

## Environment, economy and community: responding to future environmental change with reducing public sector resources

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### Abstract

This paper addresses the issues and challenges which face a new UK national government in 2010. Whichever party takes power they will face a growing mountain on social and environmental problems but with a decreasing real budget with which to bring about effective action. The situation will be complicated by demands and even requirements to fulfil national and international commitments and targets, and to link delivery to the 'triple bottom line' of social, economic and environmental sustainability. Many initiatives now seek to deliver these aspirations and their targets through partnerships and by catalysing the Third Sector and growing capacity in local communities. However, much of this delivery requires support and input of money, resources and specialist skills from agencies, NGOs, and local government. All these demand core funding and additional monies to provide grants and other aid. Furthermore, there are long-term relationships between widely differing areas such as adult continuing education, community empowerment and the delivery of targets on climate change and biodiversity, to name just two. There are also often largely unrecognised economic benefits from investment in these areas, and potential major disbenefits of financial cuts. Some of these issues and the complex interrelationships are discussed below. The challenge for future government will be firstly to recognise the issues and the links between investment and delivery, and then secondly to ensure that funding cuts do not jeopardise present outputs, or worse still, trigger a major and expensive hike in environmental and social problems.

Keywords: environment, community, economy, public sector investment.

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### Introduction

Recent national governments in the United Kingdom have made numerous policy statements and commitments to addressing environmental challenges and particularly climate change. Yet even with the resource levels of the last decade, most of these commitments fall short of what is necessary to avoid the almost certain consequences of climate change. The estimated costs of climate change, again probably gross under-

estimates, run into billions of pounds. The strategy now is a mix of avoidance and adaptation. The idea is to try to take action to avoid the worst-case scenarios, whilst also changing lifestyles and infrastructure in order to 'climate proof' against the unavoidable. Other initiatives of the last ten years have finally linked a good environment to health and wellbeing; establishing proven links between outdoor recreational exercise and a healthier and happier population. In terms of economic impacts this means less exchequer expenditure on the health service, and a generally fitter more economically active community. It is also very clear that a good environment, and community involvement and engagement in for example countryside projects, engenders active citizenship and all the benefits that implies. In the past much of this grassroots activity has been delivered or catalysed by local government, and often supported by government agencies. In the past, but rarely recognised, key areas of activity have been triggered and supported by now unfashionable vehicles such as adult education. This can grow capacity and skills in the community and support development of Third Sector economies.

But recent funding cuts and more demanding (and expensive) regulation have almost ended these once core services. Yet, not only do these projects support active community engagement and reduce the costs of vandalism and antisocial behaviour, they draw down huge amounts of grant aid, to often deprived areas and their communities. Finally, these combined efforts have the ability to transform failing areas and to trigger economic renewal through business investment and, especially, through the drivers of leisure, tourism, and sports. However, in order to reap the benefits there is a need to invest public money in skills, social capacity, and in critical infrastructure. For any new government coming into office, the delivery of these benefits, in the light of the emerging drastic cuts in public services, will be a huge challenge. Furthermore, failure to act effectively in the short-term to medium term on the massive challenges of environmental change will cause significant immense human suffering and economic cost in the longer-term.

The interrelationships between environment, community and economy are deep and complex. However, it is increasingly accepted that in a post-industrial society environmental quality is important not only of its own accord and for the community, but for the economy too. The challenge is to deliver the benefits which undoubtedly flow from environmental quality and community engagement, and to do this sustainably. Very often, in order to trigger economic and other benefits, there is a critical need for investment in infrastructure, social capital and capacity. Research into nature-based and water-based leisure and tourism as triggers for regional regeneration, has demonstrated the importance of targeted government investment in capital and capacity building (Rotherham, *et al.*, 2005). This is essential if revenue streams are to grow and if long-term economic benefits and ecosystem function values are to be delivered. The question for any government coming to power in the UK will be how on earth to make this happen in the context of an era of new austerity.

A second key challenge to national government will be to deliver on UK and international environmental commitments. Specific initiatives such as the *Countdown 2010* biodiversity programme have no chance at all of fulfilling their targets of halting the long-term declines of biodiversity in the UK. In partial recognition of the problems a further funding round for projects was launched on 22 May 2008. This offered £5.5 million to help achieve the UK government's commitment to halt the loss of biodiversity by 2010, through supporting the recovery of priority species and habitats in England. This commitment to halt biodiversity loss was made by European leaders at the 2001 EU Summit in Gothenburg and the *Countdown 2010* initiative seeks to raise awareness of this target. However, at the local levels through which most environmental services are delivered, this initiative has little if any impact. There are some excellent initiatives

but these are not joined up or effectively embedded in regional economic regeneration and so the overall wider rewards are limited.

Similarly, government responses to environmental change have been largely reduced to single issue, naïve targets relating largely to carbon and various technologically-driven fixes. Yet they fail to grasp the broader consequences of the fact that human interaction with the environmental resource is not sustainable. Much of the recent economic troubles worldwide can be attributed, in part at least, to basic absence of sustainability and accountability. However, observation of political responses across all mainstream parties in the UK gives little cause for optimism. Beyond the rhetoric there is generally very limited understanding of key issues and, perhaps reflecting this, there is an almost total absence of a genuine joined-up vision for the future. We do now have nominal values for the ecosystem function of landscapes and so the planning process can weigh ecological values against other demands (ODPM, 2002). But these values remain virtual and do not translate into real money to deliver a sustainable environment. This seems even more strange since the evidence base for economic impacts of the environment, for example, is growing steadily. In the Northwest of England, for example, the Regional Development Agency (2009) estimates the Gross Added Value of the environment is £2.6bn to the regional economy, supporting at least 109,000 jobs. The report states that: 'In recent years, thinking on green infrastructure has moved from ecology to economics. Resources such as the countryside, coast, wetlands, urban parks, street trees and their ecosystems are seen as critical for sustainable economic growth and social goals, not just a way of supporting wildlife and 'the environment'.

In terms of the stances of the main political parties, it is almost impossible to judge on any of these issues. As a general election gets closer their interest and commitments to what they appear to consider peripheral issues diminishes dramatically. All major political parties in the UK miss completely the inter-dependency of the drivers within the Triple Bottom Line of economy, society and environment. They also neglect the vital roles played by the Third Sector and by education in delivering actions to address all these issues. In particular, they seem to fail to understand the needs for investment now to trigger future benefits, including economic ones, in climate-proofing, healthy lifestyles, and overall environmental and social quality.

Such omissions and their consequences pervade all the major political agendas, and go further into commitments to international partnerships and for example, critical Third World aid to address climate change and social issues. A cursory study of the three main parties' commitments suggest that Labour has a generally strong policy base on international aid and related areas but that the others are less clear, or indeed less tested.

## **Some key challenges**

Climate change, coastal erosion and flood risk for example, place vast areas of productive farmland, of heritage and wildlife landscapes, housing and industry, and major service infrastructure at risk. The Stern Report (2006) gives a strong steer on likely economic impacts of climate-induced environmental change. But effective responses are restricted by cuts to key agencies, by a loss of critical knowledge and understanding of issues as senior staff leave, and by the lack of an overall political vision. The government is trapped on the horns of a dilemma since the need for investment is now, but the real threats and the consequent benefits will be longer-term. This sits unhappily with the short-term agendas of most career politicians. The costs of this lack of critical activity will be huge in the medium and long terms.

Engaging local communities through adult education and funded projects with partners like local authorities and country wildlife trusts brings huge benefits of health, active citizenship, leisure, tourism and economic regeneration. But to draw down funding and to grow community participation requires support and this is generally placed within the public sector. Cuts in funding to local government countryside services, to parks and open spaces, to adult education and to related areas will mean disproportionately drastic impacts on the most vulnerable communities, and the people least able to respond. In the longer term these impacts will translate into the wider costs of anti-social behaviour and long-term health care. Vital ecosystem services will also be under threat.

However, these are not the only issues of what is a broad and complex scenario. The value of the 'environmental sector' has been calculated by regional development agencies and it is a significant contributor to economic wealth. The economic downturn, in halting many developments and freezing most agency budgets, has cut this sector dramatically with many SMEs closing or downsizing. A future consequence of this may be a lack of the necessary expertise to deliver environmental works as climate change impacts kick in. Such skills shortages have already affected the engineering sector for vital flood remediation works. Failure to act will be costly, the 2007 floods were estimated to have cost over £3 billion in damage to properties, services and infrastructure (Roberts, 2008). The skills problems will be compounded by proposed cuts in university provision too.

There are also very specific issues such as the decline of national biodiversity and ecological quality, and also the impacts of the spread of alien invasive species. The cost of the latter in relation to plants alone, already amount to around £3 billion per year spent on generally ineffective controls (de Bruxelles, 2010). However, the lack of critical investment now means a rapidly growing impact in the years to come. Furthermore, the costs of particular species such as Japanese knotweed and invasive Buddleia now have a huge impact on the maintenance of buildings and on major developments. In some parts of Britain this is now a major barrier to inward investment and regional regeneration (Child and Wade, 2000; Rotherham, 2008). The cost to regional industry is massive as the plant comes under planning controls and contaminated waste regulations, but agencies are impotent in terms of real positive action to act strategically to control the spread. Again for government the choice is to act now or face greater costs in future decades.

In urban areas in particular, it is now accepted that trees and woods add considerable value to properties and to the 'desire to reside' in a particular locale. Mature street trees can drop summertime temperatures by several degrees and so counter the effects of climate-change temperature rises. They also save a lot of expenditure on air conditioning and also reduce associated carbon release. Both mature trees and established woodlands reduce storm-related flood runoff and consequent damage. However, once again, the cost of the provision of these trees and the expertise to deliver their management (which is intensive in urban areas), is met by local authorities. These services are already under threat and will be even more so after the coming election. The associated and consequent costs will be in terms of air conditioning in urban premises, in storm damage to people and property through poorly maintained trees, and through exacerbated damage when floods occur.

## Conclusions

The examples given present just a small sample of the challenges which might face any UK government coming to power in 2010. The core problem from an environmental perspective is that in order to trigger benefits or to avoid future catastrophes we require investment now. Furthermore, this forward planning presents few obvious commercial benefits that might directly hook private sector monies. There are major commercial gains for say tourism businesses related to environmental and infrastructure improvements, but these rely on public sector pump priming. It is really impossible to separate community, economy and environment in the longer-term and a failure to invest now will further exacerbate already difficult circumstances for all three. For a government driven to cut a huge financial deficit this is an almost impossible situation to resolve. Targeted major investment could help trigger regeneration and economic recovery, would minimise future environmental risk and costs, and undoubtedly grow community cohesion. However, to achieve this would require a long-term vision and a political boldness comparable with the welfare reforms of Lloyd George or the health service provisions of Aneurin Bevan. The challenges of climate and other environmental changes, together with the social and regional issues described here are certainly on a par with those landmark political actions. The consequences of a failure to act will be equally dramatic. Depressingly, there is little sign that any of the major political parties understands these issues or has them anywhere in their mainstream agendas. A suggestion to protect some of these vital services in times of austerity is to make them statutory functions to be delivered by local authorities or in partnership with other organisations. One key element to ensure long-term success in addressing these challenges is to use environmental and community initiatives to trigger economic activity. This then translates positive environmental and community action into regeneration at a regional level, and into exchequer revenue at a national level. For any new government these will be stronger incentives than long-term catastrophe or ethical arguments for conservation.

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