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Dear Jenny

Weathering the Storm: The Impact of Climate Change on London's Economy

Thank you for your letter of 23 July enclosing a copy of the Economic Committee's *Weathering the Storm* report. I am pleased to respond to the recommendations in the report.

In my two terms as Mayor, I am proud of the progress we have made in making the city – its communities, infrastructure and economy – more resilient to extreme weather today and further climate change over the longer-term. Key successes include publishing the first climate change adaptation strategy for a world city; managing flood risk through the Drain London programme; implementing numerous green infrastructure projects through the Big Green and Pocket Park programmes and paving the way for many more through our work with the business improvement districts (BIDs); securing Thames Water's commitment to invest in water efficiency retrofit programmes for schools and social housing; and initiating a step-change in how we manage rainwater, raising the issue of water security and creating the framework to improve it through my Infrastructure Plan.

In response to the recommendations made in your report:

Recommendation 1:

When next revising the Climate Change Adaptation Strategy, the Mayor should include a chapter on the indirect risks of climate change for London's economy. This should consider the risks of a cascade of impacts, via supply chains, markets and investments based in vulnerable, remote regions. Particular attention should be paid to the security of those supply chains which underpin the functioning of London's economy and society. For example agriculture.

I feel that the review of Mayoral strategies is now a task for my successor. Officers have already started the process of gathering evidence to inform a potential review of all mayoral strategies in the expectation that the next Mayor will want to build upon my legacy.

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Recommendation 2:

The Mayor should commit to the principle of a transition away from investment in certain fossil fuels, namely coal, and towards reinvestment in responsible funds which deliver appropriate returns to the taxpayer.

Where possible, and in line with his priority to diversify London's economy, the Mayor should actively seek to build opportunities for investment in the green economy. For example by encouragement of public private partnerships to finance sustainable infrastructure projects under the London Infrastructure Plan 2050.

I am committed to environmental policies which stimulate London's 'green' (Low Carbon Environmental Goods and Services) economy. I have supported strongly the London Pensions Fund Authority's (LPFA's) long-standing commitment to responsible investment. I have urged the LPFA to use its influence as a large institutional investor to encourage long-term behaviour change in the companies in which they invest and through the mandates it gives to its fund managers. However, I believe that my approach needs to embody a realism that there needs to be a transition away from investment in fossil fuels and not a sudden cliff edge departure from them.

I have developed a number of programmes that have created real opportunities for investment in environmental infrastructure and the green economy. These include a portfolio of investable projects, created through the project development activities of the European Local Energy Assistance (ELENA) funded Decentralised Energy Programme Delivery Unit (DEPDU), RE:FIT and RE:NEW programmes; creating investment opportunities in decentralised energy and energy efficiency projects. The London Green Fund is an example of where we have established a £100m investment fund to support the delivery of environmental infrastructure for London, including those projects generated from the projects above, and created a mechanism by which we can attract private sector alongside public sector investment. Finally, the London Sustainable Industries Park is an example of how I have supported the development of locations to house environmental and green business that can contribute to our economy and create jobs for Londoners.

Recommendation 4:

To encourage greater sharing of best practice, and so enable monitoring of adaptation implementation, the Mayor should launch an award for climate change adaptation to reward successful adaptation initiatives by London businesses. The Australian Climate Adaptation Champions Awards are a successful model of such a scheme.

I think this is an interesting and innovative idea and again one that my successor may be interested in pursuing.

Recommendation 7:

The Mayor, along with London and Partners, should promote further London's expertise and assets in the low carbon and adaptation economies:

They should seek opportunities to export London's adaptation skills to cities worldwide, helping to drive demand for further skills development and investment in training institutions in London.

They should also seek to attract further overseas investment in London's adaptation technologies and services to boost London's Green economy. For example, by supporting events like Copenhagen's Climate Change Adaptation Expo, which has set the bar for innovation in this area.

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I am keen that London becomes a 'one-stop shop' for climate services, providing the knowledge, skills and resources to help other cities and organisations tackle climate change. Shortly I will be launching a report jointly developed with the London Climate Change Partnership on the current and future value of London's Adaptation Economy. The report includes recommendations on how this growing sub-sector of the Low Carbon Environmental Goods and Services sector can be expedited, particularly highlighting the role the Mayor and London Enterprise Panel (LEP) can play to facilitate this growth.

Finally, I support wholly the concept of sustainable infrastructure investment. The London Infrastructure 2050 work has a number of workstreams that encourage this in practice, from understanding better the energy demands and decentralised supply patterns across the city through to supporting more imaginative uses of our existing infrastructure assets and designing infrastructure that serves multiple needs.

Recommendation 8:

The Mayor, upon review of his strategies, should integrate climate change adaptation into his Economic Development Strategy. This should commit him not only to drive forwards the conversion to a low carbon economy, as reflected in his current priorities, but instead to a resilient low carbon economy:

It should include commitments to develop and promote London's adaptation skills base; to encourage adaptation innovation; and to attract and incentivise public and private investment in the adaptation sector.

The strategy should take a risk based, scenarios approach to climate change adaptation. It should also inform economic elements of the Mayor's Climate Change Adaptation Strategy.

As per my response to your first recommendation, this is now an opportunity for my successor and the LEP to consider.

Thank you again for writing to me.

Yours ever,



Boris Johnson
Mayor of London