because they own fewer cars.

Authorities that build relationships with local businesses and suppliers, and adopt public procurement policies that reduce carbon dioxide emissions, will strengthen their local economies.

<sup>14</sup> Source: [http://www.environment-agency.gov.uk/static/documents/1\\_GETH1106BLNE-e-e\(1\).pdf](http://www.environment-agency.gov.uk/static/documents/1_GETH1106BLNE-e-e(1).pdf)

<sup>15</sup> Source: [http://www.foe.co.uk/resource/reports/getting\\_serious\\_about\\_climate\\_change.pdf](http://www.foe.co.uk/resource/reports/getting_serious_about_climate_change.pdf)