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**Friends of  
the Earth**

# Briefing

# Local Carbon Budgets, Local Carbon Jobs

**Friends of the Earth is calling for Local Carbon Budgets for all local authorities. By setting a cap on emissions in all local areas, the Budgets would shine a spotlight on the role of councils in galvanising local action on climate change.**

**Correctly designed and implemented, the decarbonisation programmes that councils will put together can lead to significant local job generation. There will also be demand for new roles and low-carbon skills within councils themselves – from energy planners to green financial experts and works teams.**

**As this briefing explores, councils will be essential in helping to meet UK carbon commitments whilst ensuring a just transition to a low-carbon economy. Local authorities are in a strong position to understand their local areas and can target funding at the appropriate level to reshape local economies.**

**But national Government must also do its bit – most importantly, by continuing to actively assist sectors, areas or individual businesses that need crucial support at this time of an urgent need for a radical, rapid and just shift to a low-carbon economy.**

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### Introduction

The UK has to take urgent decisions to tackle the global threat of climate change and to build a low-carbon economy. There is now overwhelming scientific evidence about the causes of climate change. Reacting positively to the challenge of emissions cuts will not only help to avoid devastating impacts on our planet – which are already affecting vulnerable people – but will deal with energy price rises by massively increasing energy efficiency and developing renewable technologies.

The UK has a legally binding target to cut emissions by 80 per cent by 2050 and by at least 34 per cent by 2020\*, and a target to increase the proportion of the UK's energy produced from renewable sources from today's paltry two per cent to 15 per cent by 2020. Meeting these commitments will require significant investment; some estimates suggest as much as £750 billion will need to be invested domestically in the years up to 2030<sup>1</sup>; the Energy Saving Trust put a low estimate on the upfront cost of complete retrofits of the UK's inadequate housing stock at £85 billion<sup>2</sup>.

Putting this money to work will lead to hundreds of thousands of jobs. The Government estimates that the low carbon goods and services market is already worth £112 billion and employs 910,000 people either directly or through the supply chain. It expects this latter figure to rise to over one million by the end of the decade<sup>3</sup>.

The central question for the Government must be the quality, location and extent of those jobs in the UK economy. Friends of the Earth believes that it is essential that the paths to economic recovery and ambitious carbon reduction are taken together. The Government has to be prepared to use all levers at its disposal to ensure the UK fully benefits from this significant employment potential.

Local authorities will be of huge importance in the low-carbon economic transition: with the "radical devolution of power" promised by the new Government must come a new responsibility on councils to cut emissions to ensure UK targets are met.

Friends of the Earth is calling for **Local Carbon Budgets** for all local areas (see below). They would give a far higher profile to the role of councils in driving the demand for and supply of low-carbon jobs.

### Local carbon reduction and jobs

Estimates of the potential for low-carbon job creation are significant. The Local Government Association estimates<sup>4</sup> that just in the areas of renewable energy and home efficiency:

- Meeting the 15 per cent renewables target could generate 122-133,000 jobs in manufacturing, construction and operation of the new technology

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\* This "interim" target of a 34 per cent reduction in UK emissions by 2020 had been pledged by the last Government to be upgraded to a 42 per cent target in the event of a satisfactory international deal to cut emissions. Friends of the Earth believes the new Government must move to at least the 42 per cent target as an urgent priority.

- A council-led programme to provide basic insulation measures to 10m homes without cavity and loft insulation would create 20,000 jobs
- Ramping this up to include the estimated 7m homes requiring solid wall insulation would create 5,000 jobs.

Many of these jobs will require work to be done on the ground in local areas: a small army of, for example, loft ladders, architects, builders, electricians and insulation specialists will be needed, with new administration, transit and warehouse positions also created.

Research by modellers Carbon Descent estimates that 70,000 jobs could be created across local authority areas in domestic energy efficiency and renewable energy if all local authorities set about reducing emissions in their local areas by at least 40 per cent by 2020<sup>5</sup>.

But local authorities have a central role to play in driving demand for the jobs, and shaping low-carbon programmes to deliver for local economies.

**Local Carbon Budgets** – caps on emissions in all local areas – would galvanise councils to add real value to the potential of national programmes alone. The leading councils would:

- **Set in place programmes that directly generate low-carbon jobs in the local economy.** Birmingham’s Green New Deal scheme<sup>6</sup>, currently in a pilot phase, is designed to boost local tradespeople, businesses and employment in offering free solar panels and efficiency advice to residents and businesses. The scheme does not sit in a silo in the council’s environment department but is central to its vision to “attract inward investment to the City and region” – including “an entire work stream dedicate to ensuring there are sufficient training programmes in local colleges to support demand for installation skills” .
- **Make the case for funding opportunities available nationally to be diverted to councils to allow them to shape programmes to local needs.** Kirklees Council’s Warm Zone scheme, which offers free loft and cavity wall insulation to every household in Kirklees, has created at least 80 local jobs and

### About Local Carbon Budgets

Friends of the Earth is leading the campaign for **Local Carbon Budgets**.

Around 80 per cent of the UK’s emissions result from local energy consumption – from heating our homes and businesses to how we travel around for work or leisure. A new system is needed that requires all local authorities to lead local carbon cuts, rather than leaving action to only the leading councils.

Local Carbon Budgets would be:

- A cap on emissions from the local area, not just the authority’s own emissions
- For all areas, not just those that choose to take action
- Set in line with the latest science, and adjusted to local circumstances
- Accompanied by financial and technical support to councils.

Local authorities would put together climate strategies and action plans for their local area, demonstrating how they would build on and surpass action from the national Government. Councils would be equipped with the new powers or finances they need to play their part in meeting local carbon budgets.

For more information, visit

[http://www.foe.co.uk/resource/briefings/local\\_carbon\\_budgets.pdf](http://www.foe.co.uk/resource/briefings/local_carbon_budgets.pdf).

brought an estimated £50m of economic benefit to the local area. It has been supported by £11m from Scottish Power - funding that was centrally mandated by the Government's Carbon Emissions Reduction Target scheme but which Kirklees has actively shaped to be used in support of local energy saving and regeneration.

To meet Local Carbon Budgets councils would also need to be adequately staffed. Carbon reduction would no longer be the sole role of an environment officer, but a central function of the authority and resourced as such. The below are just some *examples* of the jobs that may be needed to help councils lead carbon cuts in the local area -

| <b>Planning</b>                             | <b>Delivery</b>                                       | <b>Internal</b>  | <b>Works</b>             |
|---|---|--|--------------------------|
| <i>Climate change managers and officers</i> | <i>Information officers, programme administrators</i> | <i>(Green) procurement officers</i>  | <i>Plumbers</i>          |
| <i>Sustainable transport planners</i>       | <i>Travel advisors</i>                                | <i>Energy managers</i>   | <i>Electricians</i>      |
| <i>Sustainable housing planners</i>         | <i>Energy advisors</i>                                | <i>Financial experts – constructing business cases for low carbon investment</i> | <i>Carpenters</i>        |
| <i>Renewable energy planners</i>            | <i>Sustainable housing officers,</i>                  |  | <i>Heating engineers</i> |

As part of bringing in Local Carbon Budgets, the Government must ensure that every local authority can adequately resource the staff it needs to green both its own operations and lead inspiring area-wide carbon reduction programmes. Much of this will require investment in the retraining and general carbon-awareness amongst existing staff: cutting carbon will need to become an essential part of workplace skills. But many of the posts needed will be entirely new.

It is entirely appropriate for national Government to ensure these posts are supported. Meeting our national carbon commitments will require action from all tiers of government and sections of the economy, and for the types of programmes that will be required – house-by-house, street-by-street retrofitting programmes; overhauling public transport networks; a massive uptake in the consenting of renewable power – will need to have a central role.

**The role of Government**

Leaving action to market pressures alone will not and has not resulted in the necessary scale of action. Despite the UK's vast wind and wave resource, in 2008 the country generated only 2.3 per cent of our total energy from renewables<sup>7</sup>. The last Government was also very slow to recognise the need for intervention to protect and nurture low-carbon UK businesses – as was so visibly revealed when the UK's only manufacturer of wind turbines, Vestas on the Isle of Wight, closed in 2009 with the loss of 618 jobs.

Wholehearted and proactive engagement is urgently needed from Government, business and trade unions alike. As Tom Burke has noted, "The choice is ours. Either we can choose to

change our energy system or events will change our lives and in ways that will please no-one”<sup>8</sup>. Positively and proactively embraced, a low-carbon economy in the UK will offer many opportunities for jobs and low-carbon economic development – leaving aside the benefits of increased energy security and reduced carbon emissions.

**Industrial activism** was briefly in vogue in the last days of the Labour administration as the Business Secretary, Lord Mandelson, provided cash to directly support low-carbon businesses. It is vital that the principle of active engagement with managing the low-carbon transition is not lost under the new Government, and it is encouraging that in June 2010 David Cameron underlined his support for the £20m grant awarded to Nissan for the production of electric vehicles<sup>9</sup>.

Government must also ensure a **just** transition. The previous Government noted that “previous structural shifts [in the economy] have had huge social and economic impacts, with some workers and communities being left behind as industries are restructured by change”<sup>10</sup>.

There is therefore a clear case for an interventionist approach from Government. The urgency of climate change leaves no time for the market to experiment with backing winners and losers.

This intervention should take the following forms:

- (1) **Creating sufficient demand:** for example, increasing the UK’s carbon budgets to be consistent with a 42 per cent reduction by 2020 and introducing **local carbon budgets** for all local authorities to increase the profile of carbon in day-to-day and long-term local decision making
- (2) **Setting the right economic conditions:** from energy market reform, to reward and incentivise renewable technologies, to ensuring a clear and strong price for carbon across the economy
- (3) **Supporting adequate supply:** directly investing in skills development and training in low-carbon industries, taking a holistic approach which cultivates an appetite for low-carbon employment in school-leavers, apprentices and university students and also provides and promotes funding for reskilling and retaining existing workers, particularly those in high-carbon industries. Government should work with business and trade unions to build active engagement with the domestic employment potential of a low-carbon economy
- (4) **Ensuring a just transition:** the transition to a low-carbon economy must not disproportionately affect communities or geographical areas, as has happened previously. Government must actively support investment or stimulus programmes in areas that have traditionally majored in high-carbon manufacturing or expertise or face industrial decline
- (5) **Using public procurement** at both national and local levels to drive new markets and specifically support homegrown low-carbon manufacturing and services.

## **More information**

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<sup>1</sup> E3G: **Green bonds: The missing piece of the jigsaw** (2010):

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<sup>2</sup> Energy Saving Trust: **Finance and ownership models for low carbon homes** (2010):

<http://www.energysavingtrust.org.uk/business/content/download/1460842/3934929/version/1/file/FIT>

<sup>3</sup> DECC / BIS: **Meeting the low-carbon skills challenge, consultation** (2010):

[http://www.decc.gov.uk/en/content/cms/consultations/low\\_carb\\_skill/low\\_carb\\_skill.aspx](http://www.decc.gov.uk/en/content/cms/consultations/low_carb_skill/low_carb_skill.aspx)

<sup>4</sup> Local Government Association: **Creating green jobs: developing local low-carbon economies** (2009):

<http://www.lga.gov.uk/lga/aio/1509491>

<sup>5</sup> Carbon Descent / Friends of the Earth (2009):

[http://www.foe.co.uk/resource/briefings/job\\_creation\\_carbon\\_descent.pdf](http://www.foe.co.uk/resource/briefings/job_creation_carbon_descent.pdf)

<sup>6</sup> Birmingham News Room: 'Birmingham to introduce Green Housing revolution' (2010):

<http://birminghamnewsroom.com/?p=6828>

<sup>7</sup> National Audit Office: **Government funding for developing renewable energy technologies** (2010):

[http://www.nao.org.uk/publications/1011/renewable\\_energy.aspx](http://www.nao.org.uk/publications/1011/renewable_energy.aspx)

<sup>8</sup> Green Alliance, ed: **Conservatism in a changing climate** (2010): [http://www.green-](http://www.green-alliance.org.uk/uploadedFiles/Publications/reports/Conservatism%20in%20a%20changing%20climate.pdf)

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<sup>9</sup> Sunderland Echo: 'Cameron confirms Nissan grant' (2010): [http://www.sunderlandecho.com/news/Cameron-](http://www.sunderlandecho.com/news/Cameron-confirms-Nissan39s-20million-grant.6351264.jp)

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<sup>10</sup> DECC / BIS, op cit