

Doing it all: Integrating Net Zero, Climate Resilience, Public Health and Inclusive Growth into Mainstream Economic Development

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Executive Summary

Doing it All: Integrating Net Zero, Climate Resilience, Public Health and Inclusive Growth into Mainstream Economic Development examines the extent to which these challenges have been integrated into the Inclusive Growth Network’s member authorities’ economic development strategies and place strategies. It also investigates how such integration is delivered in practice.

The Inclusive Growth Network is comprised of twelve local and combined authorities across the UK, working collectively to address regional inequalities and promote inclusive growth, highlighting the importance of place. It is co-ordinated by the Centre for Progressive Policy. This research reviewed the IGN Members’ key published strategies; six (shown below in bold) were also interviewed and a workshop was held to explore what effective integration looks like at the strategic and delivery levels.

Local Authority	Combined Authority
Belfast City Council	Greater Manchester Combined Authority
Bristol City Council	Liverpool City Region Combined Authority
Cardiff Council	North of Tyne Combined Authority
Glasgow City Council	West Midlands Combined Authority
London Borough of Barking & Dagenham	South Yorkshire Mayoral Combined Authority
Leeds City Council	
North Ayrshire Council	

The transition to Net Zero is an opportunity for economic development. Financial evidence illustrates that place-based investment provides better value for money, costs less and provides greater social and economic benefits than a top-down or centralised investment model. Business-as-usual economic development locks in carbon emissions and entrenches inequality, which will carry a high cost to rectify later.

The overarching benefits of integrated strategies and delivery are:

1. **Better value for money** delivering whole-place benefits, system change and co-benefits beyond Net Zero, including health, jobs, local supply chains, resilience and regeneration.
2. **Better places** which in turn attract investment, fostering enterprise and thriving communities.
3. **Better working together** across the authority and partners: an integrated strategy clearly commits to shared priorities and mutual benefit through system change.

The primary focus of the research was climate change. Despite over 30 years’ evidence of the need to address climate change, even the leading Local Authorities are only now in the early stages of developing the integrated economic strategies that aspire to Net Zero, climate resilient, healthy and inclusive economic development becoming business as usual. Prior to the pandemic, all Inclusive Growth Network (IGN) Members had declared a climate emergency. Many are aiming to achieve Net Zero across their areas by 2030, well ahead of the UK’s legislated target of 2050. As we emerge from the pandemic into a cost-of-living crisis the triple challenges of climate change, health and economic inclusion must be addressed urgently.

With 2030 only eight years in the future, all new investments and development from today must be as close to zero carbon and climate adapted as practicable. This acknowledgement has significant implications for economic development, housing, transport and businesses. It is difficult to see how authorities will move from limited action on climate change over the last 30 years to delivery on their targets in the next eight years, without immediate systemic change. But a vital first step is to embed climate change fully within economic strategies, and to enact that in operational delivery.

A set of characteristics of a strong well-integrated economic strategy was developed against which the twelve authorities were rated. The key characteristics are:

- Climate change, public health and inclusion are key pillars that run throughout the strategy. They are not just addressed in a single chapter but are visible in every section.
- The relationships between climate change, the economy, health and people's lives are clearly set out, including identifying those sections of the community most at risk.
- The strategy sets out how all parts of the economy, all jobs and all carbon emissions must change, not just focussing on developing one specific sector such as jobs in renewable energy.
- It includes an assessment of the investment required across the whole of the economy and where that investment is expected to come from, including external public funding, incentives needed and investment from the finance sector, businesses and individuals.
- It is clear about who will need to act, and how they will work in partnership: businesses, communities and individuals as well as the public sector
- It is honest about the challenges that will be faced.

Overview of Strategy Findings

All the strategies recognised the need to tackle climate change, but only five have integrated Net Zero across every aspect of the strategy, and climate resilience was clearly integrated in only two. Even authorities with strong climate change strategies and years of experience in delivering these are still in the early stages of integrating them into economic strategies.

Most authorities recognised the strong links between economic inequalities and health outcomes and how policies to promote inclusion and well paid, secure employment lead to improvements in public health. The links between public health and climate change were also highlighted with reference to air quality, active travel and access to green space. However, public health was strongly visible through the economic strategies of only three authorities. Unsurprisingly, Inclusive Growth is incorporated into most place strategies, often using a Community Wealth Building approach.

Overall, the review found that:

- **The systems, culture and language used to develop and deliver inclusive growth strategies are the same as those needed to deliver net zero, climate resilience and public health.** The change process applied to the former can be extended to include the latter.
- **“Doing It All” is rare and difficult:** a focus on Inclusion can lead to a limited approach to some climate change issues, missing the employment gains that could be made, for example, through targeting the higher carbon, able-to-pay sector or small businesses.
- **Covid has been a significant factor:** the opportunity for radical thinking and the ability to act more swiftly has accelerated the integration of inclusion, climate change and public health.
- **Strategies that use strong and positive language** appear to be more likely to succeed; these are brave strategies that recognise the challenges but are determined to progress forward regardless. They leave no room for excuses, only solutions.
- **The strategies feature a high degree of localism,** understanding the strengths, weaknesses and challenges of the local area, and smaller localities within the wider area or region.

The most significant gaps and challenges in the strategies can be summarised as:

- A lack of ambition in aiming to address climate change emissions and impacts across all sectors
- A lack of recognition that all jobs and all sectors need to become Net Zero and well-adapted, and the strategy should set out how the authority will work with partners to achieve this.

- A focus on one challenge, such as Inclusion or Net Zero limiting action on other challenges.

From Integrated Strategy to Integrated Delivery

It is hard to change an organisational culture, and harder still to do it quickly, so even the leading authorities face a challenge over the next few years if they are to achieve their ambitions. Lack of effective and coherent support from central Government remains the key barrier, as well as organisational and economic inertia. Most strategies acknowledge that delivery will be challenging.

Overall, the review and interviews found that:

- **No authority is yet delivering a fully integrated strategy.**
- **A change in operational culture to an end-to-end systems-based approach is needed**, and no organisation is yet at this stage, but useful tools are being developed to assist with this.
- **No authority is delivering zero carbon and climate resilience as standard** on all new buildings and infrastructure. Only a few are delivering these at medium scale but nothing is area-wide.
- **The approaches and tools needed for full integration are being demonstrated**, but not all together in one authority. There is an urgent need to expand and share the good practice.

Developing an integrated strategy and then actually delivering requires a complete shift of mind-set. Some of the main challenges IGN Members face are:

- Political – the differing and competing priorities of politicians
- Lack of integrated national policy support and funding
- Entrenched perception that economic development trumps other issues and that different priority themes conflict
- Financial sector still supporting higher carbon investments as the norm and it is difficult to access for everyday Net Zero activities rather than exceptional projects. This is despite increasing fossil fuel costs and the finance sector seeking investable zero carbon projects.
- The National Planning Policy Framework holds back delivery of climate change commitments
- Limited capacity for change and new thinking within already stretched organisations.

Overcoming these challenges relies on a rapid culture change across the whole of the authority and partner organisations, underpinned by strong national policies, funding and support.

Recommendations to combined and local authorities:

Ambition: Treat it like an emergency

- **Turn the thinking on its head:** use “doing it all” as the starting point and assume that new outcomes are possible.
- **Use evidence to underpin the strategy:** much evidence already exists to support integrated strategies, and this evidence collection does not need to be repeated in every local area.
- **Be clear what will not be acceptable and prepare to be challenged:** set out requirements from others, screen out development and investment that does not meet the criteria and prepare the case for integrated delivery.

People

- **Leadership and communications:** strong and visible support from senior political leaders and officers who actively communicate this internally and externally.

- **Senior responsibility:** have a Cabinet member and Director responsible for managing the change across the organisation and delivery of the integrated strategy.
- **Get the right people talking together:** bring in the local experts, help them all to understand each other's working languages and give permission to develop a strong strategy.
- **Provide training and support** for all staff about what this means for their area of work: support them to innovate and possibly fail and learn when doing so.

Practicalities

- **Review and revise financing mechanisms and operating programmes:** resource the people needed to develop and deliver an integrated strategy, and align budgets, operations, procurement, commissioning, borrowing and funding strategies with it.
- **Align the Local Plan** with the new integrated strategy as soon as possible and enforce it. The brave approach would be to collaborate to require Net Zero development now in all major cities.
- **Put in place systems and tools** so that the aims of the strategy are visible and screened at every step of every decision and in every report: require reporting against these aims at all levels and be clear about what will not be accepted or approved.
- **Share and solve:** look ahead to assess upcoming issues and how these can be managed, accessing internal and external expertise and using networks. There is no excuse to plan developments or make investments that do not meet climate change targets.
- **Build strong partnerships and alliances** with investors, developers, contractors and other public sector organisations so they are clear on what the strategy is, what your expectations are and how they can respond to it and provide solutions.

Key Recommendations to Central Government

- **Put in place a coherent framework** to support local delivery with coherent policy and aligned funding for place-based investments.
- **Require local authorities to deliver Net Zero and Climate Adaptation:** with a corresponding duty to collaborate with all stakeholders.

Some IGN Members are leading on this integrated approach, but it is not yet clear whether Net Zero, climate resilience, public health and inclusive growth are 'deal breakers' or 'nice-to-haves'. A much greater level of strategic bravery, determination and creativity is urgently needed to deliver scaled-up transformational change.

The peer-to-peer support facilitated by the IGN provides a mechanism to help authorities rise to this challenge. By collaborating and sharing their experiences, IGN Members can support each other in leading the integration of Net Zero, climate resilience and public health into inclusive economic development strategies. The key recommendations for IGN to foster this are:

- **Increase internal knowledge and external expertise** available on climate change and public health, and develop systems to ensure these are used.
- **Provide resources, training and support** to share expertise with member authorities.
- **Provide a safe forum for members** to query, challenge and share experiences on delivery of an integrated strategy.

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1 Introduction

1.1 Background

The Inclusive Growth Network (IGN) members recognise that a traditional approach to economic growth is not working for everyone in their cities and areas and that a new approach is needed.

Within a context still reeling from both the pandemic and Brexit, and a worsening cost-of-living crisis, economic development teams will have a steep learning curve as they attempt to deliver not only inclusive growth but also a Net Zero and climate resilient locality.

Traditionally, economic development has been considered separately from, and prioritised over, activities on climate change or public health; tangible action on the latter two often appears peripheral to development or is limited to pilot or demonstration projects.

However, new economic development strategies that acknowledge the interconnection between climate change and public health are now emerging, recognising them as entwined with economic activity, and viewing the success of all three as integral to a prosperous local economy.

Consequently, place-based approaches built on an area's specific strengths and tailored to local needs are gaining support. Financial evidence is now emerging, illustrating what many have long suspected: that they provide better value for money, cost less and provide greater social and economic benefits than a top-down or centralised investment model¹.

National government is starting to recognise the combination of challenges and opportunities. The UK Treasury Net Zero Review² states that "[Current economic analysis could understate the economic cost to the UK as the climate heats up. UK climate action could provide a boost to the economy; the required investment could contribute to growth. There will also be co-benefits, such as improved air quality.](#)" However, the review does not put forward clear solutions at this stage.

The UK Infrastructure Bank (UKIB) was formed in 2021 to bring in private investment to achieve the twin objectives of tackling climate change and Net Zero by 2050 and supporting regional and local economic growth through improved connectedness, new jobs and higher productivity³. The Chancellor of the Exchequer's Strategic Steer⁴ to the bank encourages it to make place-based investments and to forge strong relationships with mayoral and local authorities and devolved governments.

The Centre for Progressive Policy (CPP), on behalf of the IGN, commissioned Quantum Strategy & Technology to carry out research into the extent to which IGN members have institutionally embedded and integrated Net Zero and climate resilience alongside inclusive growth and public health into economic development strategies and delivery programmes. Our primary focus is on climate change, which is our area of expertise.

¹ <https://www.ukri.org/wp-content/uploads/2022/03/IUK-090322-AcceleratingNetZeroDelivery-UnlockingBenefitsClimateActionUKCityRegions.pdf>

² <https://www.gov.uk/government/publications/net-zero-review-final-report>

³ <https://www.ukib.org.uk>

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1061776/Strategic_steer_to_the_UK_Infrastructure_Bank_180322.pdf

This report provides an overview of progress on strategic integration in early 2022 and examines the approaches and methods taken by IGN Members. It identifies the outcomes or expected outcomes achieved with examples and processes that may be replicable.

Some IGN Members are leading on this integrated approach, but it is not yet clear whether Net Zero, climate resilience, public health and inclusive growth are 'deal breakers' or 'nice-to-haves'. A much greater level of strategic bravery, determination and creativity is urgently needed to deliver scaled-up transformational change. The peer-to-peer support facilitated by the network provides a mechanism to help authorities rise to this challenge. By collaborating and sharing their experiences, IGN Members can support each other in leading the integration of Net Zero, climate resilience and public health into inclusive economic development strategies. Although no single member is achieving all this now, between them, they have most of the components for successful strategic and operational integration.

The report provides recommendations to the IGN, local authorities and central government.

1.2 Doing it all? Why Climate Change and Net Zero matter in Inclusive Growth

1.2.1 Net Zero

In 2019, the UK Government and the devolved administrations committed to a Net Zero greenhouse gas emissions target by 2050: with a target of 2045 for Scotland.

The transition to Net Zero over the next 30 years will transform the economy and needs major infrastructure decisions to be made and implemented quickly. The UK has already reduced its carbon emissions from the electricity generation sector, but this was achieved through largely centralised policy, without significant action by local areas or consumers.

More than half of the emissions cuts needed rely on people and businesses taking up low-carbon solutions - decisions made at a local and individual level. Many of these depend on having supporting infrastructure and systems in place, and require long-term planning, careful sequencing of infrastructure, programmes, policies and supply chain development. While local authorities have powers and influence over approximately a third of emissions in their local areas, action is frequently connected to national policies, which often lag behind leading local authority's aspirations.

Over three-quarters of local authorities have declared climate emergencies, putting in place ambitious targets to reach Net Zero, or carbon neutrality, by dates often sooner than the national target. All of the IGN Member authorities have declared such emergencies.

The Climate Change Committee (CCC) has outlined four areas for action to deliver the Sixth Carbon Budget and get on track for Net Zero:

- **Reducing demand for carbon intensive activities:** reduction in travel demand, limiting air travel growth, decreasing meat and dairy consumption and reducing waste while improving efficiency in transport, buildings and industrial processes.
- **Expanding low carbon energy supplies:** doubling or tripling low and zero carbon electricity generation particularly from offshore wind by 2050, to provide electricity for transport and home heating and green hydrogen for heavy industry and goods vehicles. Smarter use of the electricity grid and future carbon capture technologies will also play a role in facilitating this.
- **Phasing out high carbon equipment and infrastructure:** Oil boilers to be phased out from 2028 and gas boilers by the early 2030s; gas boilers no longer installed in new homes by 2025

under the Future Homes Standard. Potentially phasing out gas supply to homes in most areas. An end to the sale of new fossil fuel cars and vans after 2030.

- **Transforming land use:** while supporting farmers, with a focus on tree planting and peatland restoration and lower carbon agricultural practices.

High carbon industries will face changes in regulation, and the ability to raise finance will get harder as investors divest from fossil fuels. Highly polluting, resource intensive industries will have to make significant investment in low emissions processes – amid global competition and the risk of further offshoring industries. Some areas are at high risk of industrial decline unless action is taken to decarbonise them and add diversity to the economic mix. Rural areas face a different challenge to decarbonise agriculture and related industries, respond to land-use changes and tackle transport and housing emissions in more sparsely populated areas where market solutions do not reach.

Over 99% of all businesses are Small and Medium Enterprises (SMEs) and this mixed foundational economy will also need to decarbonise. A 2022 survey found that 87% of SMEs are unaware of their carbon emissions⁵. Early intervention is essential to provide the skills needed to decarbonise existing businesses and attract new low carbon enterprises.

With 2030 only eight years in the future, all new investments and development from today must be as close to zero carbon as practicable. This acknowledgement, however, has significant implications for economic development, housing, transport and industry and business across local areas.

What do Net Zero and Carbon Neutral Actually Mean?

Net Zero greenhouse gases (GHG) refers to the balance of greenhouse gas emissions (inclusive of methane, nitrous oxide, and water vapor, fluorinated gases and carbon dioxide) released into or removed from the atmosphere. While some processes may still generate greenhouse gas emissions, the aim is to 'offset' or 'balance' these emissions out through activities such as forestry, or technology that removes emissions. Only when we're no longer emitting more than we're removing can we consider something to be 'net zero'.

Carbon neutral is similar to Net Zero but technically only refers to carbon dioxide, not all GHG emissions. This is also termed net-zero carbon dioxide emissions. It should be noted, however, in some older strategies carbon neutrality was used to refer to all greenhouse gas emissions.

Offsetting emissions: the CCC advises minimising the use of offsets, aiming to phase them out, and prioritising more permanent forms of removal where offsets are necessary. This is because land available for offsets is limited. **All local authorities should prioritise emissions reductions over the use of emissions offsets** so that by 2030, offsets should only be used for areas where emissions are unavoidable due to a lack of technical alternatives.

Most local emissions assessments do not yet include **imported emissions:** those generated in other countries in producing the goods and services we use (such as vehicles or internet storage).

1.2.2 Climate Resilience

Climate change exacerbates inequalities with the poorest being the most affected, both globally and nationally. People in deprived areas are less able to protect themselves from, and respond to, climate impacts including flooding, heatwaves and extreme weather. They are most affected by climate-

⁵ NatWest Group “Springboard to Sustainability” report March 2022
<https://www.natwestgroup.com/news/2022/03/9-out-of-10-smes-dont-know-business-carbon-emissions.html>

change related economic shifts; less able to reduce their exposure to fossil fuel price rises, to make their homes more energy efficient and healthier, have less access to high-quality green space and more likely to live in areas affected by air pollution. Any approach to a more climate resilient economy needs to include steps to address these inequalities.

What is Climate Resilience?

November 2021's Storm Arwen was a reminder of the cascading impacts of weather on power, heat, transport and communications and the wider effects that disruption has on lives and businesses.

As the planet continues to warm, there will be continued changes in weather and a shift towards extreme weather. The UK will experience more frequent and intense heatwaves, wetter winters and more intense summer rainfall. Planning for the inevitable changes in weather, and adapting to reduce our exposure, makes homes, businesses and infrastructure more resilient. Carrying out this planning with local communities prior to investment is significantly more cost-efficient than retrofitting it or dealing with climate impacts. Climate adaptation leads to climate resilience.

Economic climate resilience actions include:

- Planning – assessing the impacts, risks and exposure and action planning for resilience⁶
- Building emergency response capability
- Reducing the risks and impacts through managing water and increasing green space
- Adapting buildings, processes and products to minimise risks and access new opportunities.

1.2.3 Just Transition

Climate change will bring different challenges and benefits to different areas and people. Places where investment in low and zero carbon opportunities flows may not be the same places where the most jobs are likely to be lost as a result of the transition to a greener economy. The just transition is used to describe a systemic and whole of economy approach to sustainability, centralising the following elements⁷:

- Maximising the social benefits of the transition
- Mitigating the social risks
- Empowering those affected by change
- Anticipating future shifts
- Mobilising public and private investment.

Just Transition brings the concept of Inclusion into methods to tackle climate change, but the two concepts are not interchangeable. Inclusive growth agendas do not necessarily include a presumption of action towards Net Zero. Just Transition does encompass inclusive growth, but only growth that is based on Net Zero.

⁶ [Local Partnerships Climate Adaptation Toolkit v1.pdf \(localpartnerships.org.uk/wp-content/uploads/2021/12/Local_Partnerships_Climate_Adaptation_Toolkit_v1.pdf\)](https://localpartnerships.org.uk/wp-content/uploads/2021/12/Local_Partnerships_Climate_Adaptation_Toolkit_v1.pdf)

⁷ Financing climate action with positive social impact: How banking can support a just transition in the UK, Grantham Institute, 2020

1.3 Why Integration Matters

Integration helps holistically tackle cross-cutting challenges and prevents them from competing or conflicting. Business-as-usual or development-as-usual locks in emissions and entrenches inequalities that will carry a high cost to tackle later.

The National Infrastructure Commission states that: “Economic infrastructure sectors generate a major part of the UK’s current emissions – in 2019, direct emissions from the energy, transport, waste, and wastewater sectors accounted for over 66 % of all UK greenhouse gas emissions. Reducing emissions is important to the public: the Commission’s social research, carried out in June 2021, found that people cited fighting climate change by reducing greenhouse gases as the top priority for the UK’s infrastructure in 30 years’ time.⁸”

There are three overarching benefits of integrated strategies and delivery:

1. **Better value for money** delivering whole-place benefits, system change and co-benefits beyond Net Zero, including health, jobs, local supply chains, resilience and regeneration.
2. **Better places** which in turn attract investment, fostering enterprise and thriving communities.
3. **Better working together** across the authority and partners: an integrated strategy sends a very clear message of shared priorities, removing silos, providing mutual benefit and system change.

1.3.1 Better Value for Money

Many of the actions needed to transform local economies and places to Net Zero need to happen at a local, or on a place-based, scale. Fragmented and sector-specific initiatives are less successful and, in the long-term, more costly because they do not operate at a place-based systems level. The interaction between the energy system, transport and buildings, the location of developments and provision of public transport, the introduction of active travel routes and existing freight and commuter traffic all take place locally.

“Climate change is already damaging the health of populations in the UK and globally and has the potential to increase health inequalities. Actions to combat climate change, done in the right way, could improve health and health equity. Conversely, actions to improve health and health equity have the potential to reduce greenhouse gas (GHG) emissions.⁹”

There is no point making investments that push up emissions, while other investments are being made into reducing emissions somewhere else. There is no point building developments that bring freight or heavy traffic onto the same road network that people are encouraged to cycle on. Planning and spending in a strategic, logically sequenced way will deliver much better outcomes for less.

The [UK Cities Climate Investment Commission City Investment Analysis Report](#) estimates that £206bn must be spent in the UK’s Core Cities and London Councils to achieve Net Zero.

PWC’s 2022 [Accelerating Net Zero](#) report found that: “when city regions are able to adopt the most socially cost-effective combination of low carbon measures based on the specific characteristics, needs and opportunities of their location it requires significantly less investment, whilst creating nearly double the energy savings”. The place-based investment modelled to deliver measures in the

⁸ <https://nic.org.uk/app/uploads/NIA2-Social-Research-Final-report.pdf>

⁹ Sustainable Health Equity: Achieving a Net Zero UK (Chair, Sir Michael Marmot)

Sixth Carbon Budget not only cost less but produced nearly double the social benefits e.g., the economic value brought by cleaner air, warmer homes and healthier people.

- place agnostic £195bn investment produces £444bn wider social benefits
- place based £58bn investment produces £825bn wider social benefits.

The Construction Leadership Council's 2020 [Greening Our Existing Homes - National retrofit strategy](#) suggests that to achieve net-zero homes by 2040, £523.7 billion is needed in total investment and 500,000 direct jobs could be sustained during the programme peak in 2030.

1.3.2 Better Places

Typically, area strategies sit in silos, with growth and jobs overriding other concerns. Integration means viewing all growth strategies and decisions through the lens of Net Zero, climate resilience, inclusion and public health. This will create a more nuanced and complex view of development decisions.

Uniting these silos, and incorporating thinking through all different lenses, helps to deliver better places. Integrated strategies should mean that schemes that are currently novel become the norm. It means that infrastructure is designed and built to withstand climate impacts and reduce emissions. It means that developments are planned for people through community engagement, reinforcing and ensuring a localised climate resilience. The necessity for reduced reliance on cars, accessible green spaces, trees and spaces for food growing and recreation are highlighted, as are energy efficient homes and offices that are affordable to heat with a low carbon heating system.

Supported by **Leeds City Council** and West Yorkshire Combined Authority, securing Department of Transport investment for the new train station, **Kirkstall Forge, Leeds**¹⁰ is a new neighbourhood on a former industrial site providing 1,050 new homes, retail and workspaces designed for a healthy lifestyle. It promotes active travel, bike routes and a railway station for sustainable travel, provides affordable housing, and has retained woodland and heritage buildings and incorporated a meadow. Going forward, this type of development needs to be the norm rather than the exception.

1.3.3 Better Working Together

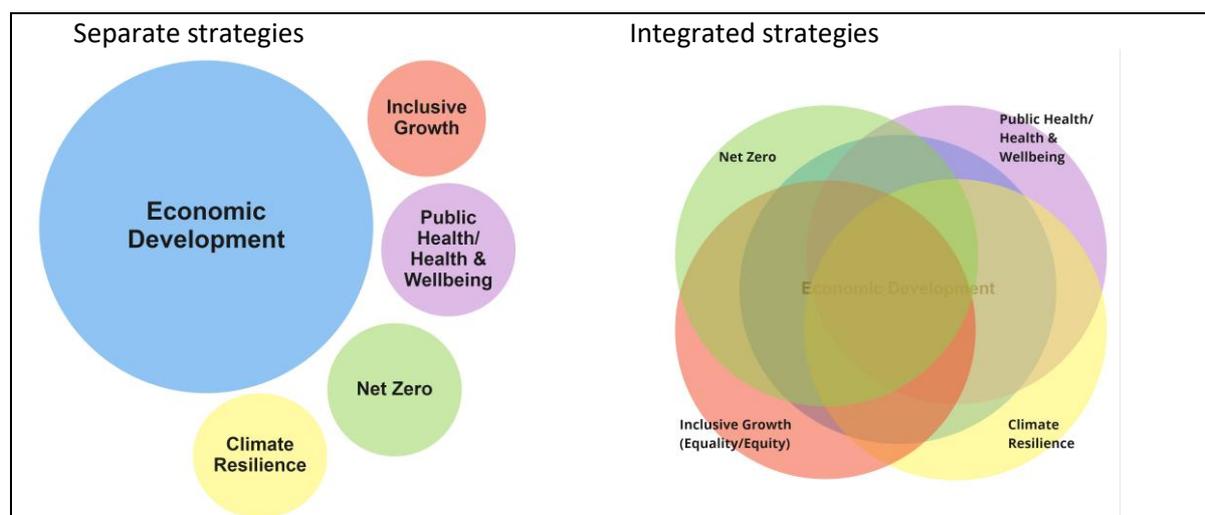
Integrated strategies, if they are implemented effectively:

- Remove silos and foster a shared language and ambition
- Share understanding of aims and how actions in each area impact on aims of others
- Understand overlapping priorities, mutual benefits and potential conflicts
- Enable innovation
- Develop much better, integrated business and investment cases and attracting investment.

The challenges, including the capacity to undertake organisational change, are addressed in the delivery section. However, the evidence is clear that better working together and a greater focus on environmental issues is valued by staff and increases motivation. The 2022 Aviva [“How We Live”](#) Report surveyed 3,200 individuals and found that 58% of UK workers would consider changing their current role for a “greener” career. And 15% would take a pay cut to do so.

¹⁰ <https://www.kirkstallforge.com>

Integrated strategies can be more complex and require people to look at development through multiple lenses but remove the risk of strategies diverging and generally underpin better outcomes.



1.4 Methodology

This research reviewed IGN member places' published strategies (and some unpublished in draft format) between January and March 2022 to:

- assess how well inclusion, net zero, climate adaptation and public health are integrated
- identify any significant areas missing from these strategies
- understand the development of strategies over time.

The review investigated the publicly available strategies of the 12 authorities. Six of these were supplemented by the interviews, which provided more depth of information to use in the assessment. We recognize that the level of detail available was not the same for all authorities. The reviews focussed on how Net Zero and climate resilience are integrated, with a lighter touch review on public health and inclusive growth. The 12 Authorities included in the research are listed below: those interviewed are in bold.

Local Authority	Combined Authority
Belfast City Council	Greater Manchester CA (GMCA)
Bristol City Council	Liverpool City Region CA (LCR)
Cardiff Council	North of Tyne CA (NoTCA)
Glasgow City Council	West Midlands CA (WMCA)
London Borough of Barking & Dagenham (LBBD)	South Yorkshire Mayoral Combined Authority (SYMCA)
Leeds City Council	
North Ayrshire Council	

The documents reviewed included:

- Place and Economic strategies
- Climate change, Environment or Net Zero strategies and plans
- Public health strategies/Health & Wellbeing Strategies
- Corporate plans

- Tools used and performance assessment plans.

Appendix A.1 gives a full list of these documents.

The primary purpose of this research was to assess Economic Development and/or Place strategies to see how visible and well-integrated the authority's ambitions on Net Zero, Climate Resilience, Public Health and Inclusion are. The quality of the corresponding climate change or health strategy was also reviewed: a well-integrated but unambitious climate change strategy would not rank highly in this assessment.

The interviews with representatives of six of the authorities (Appendix A.2) explored the evolution of the strategies, motivation for integration and the challenges faced. These interviews also investigated how the delivery will be managed, including the tools, training, structures and methods used to date, and plans for the future. The research was also informed by discussions with external experts on Communications, Community Wealth Building and Organisational Change and a range of reports on climate change, investment for Net Zero, climate change and health inequalities, and operational delivery effectiveness. (See Appendices A.3 and A.4).

A set of characteristics of a strong well, integrated economic strategy were developed based on our experience of local authorities, and the initial research, informed by climate change, inclusive growth and public health literature (see Bibliography). The 12 authorities were rated against these characteristics for each of the four challenges covered.

Characteristics of a Net Zero aligned Place Strategy or Economic Development Strategy

- Net Zero or climate change is a key pillar that runs throughout the strategy. It is not just addressed in a single chapter that repeats the climate change strategy but is visible in every section of the strategy.
- The relationships between climate change, the economy, health and people's lives are clearly set out, including identifying those sections of the community most at risk from both climate change and the actions put in place to tackle it.
- It addresses the full range of emissions across the whole of the local area rather than narrowly focusing exclusively on a few specific areas, such as renewable energy. Authorities addressing climate change in their own estate and operations is a basic requirement and that alone would not rank highly in the assessment.
- The strategy addresses what changes need to be made and how these will be done.
- The language is strong and ambitious: stating the endpoint even if the means is uncertain, using phrases such as "*will do*" rather than "*will investigate the feasibility of...*".
- The strategy identifies which external organisations the authority will need to work with and how they will be included.
- It identifies the economic opportunities the area might benefit from, grounded in the existing local strengths and historical challenges.
- It sets out how high carbon industries as well as "everyday jobs" will be affected by climate change and the need for Net Zero. Some of these jobs will disappear, some will be affected by high costs associated with energy, carbon and Net Zero policies, some will be severely affected by changing standards and customer requirements that fundamentally affect their business model, while others will see a growth in demand. The strategy should set out how these businesses will be helped to transition, what skills will be needed and how these will be developed in the local area.

- It includes an assessment of the investment that will be needed across the whole of the economy and where that investment is expected to come from, including both external funding needed and those businesses and individuals that will be investing themselves.
- It is clear about how costs to transition to Net Zero will affect development that happens in the near future, aims to avoid industries and individuals being burdened with those costs, and sets out what is not acceptable for new development or investment.
- It is honest about the challenges that will be faced.

Characteristics of a Climate Resilient Economic Development Strategy

- Climate resilience is recognised as essential to long-term economic success as well as contributing to the wellbeing of poorer communities and is integrated through all elements of the strategy.
- There is a clear understanding of the specific risks to people, businesses and services in the area, as well as the economic and societal risks associated with climate events in other parts of the country and world.
- There is a clear understanding of the mechanisms and investments required to mitigate climate risks, which includes leadership, management and systems as well as hard infrastructure.
- Investment in climate resilient infrastructure is prioritised and the business opportunities from a climate resilient local economy are identified.
- The strategy requires all economic investment to be assessed for climate resilience and shows how this will be managed.
- The wider benefits of climate-resilient places are recognised, such as improved health and wellbeing through access to green and blue space, or increased biodiversity.
- It is built through cross-sector partnerships with a range of organisations and involves the local community.

Characteristics of a Public Health focussed Economic Development Strategy

- The interdependence of economic opportunities, good quality jobs and health are woven through the strategy.
- It references the determinants of good health, that are linked to place: education, fair employment and good work, healthy and sustainable places with good quality housing, connectivity, clean air, and access to nature and community.
- The economic cost of poor public health is recognised, including upon mental health.
- It is clear about the current health outcomes of the population and how these differ across neighbourhoods and communities.
- It recognises that climate change is likely to exacerbate health inequalities.
- It recognises the need for good quality work as fundamental to wellbeing and includes health provisions for people in work as well as those out of work.
- It is clear that health benefits can only be achieved through strong partnership working.

Characteristics of an Inclusive Economic Development Strategy

- The language has changed, with a focus on development that is good for local people.
- Recognition of the link between health, wellbeing and employment.
- Strong recognition of local issues, in particular, understanding that areas with high levels of deprivation and poor health haven't been helped by previous development strategies.

- Recognition of the importance of community and engaging with communities to shape the economic plans.
- Acknowledgement that a different culture and management system is needed to deliver inclusive growth.
- Recognition that a diversity of economic models and investment is needed, such as plural and community ownership, alongside the traditional capitalist model.
- Active interventions by Local Authorities (LA) and partners are proposed, rather than relying on the market to deliver, which might mean the authority takes on the role of landowner or developer to contribute to development decisions.

A workshop with IGN Members then explored the initial findings and the characteristics of a well-integrated strategy, discussed barriers and challenges to developing and delivering an integrated strategy, and what good delivery looks like.

This report summarises the findings of the research and IGN Members' input.

2 Strategy Findings

2.1 Overview of Strategies Reviewed

Overall, the review found that:

- “Doing It All” is rare and difficult: a focus on Inclusion can lead to a limited approach to some climate change issues, missing the employment gains that could be made, for example, through targeting the higher carbon, able-to-pay sector or small businesses.
- The extent to which the different aspects reviewed have been integrated into economic strategies is related to the authority’s focus and expertise. Inclusion, as the main purpose of the IGN, is clearly the strongest feature in most strategies. Net Zero is strong in more recent strategies and where there has been consistent focus on climate change over the years. Public health is a mixed picture and climate resilience is the weakest feature across all the strategies.
- Covid has been a significant factor in the changed nature of newer development strategies: the opportunity for change and the ability to act more swiftly than in the past has accelerated the integration of inclusion, climate change and public health.
- The strategies feature a high degree of localism, understanding the strengths, weaknesses and challenges of the local area, and smaller localities within the wider area or region.
- There is typically an acknowledgement that previous investment decisions and development planning has produced unequal results for the area, and that the benefits from development have not cascaded across the city or region.
- In some authorities, Inclusion, Net Zero, Climate Resilience and Public Health clearly cascade through other strategies and operating plans, however this is not yet the case in all authorities where there has been a delay in refreshing related strategies and plans due to a focus on the pandemic response.
- Strategies that use strong and positive language appear to be more likely to succeed; these are brave strategies that recognise the challenges but are determined to progress forward regardless. They leave no room for excuses, only solutions. This may be an illusion, or it may be that shared language stating what “will happen”, rather than what we “will try to make happen” creates a stronger reinforcement that change will come and the challenge is *how*, rather than *whether*, to deliver.
- Strategies contain limited assessment of the risk of business as usual.

2.1.1 Integrating Net Zero

Five authorities have clearly integrated the need to address climate change through economic development, five more have a reasonable degree of integration but there are some gaps, and two have not yet properly started.

There is a wide disparity in knowledge and expertise on climate change, which is evident in the quality and ambition of the climate change strategies and the degree to which they have been incorporated into economic development strategies. However, some localities with strong climate change strategies and years of experience in delivering these are still in the early stages of integrating them into economic strategies.

Addressing climate change has never been equally considered across all policy decisions, nor has it been a consistent factor in developments within an area. Consequently, even where there is a strong climate change strategy in place, ample local expertise and available technologies to ensure successful implementation, **most new developments or investments in the economy or infrastructure are not Net Zero.**

Examples of Net Zero integrated strategies:

The **Liverpool City Region Plan for Prosperity** weaves Net Zero and the climate emergency throughout. Two of its three strategic objectives are mutually reinforcing. The inclusive city region objective references a shared drive to net zero and climate resilience that does not disadvantage anyone. Likewise, the Green Revolution objective promises that everyone can benefit from re-skilling, support for SMEs and communities, allowing all to embrace the opportunities emerging from the Net Zero transition. *“An economy that is clean and green, and that functions effectively for everyone, will be better for health and wellbeing and a population with better health and wellbeing is better for business, competitiveness, and inclusivity.”* The city region has recently launched an innovation programme which has an emphasis on key innovation sectors including Net Zero, fuel switching to tackle emissions from the glass industry, and a new National Centre of Excellence in Modern Methods of Construction is planned, which will deliver 24,500 new low-carbon, energy-efficient homes, alongside 10,000 refurbishments over the next decade, create 201 highly skilled and well-paid full-time jobs and deliver 100 apprenticeship opportunities each year. This in turn is referenced in the Plan for Prosperity. *“This is innovation with purpose, directed toward solving economy and society’s biggest challenges and, in doing so, create shared prosperity for all our people and places. It is this distinctive character that flows throughout the Plan and will enable us to make a major contribution to the UK’s ambitions to level up, strengthen its global position, and achieve net zero carbon.”*

The **Greater Manchester Strategy 2021-2031 – Good Lives for All** is a completely new approach, putting the response to the climate emergency at the forefront, followed by a fairer Greater Manchester, aiming to tackle inequality, improve wellbeing and drive growth. This in turn links to a new Local Economic Partnership economic vision founded on delivering net zero and improving productivity. It consciously aims for integration, place-based growth and community empowerment, intending to *“deliver the UK’s most integrated place-based innovation ecosystem to drive economic and social renewal nationally, in the North and locally.”* It references the United Nations (UN) Sustainable Development Goals (SDGs) and develops a set of shared outcomes, commitments and ways of working. The shared outcomes include delivering transport, housing and growth in line with the city region’s carbon neutrality target of 2038. The strategy uses low carbon investments such as the Bee Network for active travel to support growth as well as delivering health and environmental outcomes.

Bristol’s Economic Recovery and Renewal Strategy is built around three priorities: *“to seek to reduce poverty and inequality; to increase the city’s resilience and environmental sustainability; and to enhance the economic and social wellbeing of every community”*. A central part of building back better is to secure the maximum benefits from a transition to a green economy. Each area of action references both how it will contribute to tackling the climate emergency and align to the UN SDGs. As well as aiming to attract new green industries, the strategy sets out how the city will work with existing key sectors, businesses and individuals, for example: *“Increase and improve the green and low carbon skills offer to both upskill existing tradespeople and create bespoke pathways through vocational training to employment for young people, taking into account diversity considerations so as to achieve a ‘just transition’ to carbon neutrality and wider natural environment benefits. Work with creative*

venues to understand and map sector needs to reach carbon neutrality and climate resilience as well as reduce their ecological impact.”

Cardiff City Council’s One Planet Cardiff (OPC) climate strategy has now been in place for many years, supported by Wales’ Wellbeing of Future Generations Act. Delivering the OPC is a key Mission of the City Recovery & Renewal Strategy, although it remains in a separate section rather than visibly running throughout the strategy. However, the OPC holds significant weight in development decisions. Notably, the Replacement Local Development Plan 2021 strongly integrates Net Zero and climate resilience. For example: “Objective 1: To provide a variety of quality low carbon homes to address the housing crisis and future housing needs. Objective 4: To respond to the climate emergency so Cardiff becomes more resilient and maximises opportunities for energy- efficient solutions in line with the One Planet Cardiff Strategy to become a carbon neutral city by 2030.”

Glasgow City Region’s Economic Strategy has “addressing the climate emergency” as one of three Grand Challenges, all of which are woven throughout the strategy. Innovatively, the City Region employed a Green Economy Manager (who sits within the economic development team, emphasising Net Zero as an economic challenge as much as an environmental one) to lead the development of the strategy. Its priorities include “A Just Labour Market Transition to Net Zero, Support Businesses to Decarbonise and Adapt, Build a Green Supply Chain”. As part of the strategy, the City Region is committed to facilitating innovative funding mechanisms: “Delivering all of our regional ambitions will require billions of pounds of investment in infrastructure, especially to support net zero and climate resilience. This will require new and innovative funding and delivery mechanisms to deliver at the scale required. We will facilitate and steer broader inward investment, as well as seeking private sector partners to find the right investment and delivery mechanisms to meet the Region’s missions.”

Challenges and Gaps

The research identified a range of challenges and gaps, with the most common of these explored below.

Investment in transport (primarily roads) has historically been seen as fundamental to economic growth, so a shift from fossil fuel-based transport has been perceived as in conflict with growth plans. The transport element of the economic strategies assessed focussed mainly on infrastructure for active travel, public transport, Electric Vehicle (EV) charging infrastructure and public sector vehicles, and the changes required appear possible. It will be interesting to see how this translates into decisions on how much road space or parking etc. is provided in developments. The challenge of airports and inequality issues surrounding the transition to EVs are recognised in some, but not all, strategies, with few solutions proposed.

The built environment is the area with the biggest gaps in strategy. This will be problematic if not addressed urgently, as most strategies include the expectation of jobs in Net Zero construction trades and the need for a rapid increase in skills. However, they lack a large-scale area-wide strategy for the built environment that will develop the market for these skills. Most strategies are reticent to commit to Net Zero buildings in the near future, and Planning is still seen as the major hurdle to this.

- The carbon footprint of industries the area aims to attract (e.g., digital, media, tourism, advanced manufacturing) is rarely considered. Very few strategies discuss how authorities will work with these industries to ensure any new development or re-development can be net zero at the time they are built.

- The focus for new housing is mainly on affordable homes, with some commitment for these to be net zero. Strategies are not typically applying this commitment to all new homes ahead of the Government’s delayed and inadequate targets, however, and there is no recognition at all that homes built in the interim will also need an expensive retrofit.
- Most new development is still heated by gas as standard: district heating systems are often promoted as low carbon but are not if powered by gas.
- The need for deep retrofit is recognised, along with the job opportunities this affords, but retrofit commitments typically apply to those in fuel poverty. The retrofit potential for “able to pay” households is largely absent, as is the recognition that Local Authorities have a significant role in catalysing improvements in the private rental sector through the Minimum Energy Efficiency Standards for Landlords. This not only misses the market opportunity for retrofit, but the vital carbon savings that have to be made in the residential sector to achieve Net Zero.
- Retrofit of non-domestic buildings is rarely explored as an area for investment or skills development, other than in the somewhat limited commitment to improve the council’s own estate.

Jobs and skills: many of the cities studied have experienced a significant economic decline in the past and had to transition away from heavy industries to a more mixed economy. Consequently, most acknowledge that the transition to Net Zero will be equally significant and “green jobs” are a key feature within most of the strategies. However, these jobs are frequently limited to the renewable and low carbon energy sectors, leaving some quite significant gaps such as:

- Transition support to enable businesses currently in higher carbon sectors to continue to exist in a Net Zero environment: e.g., manufacturing, transport.
- Support to enable the significant number of jobs in smaller businesses across all sectors to manage the transition to Net Zero, including both investments in existing markets and developing opportunities in markets for Net Zero products and services.
- A recognition of the level of investment the transition will require and how that investment need may be met, alongside measures to engage with investors to develop the availability of finance.
- Some strategies do not recognise the contradictions between their Net Zero goals and their aims to develop inherently high carbon industries e.g. space and aviation.
- Few strategies state how economic development and inward investment teams intend to work with potential investors and developing industries to ensure new development is Net Zero and what investment will not be acceptable, where it is inconsistent with the Net Zero targets.

2.1.2 Integrating Climate Resilience

Climate resilience is currently the least well considered and integrated aspect in most economic development strategies. Homes and businesses will be faced with several climate impacts that could be designed out at the development stage if it is prioritized. Any investment in the economy should incorporate climate resilience at the outset to avoid the much higher costs of dealing with climate impacts later, and to protect business continuity. This can frequently be done for no additional cost if

the requirements are clearly set out early and incorporated at the design stage. This can also enable green infrastructure, active travel and health benefits as well as delivering nature and biodiversity recovery. The main economic impacts of climate change are:

- **Flooding and storm damage** – development areas at risk from flooding are generally identified, and flood risk management schemes usually address infrastructure needs. However, there is little recognition in economic development strategies of the knock-on and longer-term impact on the wider economy of flooding and storms, or measures needed at smaller scales, in individual businesses, homes and communities
- **Excess heating** – in some areas building retrofit should be incorporating measures to avoid over-heating as well as energy efficiency
- **Water shortages** – affecting water dependent industries as well as households
- **Critical infrastructure** – damage, temporary loss of and increased repair costs facing the electricity, water, gas, telecommunications and transport infrastructure, all of which have an impact on businesses, their staff and their ability to trade
- **Loss of output from agriculture and the food supply chain** – from changing temperatures as well as severe weather.

For businesses, there are additional costs associated with supply chain disruption and insurance caused by climate impacts outside of the local area.

The most deprived in society are at the greatest risk from climate change, so resilience and economic inclusion are strongly linked.

Examples

One of **Glasgow City Region's** three Missions is "By 2030, the Region will have the most advanced city-region economy in the UK in the race to net zero and climate resilience". The importance of climate resilience is present throughout the Economic Strategy and is referenced in relation to regeneration, infrastructure performance and reliability, improved competitiveness, skills and fairness.

A Flagship Action is Net Zero, climate resilient building retrofit for over 236,000 homes and the Resilient Regions; the Clyde Rebuilt partnership¹¹ is developing a strategic business case to underpin the investment in this.

Challenges and Gaps

- **Language:** the shift in climate change language towards "Net Zero" focuses on emissions removal at the expense of climate resilience, which has become the poor relation in the climate emergency.
- **Finance:** the business case accounting for the future cost of climate risks is rarely mentioned, and few strategies investigate the means to fund an integrated package of climate resilience alongside Net Zero measures.
- **Green infrastructure** and flood resilience are included in most strategies for their multiple benefits, but many do not reference any other climate resilience requirements.
- **Job opportunities** from climate resilience are rarely mentioned.
- **Economic resilience** is highlighted in some strategies without reference to the impact of climate risks.

¹¹ <http://climatereadyclyde.org.uk/clyde-rebuilt-v2/>

2.1.3 Integrating Public Health

Most localities investigated as part of this research recognised the strong links between economic inequalities and health outcomes, and the ways in which policies to promote inclusion and well paid, secure employment lead to improvements in public health. This improvement can also be observed in programmes that support people in improving their physical and mental health, providing a healthy environment and maximising employment prospects and productivity. The links between public health and climate change are particularly highlighted with reference to air quality, active travel and access to green space, but there is less notice paid to the health impacts of cold, damp, poorly insulated homes or the health benefits of a more sustainable diet.

Characteristics of a Public Health focussed Economic Development Strategy

- The interdependence of economic opportunities, good quality jobs and health are woven through the strategy.
- It references the determinants of good health, that are linked to place: education, fair employment and good work, healthy and sustainable places with good quality housing, connectivity, clean air, and access to nature and community.
- The economic cost of poor public health is recognised, including upon mental health.
- It is clear about the current health outcomes of the population and how these differ across neighbourhoods and communities.
- It recognises that climate change is likely to exacerbate health inequalities.
- It recognises the need for good quality work as fundamental to wellbeing and includes health provisions for people in work as well as those out of work.
- It is clear that health benefits can only be achieved through strong partnership working.

Examples

SYMCA's Strategic Economic Plan clearly links health and economic prosperity; "Good health is an asset that reaps rewards in the workplace as it enables people to find and keep jobs, gain well-paid employment, improve skills, and enjoy a better quality of life and wellbeing. Poor health represents a huge cost in lost earning potential, lower productivity and tax revenue, and expense of public resources, while also having a significant impact on individuals and communities. Good jobs are beneficial to health and all employers have a significant contribution to make." South Yorkshire's Health Led Employment Trial is the largest of its kind to test the effectiveness of combining health and employment support. Over 6,000 people have joined the trial and long-lasting relations have been developed with primary and secondary health referring agencies.

GMCA's Good Lives for All recognises the links between health and prosperity, and the challenges that an aging population present to health. It links the provision of high-quality culture, sport and outdoor leisure available close to home with good health. "The Independent Prosperity Review found that health inequalities in Greater Manchester were holding back productivity and refuted the idea of a trade-off between inequality and growth – greater equality leads to more growth. We therefore need to ensure more of our people to contribute to, and benefit from the economic development of the city-region." The strategy notes the need for healthcare facilities to be on sustainable transport routes, like the Bee Network, and the opportunities to improve health through active travel, linking the climate target to health.

Glasgow City Region created posts for two staff from Public Health Scotland and the NHS to contribute public health expertise into the Economic Strategy. This embedded partnership has enabled a shift in

the culture to recognise the value of health to economic activity. “Good health and wellbeing are both vital inputs to a productive economy: Good health and wellbeing across the population support people’s ability to participate in society. There are also clear links between health status and labour productivity. It has been estimated that up to one third of the Region’s productivity gap could be attributed to health-related issues. This represents a lost opportunity for our economy. A focus on addressing health inequalities is essential to growing a more inclusive and productive economy.”

Challenges and Gaps

- For the majority of Combined Authorities, the statutory Public Health role sits within local authorities and has been seen as a separate activity outside of combined authorities’ remit, requiring a steep learning curve for economic development teams to understand and integrate public health into the development strategy. This often requires organisations to learn each other’s language, and collaboration across the constituent local authorities that make up each mayoral combined authority
- Full integration of public health requires strong partnership working between different organisations with often different objectives and metrics, in different locations and management systems, so it can be challenging to manage the day-to-day collaboration.
- Health outcomes from “good” development will not be seen for a long time, so requirements are hard to prove, and impacts may only become visible in the long-term, or retrospectively.
- Funding structures for health and development are separate and health outcomes do not easily fit into typical economic business case models (or vice versa).

2.1.4 Integrating Inclusion

Inclusive Growth recognises that the traditional approach to economic development is no longer effective for many people in a locality and aims to integrate development that primarily benefits local people and improves local areas. As this is the primary concern of the network, it was not the main focus of this research. The emphasis on economic inclusion is visible in most strategies. Several authorities are adopting a Community Wealth Building framework, which is based on five key principles:

- Plural ownership of the economy
- Making financial power work for local places
- Fair employment and just labour markets
- Progressive procurement of goods and services
- Socially productive use of land and property.

While the inclusive growth approach to local economic development can tackle climate change and health, these issues are not expressly incorporated into the process. CLES and Carbon Co-op have recently produced a toolkit¹² to show how Community Wealth Building can be applied to the energy transition part of the climate challenge.

Examples

London Borough of Barking and Dagenham’s Growing Together Plan and related strategies have Inclusion running through them. “Pursuing a model of economic development that is pro-sustainable growth and pro-social and economic inclusion is not easy or straightforward. One thing we know for

¹² <https://cles.org.uk/publications/energy-toolkit/>

sure is that we cannot rely on either the private sector or the central state to deliver it for us. We need to lead it and build it ourselves, working with anyone who shares our vision and values.” The council is committed to actively intervening, investing and working in partnership beyond the usual structures. To help deliver this LBB has set up wholly owned companies to deliver quickly and at scale. The Corporate Plan also reflects how they are radically changing their ways of working. "Our services and the way we work should be built around the needs of residents, rather than the convenience of the Council."

North Ayrshire’s Economic Recovery and Renewal Approach is entirely built around the pillars of Community Wealth Building, with the mission of “Enhancing local wealth and the creation of fair jobs and maximising the potential of all our places through working in partnership with our communities and businesses”. It is the first CWB Council in Scotland and the twin priorities of the Green New deal are to “Ensure an inclusive economic recovery by delivering our Community Wealth Building mission; and ensure a green economic recovery focused on achieving our net zero carbon ambitions through the creation of sustainable infrastructure and regeneration projects and creating fair jobs.”

North of Tyne CA put inclusive growth at the heart of their Devolution Deal, with a remit to create an Inclusive Economy Board and set up an Inclusive Economy Innovation Fund to support inclusive jobs and skills development. “Inclusive Economy, Net Zero Transition and Innovation in Recovery” are the three pillars of the Post-Covid Corporate Plan. Cabinet Reports must provide an assessment of the Inclusive Economy Implications of all proposals.

SYMCA’s Strategic Economic Plan focuses on inclusion and sustainability. “In the new landscape after Covid-19, we will not pursue growth at any cost: we will prioritise growth that helps create a better society. We will seek to build an economy which better supports and rewards innovation, enterprise and hard work. We will encourage a wider and more equitable distribution of its fruits, and a greater stake and say for ordinary people in the economy. We will work to decouple prosperity from environmental harm.”

Challenges and Gaps

- Where authorities have fully driven forward the Inclusive Growth agenda, in some cases the challenge remains to incorporate climate change requirements into this
- Making Inclusion the main priority in strategies can lead to a limited approach to some climate change issues e.g., focusing on fuel poor households and affordable homes at the expense of the Net Zero gains and jobs that could result through developing a sector to tackle emissions from the higher carbon able-to-pay and private rented sectors.
- The aim to create good jobs for all sectors of society needs to be accompanied by a commitment that these jobs and associated industries decarbonise.
- The Inclusive approach does not typically address climate risks, even where these will fall disproportionately on the more vulnerable members of society.

The most noticeable feature of inclusive growth strategies is that the systems, culture and language used to develop and deliver them are the same as those needed to deliver net zero, climate resilience and public health. For those authorities that have moved quickly to embrace inclusive growth but have not yet incorporated climate issues into economic development, the change process applied to the former can be extended to include the latter.

3 Delivery – leading, supporting and monitoring integrated strategy in delivery

This section outlines the research findings of how IGN member authorities are already, or are planning to, change delivery to achieve multiple outcomes. It discusses the challenges to implementing an integrated approach and covers the main three themes for effective delivery: leadership and communication, supporting structures and accountability, enforcement and improvement.

Overall Findings:

- No authority is yet delivering a fully integrated strategy, as these have only been developed within the last year.
- A change in operational culture to a systems-based approach is needed, with improved tools and metrics to help this process, and no organisation is yet at this stage.
- No authority is delivering zero carbon and climate resilience as standard on all new buildings and infrastructure. Net Zero and climate resilience actions are still being delivered on a programme or project level, rather than through a fully holistic approach. They are effectively voluntary and funding-led, producing positive but isolated outcomes, rather than the consistent and scalable programmes needed to meet the ambitious climate change target.
- The range of approaches and tools needed for full integration are being demonstrated across different authorities, but not all together in one authority. There is an urgent need to build and share good practice.

3.1 Integrated delivery – introduction

IGN members are at different stages of integrating Net Zero, climate resilience, public health and inclusion into their operations. Given the focus of the IGN, more members have integrated Inclusive Growth into their operations more thoroughly than the other challenges. Lessons from public service reform to date are also being used to inform the approach some members are taking. This provides useful practical experience of how to take a new challenge and introduce it into policy and the work of already-busy people, service areas and departments – breaking down silos.

Some members have taken decisive steps to act on their Net Zero targets and are already changing structures to institutionalise this. Each authority has its own culture and systems, which strongly inform the approach taken. Combined Authorities and Local Authorities have different roles, financial and policy levers available to them; they have a common need to work across their organisations and beyond to achieve their stated ambitions, with partners across the public, private and community and voluntary sectors.

In most authorities, action on Net Zero is funding-led and tends to be fragmented and exceptional – producing positive but isolated outcomes, rather than the consistent and scalable programmes needed to meet the ambitious climate change targets. However, in some authorities, these larger-scale programmes are starting to develop, such as **Bristol City Leap**¹³ and **GMCA's Bee Network**¹⁴, the walking and cycling system. The integration of Net Zero into wider place and economic strategies should put systems in place for all activity to pull through the Net Zero and climate resilience outcomes

¹³ <https://www.energyservicebristol.co.uk/cityleap/>

¹⁴ <https://beeactive.tfgm.com/bee-network-vision/>

needed and should identify the big opportunity areas such as mass retrofit. Policy alignment is particularly important in the (English) Planning system, which is slow and costly to change, and which can be a strong barrier to delivering climate outcomes.

The change process to implement the new integrated strategies will take some time, as the integrated approach is cascaded through policy, service plans and accountability processes. However, the Net Zero target is urgent, and the wrong decisions taken now will lock in emissions, so the pace is vital. Some of the intended outcomes will not be apparent for several years or decades (for health outcomes) so assessing the impact of particular approaches should be planned for over the medium to long-term and requires resourcing to learn from failures, persist with integration and maintain visibility.

3.2 Challenges and barriers to integrated delivery

The interviews investigated the challenges and barriers to achieving operational integration of Net Zero, Inclusive Growth, Public Health and climate resilience. Some lie outside combined and local authority control, sitting at the national and wider socio-economic scale. However, some are within local control.

“The challenge of changing the way public services are traditionally organised is multiplied by the fact that different services operate on different geographical footprints, and with different funding models, different measures of success and all take account of need and place in different ways.”
GMCA, Greater Manchester Strategy 2021–2031 good lives for all

Challenges at the Combined and Local Authority level:

- **Staffing structures and resources**
 - Resources, staff capacity and capability – changes take time, training, new skills, time and resource for support, monitoring and evaluation.
 - Siloed working and lack of a common language and understanding.
 - Discomfort with handling change, working with different people and groups – speaking another ‘language’.
 - At the middle management level perception that climate resilience and Net Zero are competing with statutory functions such as Children’s and Adult Social Care for budget allocation.
- **Financial structures and budgets**
 - Financial budgets are not accompanied by carbon budgets and cost outweighs environmental clauses for new projects.
 - Options appraisal process favours the familiar and proven, suppressing innovation.
 - Zero and low carbon technologies and energy-efficient construction can carry higher up front capital costs but have lower lifetime costs, needing different funding assessments and structures.
 - Investment in low carbon, resilient and healthy development does not recoup costs to the investor but saves public spending overall. Silo budgets do not help unlock investment.
- **Policy and use of policy**
 - Overall cluttered policy landscape – authorities have a lot of policies, some overlapping, some contradictory, and there are policy gaps for Net Zero delivery.
 - Reliance on social value clauses which give a lower weighting to climate change than cost: Net Zero, Inclusive Growth and Public Health need to be included in the contract

specifications as requirements to prevent them from being discounted in favour of the lowest cost.

- Local policy is held back by national standards in areas that want to go faster, for example, Planning, viability tests, and housing targets.
- **Uncertainty in the Net Zero transition**
 - Not knowing what the local solutions may be, for example, what kind of low or zero carbon heat solutions are suitable for a Growth Zone or housing development.
 - Technology uncertainties – an expectation that new technology may emerge subsequently, leaving stranded assets.
 - National policy uncertainty – waiting for central Government decisions on, for example, the role of hydrogen.
 - Lack of a local route map to Net Zero that tells a strong social and economic story - these give clarity to local staff and stakeholders in the near term on low regrets actions, and the longer-term objectives.
- **Politics**
 - Concern about vocal opposition to change and new initiatives
 - Politicians may not be confident communicating the messages and encounter scepticism fostered by media and vested interests.

National challenges:

- **Funding landscape**
 - The funding system, particularly in England, reflects narrow government department priorities and limits blending funds (there is emerging consideration of Net Zero in Levelling Up, Community Renewal and possibly Shared Prosperity Funding but this needs to be stronger).
 - A large number of separate funding schemes from the Government – the National Audit Office (NAO) identified £1.2bn funding through 21 dedicated grant schemes relevant to net zero action¹⁵.
 - Funding is largely through competitive bids and has very short timescales to develop proposals and tight timescales within which to deliver schemes. This makes it harder to convene diverse partnerships to develop bids and impedes the development and evolution of local capacity and supply chains.
 - Net Zero compliant funding tends to be for pilot schemes and not aligned with local climate targets, e.g., Homes England funding. This is not the case in Wales where the Welsh Government funding is available to build to higher standards.
- **Incomplete policy and powers for Net Zero and integrated delivery**
 - The national (English) policy landscape is cluttered.
 - The National Policy Framework is not consistent with delivering Net Zero and undermines local intentions to deliver Net Zero through development because housing targets and viability arguments undermine requirements to build to better standards.
 - A Local Delivery Framework is not in place and the Net Zero Forum is not yet established. (The Net Zero Forum is provided for in the Government's Net Zero

¹⁵ <https://www.nao.org.uk/wp-content/uploads/2021/07/Local-government-and-net-zero-in-England-Summary.pdf>

Strategy and establishes a forum for the Government to work effectively with regional and local government in policy development and implementation).

- There are gaps in powers and policy to deliver Net Zero across transport, buildings, energy, waste and nature with differences in powers and levers available to different types of local authorities. (See Power Shift, UK100 2021¹⁶).
- **Uncertainty in the Net Zero transition (England)**
 - Government policy uncertainty on certain issues e.g., hydrogen policy to be clarified in 2026 (this also affects Wales, Northern Ireland and Scotland).
 - Uncertainty on timelines for some new policy and standards.
 - A lack of detail on the actual delivery of published strategies.

Other general challenges:

- **Wider stakeholder awareness and support for Net Zero and concepts of integration**
 - Perception of either/or Net Zero vs local jobs, investment and development
 - Long period of time it will take to assess the impact of integrated schemes (and resources to assess that on a longitudinal basis).
 - Integration being unconventional but needing to fit into existing structures and business cases.
 - Investors require scale, certainty and de-risked schemes – although ESG¹⁷ investment is growing e.g., Legal and General leveraging wider green finance to deliver inclusive, Net Zero aligned investments¹⁸.
- **Wider ability of organisations and society to handle new ways of doing things**
 - National and local government, and partners' capacity to absorb new commitments while delivering existing programmes.
 - Reliance on constant marketing and messaging to make the case for integration.
 - Changes in leadership or staffing can change the focus and messaging.
 - Media or vested interests in the status quo causing delay or confusion.

Combined and local authorities are accustomed to working beyond their statutory duties, and to finding creative ways around the gaps in their formal levers through exercising their soft powers and partnership working. They have been making the case for more integrated Place funding and devolution, particularly at COP26 in Glasgow. There are signs that the UK Government is aware of the shortcomings of narrow and short-term funding streams, and it has been announced they will be allocating Shared Prosperity Funding (SPF) to allow flexibility in how the funds are spent and removing funding silos. The SPF investment plans will also need to demonstrate how they contribute to Net Zero and nature recovery.

Some of the challenges are well within the powers of the combined and local authorities to tackle, but the financial and resource constraints are an ongoing issue that need to be addressed to give greater

¹⁶ https://www.uk100.org/sites/default/files/publications/Power_Shift.pdf (this will be updated in autumn 2022 to reflect policy progress)

¹⁷ Environmental, Social and Governance (ESG) Investing

“ESG” stands for environmental, social, and governance. ESG investing is a way of investing in companies based on their commitment to one or more ESG factors. It is often also called sustainable investing, socially responsible investing, and impact investing.

¹⁸ <https://group.legalandgeneral.com/en/newsroom/press-releases/levelling-up-must-be-supported-by-jobs-in-the-north-and-homes-in-the-south-finds-legal-general-s-new-rebuilding-britain-index>

multi-year funding security to local areas. Despite the common funding constraints, the research found that straightforward actions like putting experts on Net Zero and Public Health into an economic development team could realise far greater impacts than if they were working separately.

The NAO’s report [Improving operational delivery in government: A good practice guide for senior leaders](#) provides useful lessons on operational delivery capabilities to handle policy challenges, including financial and operational pressures, whilst delivering on big issues such as Covid recovery, tackling climate change and overcoming structural delivery challenges. This has informed the analysis of steps IGN members are taking to deliver their integrated strategies. The main themes are:

Whole system		
Aligning objectives, funding, governance and accountability		Closing the gap between policy design and service reality
Organisation		
Building technical & leadership capability	Meeting diversity of users’ needs	Taking an end-to-end perspective

3.3 How IGN Members are managing the change to integrated delivery

The main characteristics for integrating Net Zero, inclusive growth, climate resilience and public health into operational delivery can be divided into three categories:

- **Leadership and communications** – championing change, shared objectives and creating a ‘safe to fail’ environment
- **Supporting Structures and Resources** – building ownership, helping managers prioritise and putting in resources and expertise
- **Accountability, Enforcement and Improvement** – building in safeguards, mandates and feedback loops.

3.3.1 Leadership & communications

Leadership and communications for integration are developing in many authorities, though are better established in those that have focused on climate change as a key priority over the last decade. Existing leadership and communications on inclusive growth and social justice make a good bridge to communicating the benefits of Net Zero. There is still a long way to go in ensuring that everyone understands the strategic objectives and how they relate to their own departmental objectives, however, especially where there are actual or perceived trade-offs between priorities, or where there are gaps in powers to act.

IGN Members can learn from each other to overcome such perceptions by sharing examples through the network.

Bristol City Leap will deliver £1bn investment in heat networks, solar electricity, heat pumps and energy efficiency measures at scale, and will support residents, community energy groups and businesses in local carbon reduction projects.

The common themes in Leadership and Communications to deliver integrated strategies in practice are:

- Mayor, Leader and CEO commitment and communication
- Over-communication – keep repeating the message - consistency and traction

- A clear narrative of the outcomes and route map for integrated inclusive action
- Clear support for internal and external collaboration – respect and recognition for partners
- Senior leaders understand and support consistently
- Willingness to take difficult decisions and back their teams – providing permission to ‘get on with it’
- Confidence in working with uncertainty and taking brave decisions.

“Making sure our citizens have the skills and the training to thrive in the new, green economy is a climate justice issue. Tackling emissions means homes that are easier to heat and better public transport. Neighbourhoods with more green space - and the benefits they have for the health and wellbeing of Glaswegians - are about a fairer city.¹⁹” **Glasgow City Council** Leader, Susan Aitken

In **Bristol, Glasgow, Greater Manchester, Liverpool City Region** and **London Borough of Barking and Dagenham**, there is a strong and vocal commitment from the Mayors and Leaders to deliver Net Zero as part of the area’s future for new jobs, better health and inclusion or social justice. This is critical to embedding Net Zero into the wider organisation.

In **GMCA** the Mayor is deployed tactically to meet delivery teams and companies to reinforce action on climate change issues.

Leaders and managers need to be willing to take difficult decisions – to refuse short-term easy fixes and aim very high. The bravery in some of the strategies needs to be translated to everyday working. They then must give teams permission to act and to learn.

Bristol City Council “We take opportunities to get grant funding to try new things and learn from mistakes²⁰” Emily White, Climate Change Project Manager, Heat Decarbonisation, Bristol City Council, in reference to lessons from connecting public sector organisations to the district heating network. When asked how a city council fosters this ‘safe to fail’ culture, the reply from Bristol Mayor Marvin Rees was “we let the staff know we have got their back and recognise the need to take calculated risks to tackle the scale of the challenges we’re facing²¹”.

Liverpool City Region Combined Authority is showing confidence in working with uncertainty, “we know what we need to do to start.”²² Delivery on housing retrofit, reducing car use and devising training schemes can happen now, without waiting for long-term decisions or endless number-crunching and evidence base gathering.

3.3.2 Supporting Structures & Resources

IGN members are using a range of approaches to put integrated strategies into practice including:

- Training/workshops – to build capacity and knowledge and to ensure buy-in
- Service areas developing their own action plans –incorporating strategic aims into relevant everyday activity.
- Providing time to build up networks and relationships.

¹⁹ <https://www.glasgow.gov.uk/26556>

²⁰ Presentation at: Local delivery of heat and energy efficiency Workshop: Strategic planning for heat Thursday 10 March 2022

²¹ Conversation with Mayor Rees 17 March 2022 (as part of Climate Conversation visit with CCC)

²² Liverpool City Region interview

- Integrated structures (co-locating experts from different fields) and embedded experts in priority service areas and/or peer support groups.
- Dedicated assistance and access to specialists – use of local external expertise and networks
- Developing a common language “speaking planner” “speaking public health”.
- Tools: doughnut, SDGs, co-benefits calculator, Art of the Possible document, Decision-making.
- Outcomes incorporated into available policy levers or policy reviews to align policy to objectives.
- Finance Director and team or Inward Investment teams - ensuring that financial and investment models are integrating outcomes and not compromising progress to integrated outcomes.

Most of the authorities are building technical capability for Net Zero, but that alone is not enough. Lessons from embedding inclusive growth and managing public service reform are being used to embed the wider range of challenges into authorities.

No one authority has put everything in place yet to manage full integration, and the next steps are to build the end-to-end systems and leadership capabilities to ensure effective integration and a mind-set shift to achieve the outcomes.

Cardiff City Council’s City Recovery and Renewal Strategy recognises that the city “[will also require new models of working that incentivises growth around public goals, bringing together governance structures and new financial mechanisms that encourage investment that drives public benefits](#)”.

The strategy review and interviews did not identify that IGN Members were appointing a senior lead to take responsibility for managing the integration process and developing a plan for it. Given funding constraints and a trend to merge departments under fewer directors, it is most likely that Chief Executives and their senior directors will be responsible for implementing the strategies.

Ideally a Director for Integration or similarly titled role should be given to a senior director to signal that there will be active management of the integration process, and that there is someone senior with whom problems or ideas can be lodged. Managing a large-scale complex change process needs resourcing.

The **London Borough of Barking and Dagenham** has taken comprehensive steps to integrate inclusive growth across the council, holding **workshops** to explore how inclusive growth can be delivered. This led to departments making their own action plans to incorporate the steps they would take towards delivery. Such an approach could be applied across the range of issues requiring integration.

GMCA and many of its constituent local authorities are rolling out Carbon Literacy **training** at a senior level and throughout the organisations. An understanding of climate change and Net Zero (as well as health, resilience and inclusive growth) is vital to delivery and helps people to identify opportunities at an early stage to avoid locking in carbon emissions, inequalities or ill-health. **GMCA** is also introducing a mandatory Climate E-learning module that all staff must complete.

Using all policy levers available is the long-term solution to ensuring that actions for Net Zero, inclusive growth, climate resilience and public health are not just considered “nice-to-have” options to be “value engineered” out or dropped when budgets are tight.

Leeds City Council is conducting a Local Plan Review and aligning its Development Plan, recognising that that Net Zero is a material and legally binding commitment, and is seeking to develop policy that will take it nearer to meeting the city’s carbon budget. The council has developed a training document

and programme, *Placemaking for resilient communities*²³ which covers key elements of placemaking, including site selection, existing character, green infrastructure, density, and transport. It was presented to council officers and members in a climate emergency response meeting, discussed at seminars with planning officers, and shared with design, highways, regeneration and council housing growth officers.

Some IGN members are changing **organisational structures** to integrate experts from different fields into new teams.

Liverpool City Region CA staff responsible for inclusive growth, public health, Net Zero and economy sit within a single Policy Coordination Team.

Glasgow City Council appointed a Green Economy Manager (Glasgow City Region) based in the Economic Development Team to integrate climate considerations into economic policy and strategy. Two Public Health experts were also integrated into the Glasgow City Region office to improve health and reduce inequalities through economic development.

GMCA is including the shared outcomes in its strategy in staff appraisals so that everyone understands how their role fits into delivering the integrated strategy.

Formally inviting more diverse people to input into strategies and policies helps put climate, health and inclusion outcomes on the agenda as a conscious goal at the outset. However, it requires extensive marketing to maintain these topics on the agenda. Bringing in more than one 'extra' expert to more traditional meetings is effective to develop wider peer support. These people need structured support and institutional reinforcement – they cannot do it on their own.

London Borough of Barking and Dagenham have put **specialists into other departments** to support them in incorporating inclusive growth. For example, an apprenticeship expert supports council recruiting teams to identify apprenticeship roles. Similarly, a social value expert is embedded into the procurement team, and a 'green expert' will be appointed to work with commissioning teams to tackle emissions from contractors, which form a large proportion of local authority emissions. This approach supports existing teams in learning and critically recognises capacity issues that could delay implementation or generate resistance to change.

Collaborative networks are key to breaking down barriers and enabling integration opportunities to thrive. Many IGN Members have very active community engagement, co-production and deliberative democracy schemes to enable this.

West Midlands Combined Authority has established an Inclusive Growth Business Network for peer support.

Bristol City Council encourages staff to work across teams within the council and with a wide range of stakeholders to foster strong decision-making, framed by the city's One City Approach and cross-cutting One City Plan. Informed by a range of perspectives and evidence, Bristol tackles complex issues collaboratively. The Stepping Up²⁴ leadership programme for BAME, disabled people and women to enter leadership, has further supported this aim.

²³ <https://indd.adobe.com/view/32ed8bfa-e657-4627-af6b-79152b382ef4>

²⁴ <https://www.steppingupbristol.com/>

The IGN itself provides an important role in providing networks and peer support and learning between its members.

Shared training supports specialists from different areas in the integration process. Arranging cross-disciplinary training for members helps break down silos and is a simple measure to take.

Glasgow City Region specialists from public health and economic development attended Green Book training together. This helped them to learn each other’s terminology – and was later credited as teaching each other to ‘speak’ ‘planner’ or ‘economist’. It enabled them to see clearly the value that different people could contribute.

Tools are being developed in order to deliver more complex outcomes. The visual nature of some tools is helpful in bringing to life the complex interaction between outcomes and enables creative thinking.

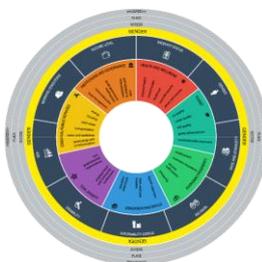
GMCA has developed a high-level support tool for Equalities and Carbon, for decision makers to understand co-benefits or impacts of proposals. The tool has a detailed equalities and carbon assessment that can be used if necessary. The carbon element compares certain actions with best practices, aiming to raise standards. However, this tool is in its infancy, and it is not being used to enforce Net Zero delivery. It seeks “to drive changes in our policy design and delivery that seeks to stop environmental harms and wherever possible drive environmental

improvements.”



WMCA’s Inclusive Growth Unit has taken a contrasting approach, providing inspiration and tools to encourage proposals towards key strategic outcomes for climate, inclusive growth and health and well-being. Their Inclusive Growth Framework (left) developed from the Raworth Doughnut Model questions alignment with the strategic aims, while an online Decision-making Toolkit provides challenges and checklists. Another tool, ‘The Art of the Possible’ document helps to raise ambition and devise solutions.

Successes include supporting Solihull Metropolitan Borough Council and Solihull Community Housing in master planning the Kingshurst development, delivering 100% affordable housing, increasing energy efficiency standards, and unlocking health centre funding. The WMCA approach provides the support, tools and a network of peers following the process across a range of projects and developments, but it’s optional rather than applied to all programmes.



Some councils outside the IGN Network use the doughnut model in approvals processes. These circular tools can be used to inspire new thinking, assess the impact and enforce standards because they handle multiple issues in complex systems more effectively than a spreadsheet or checklist. C40 Cities promote the use of the Inclusive Climate Action (ICA) Wheel²⁵.

²⁵ <https://www.c40.org/what-we-do/raising-climate-ambition/inclusive-thriving-cities/inclusive-climate-action-forum/>

3.4 Accountability, enforcement and improvement

Combined and local authorities have different opportunities to mandate or require Net Zero, inclusive growth, climate resilience and health outcomes across their organisations and in their investments, commissioning and contracts.

Most have outcomes dashboards or performance metrics that are starting to incorporate Net Zero, inclusive growth, climate resilience and public health into cabinet reports and proposals. However, as far as the research found, none have set minimum expectations for carbon emissions impacts or savings or measures for climate adaptation or health outcomes to assist decision-making. Mechanisms for how individual areas of the organisation meet their current or mid-term objectives, while meeting the whole-organisation targets on Net Zero, or health are not apparent. This could be exemplified, for instance, by a local authority illustrating how housing targets are reached while also reducing emissions. Because this is so challenging, feedback loops and resources for learning and improvement across the entire organisation are critical, so that the integration can evolve rather than fail.

Methods for making sure that key challenges are acted on include:

- Mandates and/or action plans (will vary between LA and CA)
- Indicators (quantitative and qualitative)
- Approvals and/or scrutiny systems (internal)
- External accountability such as citizens panels
- Minimum expectations (red lines, what do we say NO to? What do we stop doing or do differently?)
- Screening systems to ensure development that do not meet the ambitions are identified early
- Monitoring, evaluation (and feedback to improve supporting structures and resources)
- Reporting – dashboards

WMCA has identified **metrics** to assess whether growth is inclusive growth, for example, by monitoring numbers of children living in B&Bs to understand whether new housing developments are actually reducing homelessness across the region.

Authorities are starting to develop metrics that can be combined at a much more local level to understand outcomes delivered within a smaller geography.

GMCA plans to disaggregate data by geography or cohort to obtain more granular locally focused data that can be masked by larger-area averages and understand impacts more locally.

Glasgow targets its programmes towards vulnerable geographic areas to create jobs and investment to address inequality and vulnerability as part of the Net Zero transition.

Monitoring Net Zero with inclusive growth and public health needs to extend beyond traditional carbon emissions indicators, which are generally reported in tonnes of CO₂ per capita, local area emissions by sectors, or by Scope 1, 2 and 3 (direct, indirect and indirect emissions in an organisation's supply chain). These are relevant and standardised for GHG reporting, but do not aid the integration process across local authorities and their wider activities and policies. They fail to account for the impact of planning policy, investment decisions and the convening role that local authorities play.

IGN Members will need to develop new methods to assess the influence decisions and schemes have over the longer term on climate change, including ones that intersect with jobs and energy use or fuel poverty in specific geographies. These methods will need to go beyond a sole focus on fuel poverty,

to identifying areas where there are high emissions and higher potential for solutions that create new jobs and services, particularly in the home retrofit sector and across businesses. There will be a challenge to measure climate justice or the just transition and monitor at-risk jobs and figures of people re-training for low carbon roles. Embodied carbon emissions in new building developments need to be monitored and reduced, as most strategies include significant new development, using building materials and locking in vehicle use.

Approvals and scrutiny processes are being used by IGN Members to encourage integration.

Cardiff Cabinet Reports are expected to reference One Planet Cardiff and are sent back if they do not do so.

London Borough of Barking and Dagenham has a system of panels approving proposals, with minimum expectations outlined. For example, one such minimum expectation is that all jobs below a certain salary have to be an apprenticeship, or all contracts over £100k have to have a social value plan. Where these minimum expectations are not met, they are sent back, and support is provided to remedy the situation.

In some processes reviewed, a portfolio approach to development is taken and greener projects mask other higher carbon investments, like a 'green fig leaf'. IGN Members will need to put in place the systems and skills to identify and reject or redesign projects that do not align with the climate change targets. Support at the inception stages of projects will therefore become necessary to ensure that full integration of the objectives is considered from the outset, reducing the risk of rejecting or revising proposals.

The London Borough of Barking and Dagenham's new draft Local Plan uses local authority planning powers to require all local developers to meet sustainability standards while also setting targets for local employment, training and supply chain targets. This can create a tension between Net Zero and inclusive growth in planning negotiations. Modern methods of construction (pre-manufactured panels enabling units to be quickly constructed on site) are a more effective way of delivering highly energy efficient homes, with lowered carbon emissions, and cleaner, quieter building sites. But as they are manufactured off-site, they also tend to result in fewer local jobs in construction being available. One solution would be a strong policy favouring highly energy efficient building methods accompanied by a scheme to signal to industry that this policy would make it worth investing in a facility to manufacture the panels locally, providing good jobs, reducing transport emissions and meeting Net Zero targets simultaneously. LBBDD is in the process of conducting a review to look at this and other opportunities to grow the green economy.

No organisations are yet able to clearly explain **what they will say no to**; with the exception of **Cardiff City Council**, which has seen stronger leadership from the Welsh Government pausing new road building projects and using the power of the Wellbeing of Future Generations Act. There is still a lingering perception that any jobs, even high carbon, polluting and unsustainable jobs are better than nothing. The trick is to devise a better plan. Although not an IGN Member, this is exemplified in the Cumbria Coalmine debate, pending a decision from the Secretary of State for Levelling Up.

Evaluation and feedback loops to continually monitor how integrated outcomes are delivered are vital, and IGN Members are beginning to put these in place. Listening to staff and partner feedback as well as reviewing impact and providing support or continual adjustment is fundamental to creating a culture where innovation can thrive, failure can happen, lessons are learned, and systems can be continually improved.

Glasgow City Council is committed to learning from what works and what does not work. “In delivering the Strategy, we will monitor, evaluate, and adjust when required. Too often in the past great pilot projects do not get scaled up because of short-term funding arrangements. We will commit to ensuring that any pilot projects are part of a long-term funding package.”

London Borough of Barking and Dagenham’s social value panel provides feedback from those delivering services on how it is working.

4 Summary & Recommendations

4.1 Summary

Along with most other UK local and combined authorities, IGN Members have all declared a climate emergency. Many are aiming to achieve Net Zero across their areas by 2030.

Despite over 30 years' evidence of the need to address climate change, even the leading local authorities are only now in the early stages of developing the integrated strategies that might lead to Net Zero, climate resilient economic development becoming business as usual. Given that many are aiming to achieve Net Zero within the next eight years, the need for all development to be Net Zero and climate resilient now is urgent.

The research has found that while some authorities are making strong progress towards having an integrated strategy, they are not on track to deliver their ambitious targets. It is hard to change an organisational culture, and harder still to do it quickly, so even the leading authorities face a challenging time in the next few years if they are to achieve their ambitions. Lack of effective and coherent support from central Government remains a barrier.

The main challenges in developing and delivering an integrated strategy are:

- Political – the differing and competing priorities of politicians (social justice, climate change, inclusive growth, jobs) affects what goes into the strategy and how it is communicated. As politicians change, so too does the focus, unless the concept of an integrated strategy becomes fully accepted across all political viewpoints
- Lack of integrated national policy support and funding
- Entrenched perception that economic development trumps all other issues and that different priority themes conflict (jobs vs carbon, fuel poverty vs high emissions households)
- Climate change threatens the status quo so it is easier to continue with “business-as-usual”
- Financial sector still supporting higher carbon investments as the norm and it is difficult to access for everyday Net Zero activities rather than exceptional projects. This is despite increasing fossil fuel costs and the finance sector seeking investable zero carbon projects.
- The National Planning Policy Framework acts as a barrier to meaningful local powers to require Net Zero developments
- Complexity required by integration and a preference for simplicity
- Some issues such as health have a statutory basis, while others like climate change do not
- Siloed departments reinforced by siloed funding streams that don't have a requirement to deliver climate change.
- Different powers and levers being available to combined and local authorities
- Capacity for change and new thinking within already stretched organisations.

4.2 Recommendations to Local Authorities

Overcoming these challenges relies on a rapid culture change across the whole of the authority and partner organisations, ideally underpinned by strong national policies, funding and support. The key factors in expediting the development and delivery of a place-based strategy that integrates Net Zero, climate resilience, public health and inclusion are summarised below.

Ambition: Treat it like an emergency

- **Turn the thinking on its head:** use “doing it all” as the starting point and assume that new outcomes are possible. Work backwards from “every home and organization needs to be Net Zero, climate resilient, inclusive and supportive of people health” to plan area-wide programmes, rather than thinking project by project.
- **Use evidence to underpin the strategy:** recognise that much evidence already exists to support integrated climate change, public health and inclusion-oriented strategies, especially around finance and value, and health inequalities, and this evidence collection does not need to be repeated in every local area.
- **Be clear what will not be acceptable and prepare to be challenged:** recognise that others might not understand the system-wide changes an integrated strategy demands and prepare a strong case.

People

- **Leadership and communications:** strong and visible support from senior political leaders and officers who actively communicate the need and possibility for economic growth to be Net Zero, resilient, healthy and inclusive
- **Senior responsibility:** have a Cabinet member and senior officer responsible for managing the change across the organisation and delivery of the integrated strategy.
- **Get the right people in the room and talking together:** bringing in the local experts on climate change, health, inclusion and economic development, helping them all to understand each other’s working languages and giving them permission to develop a strong strategy.
- **Provide training and support** for all staff about what this means for their area of work: and support them to innovate and possibly fail and learn when doing so. Run workshops to share understanding and align operating programmes with integrated aims.

Practicalities

- **Review and revise financing mechanisms and operating programmes:** resource the people needed to develop and deliver an integrated strategy, and align budgets, operations, procurement, commissioning, borrowing and funding strategies with it. Include carbon reduction targets in financial budgets.
- **Align the Local Plan** with the new integrated strategy as soon as possible and enforce it. In the interim, where there is any public sector involvement in a development, put in place uncompromising requirements on Net Zero and climate adaptation immediately. The brave thing to do would be to collaborate to require Net Zero development now in all major cities.
- **Put in place systems and tools** so that the aims of the strategy are visible at every step of every decision, business case and report: require reporting against these aims at all levels and be clear about what is not acceptable. Check that what’s happening on the ground corresponds with the aims of the strategy. Make sure this feeds into the training and support.
- **Share and solve:** look ahead to assess the upcoming conflicts and issues that might arise and how these can be managed, bringing in internal and external help. There is no excuse to plan developments that do not meet climate change targets. There are plenty of support organisations and people who can help, or who have solved the same problem.
- **Build strong partnerships and alliances** with investors, developers, contractors and other public sector organisations so they are clear on what the strategy is, what your expectations are and how they can respond to it and provide solutions.

4.3 Recommendations to Central Government

Whilst Local and Combined Authorities have the potential to make significant progress on integrated economic development, changes to central Government policy and practices would enable this to happen faster and more coherently.

- **Put in place a coherent framework** to provide support for local Net Zero delivery with coherent policy, aligned funding for place-based investments and mechanisms to remove barriers. Many organisations have made similar recommendations to Government to set up a Net Zero Forum²⁶ to help solve climate change related issues identified by local authorities. This framework needs to recognise the critical role of integrated economic development strategies in delivering Net Zero.
- **Integrate government expertise around climate change, public health and inclusion** to provide broader support to local authorities to deliver an integrated strategy, potentially expanding the remit and expertise of the Net Zero Hubs.
- **Treasury should make sure that in all funding to local areas**, the public sector and private sector is required to deliver Net Zero, climate adaptation, public health and inclusion as well as other co-benefits.
- **Design funding schemes that foster integration:** follow CCC advice and work better across government departments to help authorities to develop multi-outcome schemes using funding from across government departments in a flexible and local way, yet with accountability for delivering key outcomes including Net Zero and adaptation.
- **UK Investment Bank needs to foster this integration** beyond Levelling Up jobs, connectivity and climate to include inclusive growth, adaptation and health and to develop solutions to finance and investment challenges.
- **Make local delivery of Net Zero and Climate Adaptation a duty:** with a corresponding duty to cooperate/collaborate across the public sector, wider utilities and DNOs as well as larger contractors to the public sector.

4.4 Recommendations to IGN for Member Support

The IGN is in a strong position to support Members to develop and improve integrated strategies, and provide assistance with delivery challenges. The following recommendations to the IGN fit with the structure of support already offered to members.

- Provide accessible information to economic development teams in the form of a set of short briefings covering the key issues to consider in developing and delivering an integrated strategy, such as Net Zero Transport for Economic Development, Supporting Small Businesses towards Net Zero and Climate Resilience, Investment Resources for Integrated Growth, Skills for a Fair Transition
- Set up an internal tool for use when advising member authorities – a Checklist of issues to consider and questions to ask.

²⁶ The Government's Net Zero Strategy, October 2021, Section 4v.15 establishes "a Local Net Zero Forum to bring together national and local government senior officials on a regular basis to discuss policy and delivery options on net zero" [net-zero-strategy-beis.pdf \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101422/net-zero-strategy-beis.pdf)

- Extend IGN's access to external expertise and develop internal expertise to support members in areas that may be unfamiliar to them, such as climate change and health.
- Use the IGN's convening and facilitating role to co-ordinate cross-department collaboration and challenge members to come up with economic solutions that incorporate climate change, health and inclusion.
- Provide training for people in different specialisms to understand each others' languages, expertise and roles
- Offer workshops or clinics to share expertise and experiences, answer queries and help resolve conflicts or trade-off challenges that might arise.
- Gather and report to Government on blocks to integrated delivery caused by national policy or regulation.

A. Appendices

A.1 Strategies reviewed

Belfast

- Corporate Plan 2020-24
- The Belfast Agenda 2017-35
- Belfast City Centre Regeneration and Investment Strategy 2015-30
- Belfast Region City Deal
- Belfast Local Development Plan
- Belfast - Our Recovery 2020
- A Net Zero Carbon Roadmap for Belfast (2020)
- Resilient Belfast (2020)
- Making Life Better Strategic Framework 2013-23

Bristol City Council

- A One City: Economic Recovery and Renewal Strategy
- One City Plan 2020
- Inclusive and Sustainable Economic Growth Strategy (pre-Covid?)
- One City Climate Strategy 2020
- One City Ecological Emergency Strategy
- Corporate Strategy 2022-27
- Bristol City Council Mayor's Climate Emergency Action Plan 2019
- Bristol Health and Wellbeing Strategy 2020-2025
- Bristol CC Performance Framework 2021-22

Cardiff Council

- Cardiff Draft City Recovery and Renewal Strategy 2021
- Corporate Plan 2021-24
- Capital Ambition (2019?)
- Cardiff Well-Being Plan 2018-2023
- Cardiff and Vale local public health plan 2021-24
- One Planet Cardiff: Our vision for a Carbon Neutral City by 2030 (2021)
- One Planet Cardiff: Action Plan Sept 2021
- Cardiff Replacement Local Development Plan 2021-36

Glasgow City Council

- Glasgow City Region Economic Strategy 2016-23 Refreshed
- Glasgow City Region Economic Strategy 2021
- City Development Plan 2017 (2021 Update)
- Glasgow's Climate Plan 2019 (approved 2021)
- Energy & Carbon Masterplan (2014?)
- Climate Ready Clyde Adaptation Strategy and Action Plan 2021
- Sustainable Glasgow Charter 2021
- Turning the tide through prevention 2018-28, Glasgow & Greater Clyde NHS

- Glasgow City Health and Social Care Partnership Strategic Plan 2019-22 [2023-26 is in development]
- Regional Strategy for Sustainable Procurement and Community Benefits

London Borough of Barking and Dagenham

- Barking & Dagenham Together - the Borough Manifesto 2017-37
- B&D Growing Together (2020-22)
- B&D Shaping Neighbourhoods Together (2020-22)
- B&D Greener Together (2020-22)
- B&D Building Together Plan for Homes (2020-22)
- Corporate Plan 2020-22
- Joint Health & Wellbeing Strategy 2019-23
- Specification – Review, analysis and recommendations on developing a long-term strategy for Green Industries in Barking and Dagenham (tender document).

North Ayrshire Council

- Council Plan 2019-24
- North Ayrshire Economic Recovery and Renewal Approach: 2021
- Economic Development & Regeneration Strategy Refresh North Ayrshire 2016 – 2025
- Community Wealth Building Strategy 2020-2025
- Environmental Sustainability & Climate Change Strategy 2021-2023

South Yorkshire Mayoral Combined Authority

- Our Strategic Economic Plan 2021-2041
- Renewal Action Plan 2020
- SCR: Net Zero The Mayor's MCA Climate Emergency Response Framework
- SCR Net Zero Work Programme 2020
- Sheffield City Region Energy Strategy 2020
- SCR Draft Monitoring and Assurance Framework v6

Greater Manchester Combined Authority

- The Greater Manchester Strategy: Good Lives for All (2022)
- GM Five Year Environment Plan (December 2021)
- Taking Charge of Our Health and Social Care in Greater Manchester
- Building a Greater Manchester, making a Greater Britain (LEP document)
- Our People Our Place (previous GM strategy)

Leeds City Council

- Best Council Plan 2020 - 2025
- Best City Ambition
- Leeds Inclusive Growth Strategy
- Annual Report on the Climate Emergency
- Leeds Health & Wellbeing Strategy - 2016 - 21
- Leeds analysis by CPP - 17.01.2022 (draft IGN work) Leeds Story for a Just Transition

Liverpool City Region Combined Authority

- Liverpool City Region Plan for Prosperity (draft)
- Liverpool City Region Pathway to Net Zero (draft)

North of Tyne Combined Authority

- Jobs, skills and a post-Covid economy 2021 – 22
- Northumberland Economic Corridor Strategy (May 2021)
- Economic Recovery Deal 2020
- Cabinet Agenda 27 July 2021 (Climate Assemblies Report)
- Cabinet Agenda 22 September 2021 (Low Carbon and Green Jobs Update)

West Midlands Combined Authority

- WMCA Aims & Objectives
- WM41 Five Year Plan
- Working Together to Create a Fairer, Greener, Healthier West Midlands
- Growing the Social Economy
- Local Industrial Strategy 2019
- West Midlands Strategic Economic Plan – Making Our Mark

A.2 People Interviewed

Jonathan Day, Economic Policy Manager, Invest in Cardiff, Cardiff City Council

Kit England, Green Economy Manager, Glasgow City Council

Val McNeice, Programme Manager, Health and Inclusive Economy, NHS Greater Glasgow and Clyde/Glasgow City Council

Jo Winterbottom, Organisational Lead for Regional Economies and Health at Public Health Scotland

John Wrathmell, Director, Strategy, Research & Economy at Greater Manchester Combined Authority

Mark Atherton, Director of Environment, Greater Manchester Combined Authority

Sarah Mellor, Head of Sustainable Consumption & Production, Greater Manchester Combined Authority

Clare Blott, Head of Policy Coordination, Liverpool City Region Combined Authority

Rachel Waggett, Principal Environment Officer, Liverpool City Region Combined Authority

Rob Tabb, Policy Lead: Employment and Skills, Liverpool City Region Combined Authority

Adrian Nolan, Lead Officer, Industrial Strategy, Liverpool City Region Combined Authority

Tess Lanning, Head of Enterprise and Employment Strategy, Inclusive Growth, London Borough of Barking & Dagenham

Neil Pearce, Head of Sustainability and Climate Change, London Borough of Barking & Dagenham

Claire Spencer, Programme Lead, Inclusive Growth Unit, West Midlands Combined Authority

Ed Cox, Director for Inclusive Growth & Public Service Reform, West Midlands Combined Authority

Tatum Matharu, Strategic Lead for Thrive and Health Inequalities, West Midlands Combined Authority

Jacqueline Homan, Head of Environment, West Midlands Combined Authority

A.3 External experts interviewed

Sarah Longlands and Eleanor Radcliffe, Centre for Local Economic Studies – Community Wealth Building

Steve Connor, Creative Concern – Language used in strategies

Dr Ghada Howaidy, Associate Dean at the American University in Cairo - Organizational Change and Strategic Management

A.4 Bibliography

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Owning the Economy: Community Wealth Building, 2020, CLES

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City Investment Analysis Report, UK Cities Climate Investment Commission, Connected Places Catapult, October 2021

Financing climate action with positive social impact How banking can support a just transition in the UK, Grantham Research Institute on Climate Change & University of Leeds.

NIA2 Social Research Final report August 2021, PWC for the National Infrastructure Commission

Financing climate action with positive social impact: How banking can support a just transition in the UK, July 2020, Investing in a Just Transition Project, Grantham Institute/LSE/Leeds University

Local Authorities and the Sixth Carbon Budget, December 2020, Climate Change Committee

Net Zero: The UK's contribution to stopping global warming, May 2019, Climate Change Committee

The Sixth Carbon Budget: The UK's Path to Net Zero, December 2021, Climate Change Committee

Progress in preparing for climate change – 2019 Progress Report to Parliament, July 2019, Climate Change Committee

Improving operational delivery in government: A good practice guide for senior leaders, March 2021, National Audit Office

The Rebuilding Britain Index - Levelling up our local communities, April 2021, Legal & General Group

Power Shift: Research into Local Authority Powers Relating to Climate Action, April 2021, Quantum/UK100

Research into a National - Local Net Zero Delivery Framework, October 2021, Quantum/UK100