

# Using the Environment as an Economic Driver

Overview of the experience to date in the Cornwall and Isles of Scilly Objective One Programme: A Summary

October 2005



This project is  
part-financed by  
the European Union



Working with Objective One

The Objective One Partnership  
for Cornwall & the Isles of Scilly

## Using the Environment as an Economic Driver

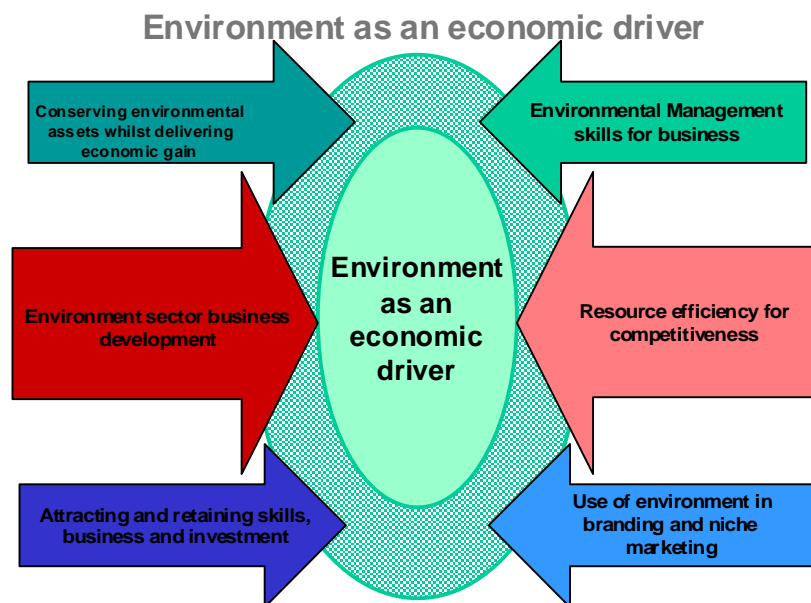
### Overview of the experience to date in the Cornwall and Isles of Scilly Objective One Programme

The environment has the potential to act as a powerful economic driver<sup>(1)</sup> -- the environment can (and does) give rise to real economic benefits, presenting novel opportunities and stimulating the economy to grow in new directions and ways. For example: the links between prudent natural resource use and resource productivity are now reflected in the two main economic schools, with empirical evidence suggesting the positive impacts may be significant<sup>(2)</sup>.

The impacts of the environment on the economy, and vice versa, are not necessarily direct or linear in nature ie: the value of the environment to the economy is not simply a matter of its role as a source of raw materials and a means of disposing of wastes and pollutants.

The South West's rich and diverse environment is one of the area's greatest assets, and one of the key features that makes the region particularly distinctive and attractive with immediate benefits for tourism and agriculture alike.

To analyse this we have identified six themes, outlined in the diagram below, that make up the broad range of issues covered by the environment driver.



Viewing the environment as an economic driver effects a fundamental shift in the way in which the relationship between the environment and the economy is understood. The role of the environment is transformed, from that of a passive provider of the materials and services necessary for economic activity, to that of an active partner capable of influencing and directing economic development.

(1) The *Chambers Dictionary* offers the following definitions of the term **driver**, "to guide the movement or operation of; to furnish motive power to; power of getting things done; pushing sales by reducing costs".

(2) Performance & Innovation Unit (PIU), 2001. *Resource Productivity: making more with less*. Annex F. PIU: London.

Environment sector businesses include:

- Renewable Energies
- Environmentally sustainable construction
- Environmental technologies (pollution, prevention and control, adapting to climate change, low carbon technologies)
- Earth sciences
- Waste management
- Water management

Environment businesses include those that provide the goods and services needed by other businesses to manage their impacts on the environment and those that take advantage of demands for more environmentally friendly products. This can be information, advice and specialist consultancy, or plant, equipment or specialist products.

The South West of England Regional Development Agency (RDA) has defined environmental sector businesses as: Air Pollution Control, Environmental Consultancy Services, Water Treatment (including wastewater), Energy Management, Renewable Energy, Noise & Vibration Control, Waste Management / Recovery & Recycling, Marine Pollution Control, Contaminated Land Remediation, Environmental Monitoring & Analysis, Technology for Sustainable Land Use & Management.

Within the Objective One programme, support has also been provided for the more “traditional” environmental sector businesses involved in:

- sustainable construction activities, including provision of traditional skills;
- organic agriculture and food processing;
- waste management;
- renewable energy;

and has targeted office space at the environmental technologies sector.

#### Hydra Limited

Hydra Ltd, based in St Columb, produces stainless steel screening equipment for the water industry. Using investment from the Objective One Programme and the South West RDA Hydra has been able to develop their business and their clients include both Scottish Water and Yorkshire Water. This investment has included both new premises and graduate placement through the Combined Universities in Cornwall Unlocking Cornish Potential scheme.

The keystone project of the Cornwall and Isles of Scilly Objective One Programme is the Combined Universities in Cornwall. As you might expect the environment has been part of the consideration in the various capital build phases of the project. But the environment is much, much closer to the heart of partners.

#### University College Falmouth

The environment which provides a continuing source of inspiration both in terms of is natural beauty but also in a contemporary context as a trigger for sustainable product design. This use of the environment to inspire and sell products is entirely non consumptive.

#### Camborne School of Mines (part of Exeter University in Cornwall)

Cornwall's mining legacy continues to stimulate research and innovation. Alongside its research programmes the University of Exeter offers a range of courses including conservation biology, environmental science, geography, geology, mining engineering and renewable energy.

The opportunities for technology transfer between Higher Education (HE) institutions and businesses are likely to grow. A recent Government report identified climate change and energy issues as the greatest threat to sustainable development within the UK<sup>3</sup>. Resolving these issues will require innovative solutions; businesses that can develop these solutions will be sought after.

Resource efficiency for competitiveness includes:

- Resource and energy efficient construction
- Management of business waste, energy, water and other materials
- Procurement and local sourcing
- Conservation of natural resources to ensure sustainable economic use

Getting the most amount of a product or input output for the least amount of use of natural resources / energy with the least amount of waste production, ie the efficient use of resources, allows businesses to minimise their costs and maximise their profits. It can thereby enable businesses to safeguard jobs in competitive markets and enable them to compete in increasingly global markets.

#### Cornwall Rivers Project

Provides advice to farmers to improve the environment in targeted river catchment areas. It increases the profit to farmers and landowners of land by encouraging them to use environmentally sustainable methods to address the problems of soil erosion from agricultural land, flooding, pollution and other adverse effects of current agricultural practice.

Protecting the environment through sustainable and innovative resource use is increasingly important. With the global economy set to expand by 40% by 2015, driven in particular by strong growth in the emerging economies, significant pressures will be placed on global resources, particularly energy. This presents a serious challenge to become substantially more energy and resource efficient, increasing innovation and adaptability in the use of energy and resources and promoting low-carbon sources of energy.

The costs of natural resources such as energy and water are increasing. Resource and energy efficiency in production processes and the use of buildings enable businesses to manage the risks of these increasing costs. Increased energy efficiency will need to be accompanied by the development of low carbon energy sources.

#### Tolvaddon Energy Park

Tolvaddon is one of a number of more environmentally smart workspace developments in Cornwall that are embedding environmental good practice into capital build whilst also stimulating the market for renewable energy and resource saving technologies.

The development at Tolvaddon includes grey water recycling, intelligent lighting and earth energy heating.

#### Survey of Shellfish Stocks

With the shellfish industry worth nearly £3 million to the Cornish economy, ensuring stocks are sustainable is essential to its future. With Objective One investment Cornwall Sea Fisheries Committee is undertaking a three year survey of shellfish stocks around the coast. The survey will collate detailed information about the size and structure of the population of brown crabs and lobsters. This information will guide the sustainable management of the stocks into the future.

<sup>3</sup> UK Sustainable Development strategy 2005

#### Cornwall NHS Food Programme

The food programme Food began in 2001 after receiving investment from the NHS locally, Defra, the Soil Association and the Cornwall and Isles of Scilly Objective One Programme. The team works to find ways of using greater levels of Cornish produce for hospital patients, staff and visitors. The aim is for local producers to be supported with year round contracts, food miles reduced and patients guaranteed healthy and tasty food to aid their recovery.

Environmental Management skills for business include:

- Environmental sector skills development
- Environmental management training

Effective environmental management can reduce costs and increase profitability for businesses. In this context, developing environmental management skills means understanding the business benefits of waste management, energy efficiency, reduced travel miles, protecting biodiversity and complying with environmental legislation. It also includes building managers' knowledge of organisations which can provide advice on environmental management.

The business benefits of better environmental management include savings on energy and fuel, avoiding penalties for non-compliance with legislation and better quality of life, leading to more motivated and productive staff.

Research by the South West of England Regional Development Agency indicates that firms see environmental issues as one of the most pressing issues they will need to seek advice on in the next five years.

#### Sustainable Tourism Skills

The Learning Partnership for Cornwall and the Isles of Scilly led project, co-financed by the Learning & Skills Council (LSC), improves the social, environmental and economic sustainability knowledge base in the tourism industry. Included in the project is the development of a sustainable tourism qualification for businesses and employees alike.

#### Environmental Management Training for Small Businesses

Led by Lemon Frog Ltd and co-financed by the LSC, works with business managers to deliver environmental and economic gains through the implementation of environmental policy and management systems.

Use of environment in branding and niche marketing includes:

- Sustainable tourism development
- Marketing environmental credentials
- Use of environmental imagery in marketing for business advantage

The region's high quality environment has a significant role in the marketing of a wide range of products. Many of these have with no direct link to the environment, but use it as a "backdrop" to their product. At the same time niche products that draw on the environment, such as "green tourism" or geographically specific food products, use environmental quality as a key aspect of their product, or draw, in their use of environmental credentials in marketing.

The environment provides a means of differentiating products in the market place and the environment can be used to create a niche market, conferring marketing advantages.

#### Cornwall Pure Business

Cornwall Pure Business is designed as a red carpet service to target and attract inward investment from businesses in key sectors (food and drink, new media and IT, marine, envirotech, medtech, engineering and aerospace).

It promotes a positive image of Cornwall as a place to do business to businesses that will make a positive economic and environmental impact to the region. The unique selling point of the inward investment campaign is the lifestyle afforded by the natural and historic environment of Cornwall, and promotional materials have a key message that companies relocating should want to work in harmony with the Cornish environment. The energy and environment sectors were consulted with and had an input into, the content of promotional materials for the environment technology sector. Therefore it is crucial for the initiative's (and that of Cornwall) brand that potential investors are encouraged to protect and conserve the environment through their business activities. Relocated businesses are offered aftercare support according to their needs identified through a questionnaire which includes questions about environmental business practices

Conserving environmental assets whilst delivering economic growth includes:

- Landscape, historic environment and wildlife heritage and nature conservation delivering economic regeneration

The conservation and enhancement of environmental assets whilst either continuing to use them as an economic resource, or finding new economic uses for them, can have a key role in economic regeneration.

Significant parts of the economy rely on the quality and extent of our environmental assets (such as tourism) or resources (such as food and timber production, fishing and minerals industries). In Cornwall and the Isles of Scilly tourism accounts for 25% of GDP, and in the Isles of Scilly alone for over 90% of GDP. It is estimated that the food and drink industries account for a further 25% in Cornwall and the Isles of Scilly. In addition, 'Valuing our Environment'<sup>4</sup> estimated that 78% of holiday trips to the South West are motivated by landscape and cultural values (fine coastlines, good pubs and rural villages, accessible open spaces and protected landscapes).

The conservation of environmental assets also promotes the vitality and viability of rural centres, such as our market towns. Environmental quality is an essential part of the urban renaissance agenda, where the quality of people's surroundings has a direct impact on investment and regeneration.

Environmental assets form part of local distinctiveness, creating an area that retains its individual character and is instantly recognisable and distinctive to the people who live there, as well as to those who visit. By promoting local distinctiveness we can enhance diversity, and increase the vitality and stability of local economies.

#### Pentreath Blunging House

Conversion of an old china clay blunging house to increase the level of training space at Pentreath Industries in Bugle brought a vernacular disused building back into use

<sup>4</sup> National Trust 1999

### Falmouth Heritage Economic Regeneration Scheme

The Heritage Economic Regeneration Scheme (HERS) is a scheme for providing financial help to encourage the conservation and enhancement of key historic buildings and street features in the Falmouth Conservation Area. The project encourages investment in Falmouth by improving the condition of historic buildings in the commercial heart of the town between the Moor and the docks, making the town more attractive to visitors and thereby capitalising on the new National Maritime Museum which opened in 2002.

Attracting and retaining skills, business and investment includes:

- Inward investment
- A distinctive and strong sense of place for business and personal development

The region's environment as an asset base, linked strongly to quality of life, attracts and retains people and businesses in the region.

The environment thereby provides a means of keeping and growing the skills/business/investment base we have in the region to stay and a means of attracting skills/business/investment where we have shortages.

The high quality environment and its links to quality of life, give us a competitive advantage over other regions.

It is also a means of encouraging young people to train in the region, and for graduates to stay in the region.

### SmileChild

SmileChild is a fast growing internet and mail order company which has relocated their entire business to Cornwall thanks to the help of Cornwall Pure Business and Finance Cornwall. SmileChild specialises in environmentally sustainable and ethically sourced products for babies and their parents. Realising that the company could be located anywhere in the country, Rebecca and Will set about finding a new home for the business that would give them the quality of life they sought.

Their new premises at Callington Business Park in the Tamar Valley really fit in with the eco-friendly ethos of the business - it's a new development that's just won an environmental award. It uses earth energy heating and there's a wind-driven generator that helps keep our electricity bills down."

### Combined Universities Cornwall

The CUC holding a new hope for the region's economy in the form of knowledge and skills. Students are attracted to the Combined Universities by the fantastic environment that Cornwall offers, and the opportunities for sport and leisure activities, as well as the high quality courses on offer.

By working with businesses through Objective One schemes that are complementary to the university, CUC graduates together with graduate looking return to Cornwall have a direct route to work in the region.

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NB: For a fuller picture of the use of the environment as an economic driver and the operation of the environment as a cross cutting theme in the Objective One programme see [www.objectiveone.com](http://www.objectiveone.com)

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