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**To:** Regeneration and Economic Development  
Policy Overview and Scrutiny Committee  
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**Subject:** Environmental Technologies: Greener Opportunities for Kent

**Classification:** Unrestricted

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**Summary:**

This report introduces *Low Carbon Opportunities for Growth*, a report prepared earlier this year by KCC which sets out an overview of the economic opportunities presented by the need to reduce carbon consumption and by increasing demand for 'green' goods and services.

It presents for this Committee's consideration a series of potential actions that KCC and its partners might take to support Kent in taking advantage of these opportunities.

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**1. Introduction: the strategic context**

- 1.1. Two key strategic documents produced in 2009 set the context for a greater focus on environmental economic opportunities. Firstly, *Unlocking Kent's Potential*, KCC's Regeneration Framework, recognised the need for a better understanding of the changing potential of Kent's economic sectors, and committed to the development of a Kent Sectors Strategy. Secondly, the Kent Environment Strategy (currently in consultation draft form) sets out a vision for a low carbon economy, in which the county is seen as a preferred location for green technology companies and in which greenhouse gas emissions are consistently reduced.
- 1.2. Following the Regeneration Framework and the Kent Environment Strategy, *Low Carbon Opportunities for Growth*, attached as Annex 1, was prepared in September 2009 as a discussion document contributing to the overall Sectors Strategy.

## **2. The need to focus on 'green' economic opportunities**

- 2.1. *Low Carbon Opportunities for Growth* recognises that the impact of climate change, and the measures needed to mitigate it, will fundamentally change the way in which the economy works. For example, to meet Britain's targets for the reduction of greenhouse gas emissions, by 2050, we will need to produce each unit of economic output with just 10% of the carbon dioxide emitted today. At the same time, the need to protect the environment means an increasing regulatory burden on economic activity (which is likely to increase over time) and greater pressure on oil reserves will lead to higher energy and transport costs. Environmental pressures on business are therefore here, rising and unlikely to diminish.
- 2.2. However, these costs are accompanied by significant opportunities. For example, higher prices for conventional energy increases the commercial viability of renewables, greater fuel efficiency presents long term competitive advantages, and increased demand for measures to reduce carbon use creates opportunities for new products and services.
- 2.3. These opportunities and challenges are of course global, rather than Kent-specific, and local and national governments around the world are developing approaches to enable their areas to gain competitive advantage. It is therefore important to understand where Kent's likely advantage really lies and where we (as the County Council directly and with partner organisations) can usefully direct our efforts to make a positive difference.

## **3. Opportunities for Kent**

- 3.1. *Low Carbon Opportunities for Growth* sets out the potential in a number of key sectors in Kent, focused on:
  - Offshore wind
  - Nuclear energy
  - Carbon capture and storage
  - Community heating systems and biomass
  - Low carbon buildings and construction
  - Clean technologies
  - Electronics, ICT and remote working
  - Business, consultancy and financial services
  - Agriculture and land-based activities
- 3.2. In addition, the increasing pressure of environmental regulation and changing consumer demand mean that other parts of the economy not directly associated with environmental goods and services will need to reduce carbon emissions. The potential gains from the need for increased environmental sustainability are therefore broader than those captured by environmental technologies alone.

3.3. The report sets out a 'menu' of potential actions that KCC and its partners could take in support of the development of a lower carbon economy (see pages 21-24 of the report in Annex 1). These fall into four broad categories:

- **Increasing demand:** Actions through which public sector intervention can help to create low carbon markets in Kent
- **Support to business:** Actions through which the public sector can assist Kent businesses in developing innovative low carbon products and services
- **Developing skills:** Actions through which the public sector can ensure provision of the skills that a lower carbon economy will need
- **Increasing market knowledge:** Actions through which we can ensure that we have an informed awareness of the market for low carbon goods and services

3.4. The potential actions listed are intended to prompt discussion and debate at this stage, rather than being prescriptive. A time-limited private sector task group has also been established by Kent Economic Board to consider the menu of actions (and potentially other interventions) from an industry perspective.

#### **4. Next steps**

4.1. Following discussion at this Committee and within the private sector task group established by KEB, and following further discussion with public sector partners, it is anticipated that *Low Carbon Opportunities for Growth* will be revised to form the first major sector-specific strategy emerging from KCC's overall Sectors Strategy.

#### **5. Recommendations**

- 5.1. The Policy Overview and Scrutiny Committee is recommended to:
- Note the contents of this report and Annex 1;
  - Consider the economic opportunities and challenges for Kent presented by the need to reduce carbon consumption and improve environmental sustainability; and
  - Consider and comment on the proposed actions proposed in Chapter 3 of Annex 1

#### **Annexes**

Annex 1: *Low Carbon Opportunities for Growth*, September 2009

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