Financing Adaptation



ISLINGTON

The Challenge…

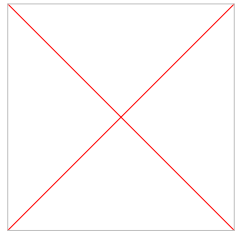
- The council is *working towards our ambitious long-term goal of making Islington climate resilient and net zero in terms of carbon emissions* (link Corporate Plan).
- However the financial challenge is well known with a £100m medium term budget gap and our cost of capital (borrowing) = 10% p/a (Budget Report).
- Some projects deliver clear return on investments (eg: heat networks and solar); other projects do not (eg: retrofits and adaptation).
- Government support often focuses on interventions that stimulate private sector investment including the Green Heat Network Fund.



"Investment in adaptation will be financed through a mix of public and private sources, with the public sector playing a central role" Prof. Dame Angela McLean Chief Scientific Adviser

What We're Doing

- The council approved some adaptation projects in the capital programme with a concentration on our public realm and trees rather than existing buildings.
- All officers are required to consider adaptation in the environmental implications of decision reports and are assessed alongside financial/legal imps.
- We contributed to the London Climate Ready Partnership's 'climate costs guide' which strengthens our evidence base around costs/benefits of adaptation.
- We collaborate with our partners (eg: London Councils and The GLA) – we also maintain close relationships with 3Ci, Abundance, GFI, NWF + others.



Islington carried out work on potential 'outcome buyers' who seek a non-financial return through the 'Pocket Parks' + Net Zero Neighbourhood programmes.

Mapping Benefits

Paul Watkiss Associates

Grantham Research Institute on Climate Change and the Environment

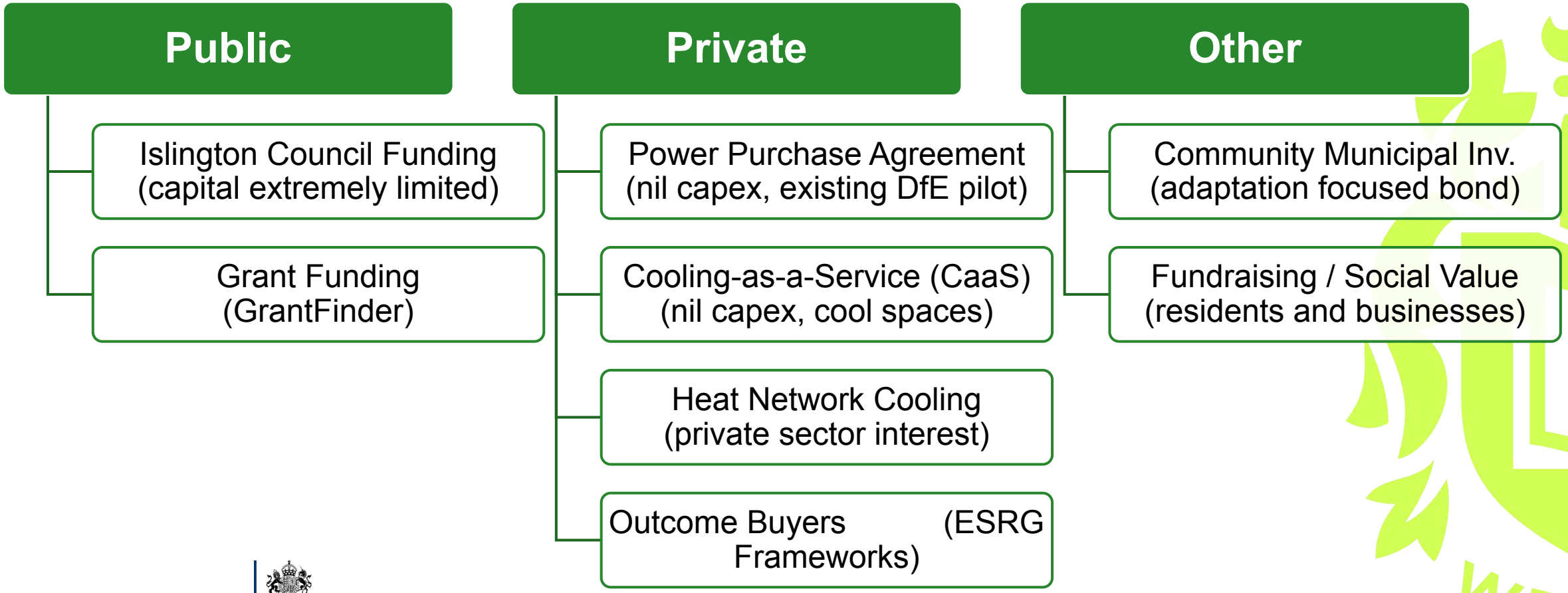


Benefit	Focus	Scope	Examples
Economic	Value to society overall	Full range of costs and benefits from a project	Reduced CO_2, improved health, productivity, jobs
Fiscal	Public sector budget	Government spending and revenue	Reduced health costs, increased tax receipts
Financial	Direct monetary benefit to person/business/orgs	Narrow (cash flows); often split incentive	Reduced energy bills, investment returns

Above table adapted from a workshop by Paul Watkiss Associates

"Adaptation investments can yield a 'triple dividend', preventing losses, stimulating economic activity and providing social/environmental co-benefits" (Grantham Research Institute at LSE)

Financing Pathways for Our Schools



GrantFinder

Department for Education

Note almost all investment in climate action requires a subsidy of some form.

Thank You

