

WMCA Board

Date	28 June 2018
Report title	Environment Portfolio - Re-fresh and Forward Plan
Portfolio Lead	Environment, Energy & HS2 - Councillor Ian Courts
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Henry Kippin, Director of Public Service Reform email: henry.kippin@wmca.org.uk tel: (0121) 214 7880 Simon Slater, Head of Environment email: simon.slater@wmca.org.uk tel: (0121) 214 7804
Report has been considered by	Programme Board - 14 June 2019 WMCA Environment Advisory and Delivery Group and Local Authorities Workshop - 6 June 2019

Recommendation(s) for action or decision:

The WMCA Environment Board is recommended to:

- (1) Note the position statement, evidence base for change and proposed next steps outlined in this paper.
- (2) Note the evidence base provided to support the negotiation of a regional carbon reduction target.

- (3) Endorse the proposed next step: to begin a rapid programme of engagement to develop a collaborative action plan which brings the region together in both headline targets and practical actions on the ground.
- (4) Ask member council officers to support the development of this work as part of a collective re-fresh of the environmental portfolio and greater regional momentum on next steps.

1.0 Purpose

1.1 The purpose of this paper is to signal a re-refresh of the WMCA Environmental portfolio following a change in portfolio lead and executive arrangements. Specifically:

- To be clear on the escalating scale of the issue posed by climate change – and the economic, social and public service implications for us as a WMCA area.
- To articulate a statement of collective intent – to work together as a region in scaling up our existing work and committing to bold action across the range of levers we have.
- To root these commitments in reality – proposing a headline action plan that is ambitious but deliverable, and clear about where a step change in investment, coordination and cross-agency and citizen behaviour change will be needed.
- To propose a binding of this plan through rapid engagement with Members and regional partners – such that we are speaking as one voice and with clarity about where the WMCA adds value and can support local and regional change.

1.2 Environment is one of the WMCA's original corporate priorities. It is woven in to the economic strategy of the region and within commitments we have made to promote green growth, cleaner air and green spaces within our urban environment that can support wellbeing and better mental health.

1.3 Three years after publishing our Strategic Economic Plan, the context for environmental policy has changing considerably. The scale and importance of the issue is heightened. International policy is translating into firm government targets implying near-term action. Citizens and civil society are making their voice heard as never before. As a region we are progressing a range of locally-set environmental strategies, but there is a need to bring this together, understand the collective value-add; and how the vehicles for change that we have – such as our direct delivery of transport, our Industrial Strategy and our collective regeneration ambitions – can be leveraged for this purpose.

2.0 Background

2.1 The need for holistic action to address climate change is established at an international, national, regional, local and individual level. Few would argue that climate change is already having an impact around the world and, though scepticism as to causality and consequence exists, this is increasingly a minority view countered by increasingly robust evidence base. The UK is one small part of a global ecosystem, but Government and opposition have both been clear about the leading role the country needs to play both in terms of domestic policy, and as part of a wider global commitment.

- 2.2 The UK Committee on Climate Change (a body set up to convene and support the goals above) is clear about the scale of the challenge we face from a changing climate, and the need for this to be better reflected in the way we plan our economies, public services and society. This includes a commitment to Paris UN Declaration goals of keeping warming below 2 degrees through greenhouse gas emissions reduction to net zero by 2050.
- 2.3 Economic policy at a national level is slowly beginning to reflect this priority – most obviously within the Government’s Industrial Strategy which has committed to providing incentives and funding to support a transition to cleaner economic growth. Again, there is consensus across the political spectrum as to the need for better modes of support for transition, though ideological and policy differences exist as to the pace and extent to which economic growth and environmental degradation are intrinsically linked; and the extent to which this can be influenced.
- 2.4 Collective action by citizens and civil society has further served to highlight the social costs of inaction, and the issue of intergenerational fairness that underpins it. For example, when youth climate activists declare a ‘climate crisis’, they are talking about the profound negative impacts within their lifetimes that will occur if we fail to make the pivot towards a different way of organising our economies. And whilst the implications of this pivot for our current ways of living and working are enormous; they will be dwarfed by the scale of change that is forced upon us if we ignore them.
- 2.5 It is ultimately at the regional and local level where the politics and practice of climate change will be made real – and where the opportunities inherent in the transition to a cleaner economy will be first realised. In the West Midlands, we have an opportunity to lead. The sections below will suggest how.

3. Our Headline Carbon Target

- 3.1 An emissions target will not change anything in and of itself – but it will help frame a collective commitment, and it is an important statement of intent around which a number of policies and practical reforms will hang.
- 3.2 The WMCA originally set a carbon reduction target as part of its SEP in 2016 – citing a 40% reduction on 2010 levels by 2030 which was consistent with UK Climate Act targets at that time. Monitoring is provided annually by Sustainability West Midlands (SWM), with latest figures showing we are on the way to achieving this target with a 20% reduction since 2010.
- 3.3 In 2018 a progress report for the UN Paris Agreement set out a more urgent target to reduce the level of extra global heating by 1.5 degrees – requiring a more aggressive reduction in greenhouse gases and a need for stronger collective action over the short term. Some areas of the UK have responded to this stimulus (headline targets have been set, for example, by Liverpool and Greater Manchester combined authorities). The West Midlands now has a chance to make its own statement of intent underpinned by credible delivery.

3.4 The WMCA Environment Board took a call to re-visit its carbon target after the UK Climate Change Committee published its own recommendation in May: which was a revised target of 100% reduction (to net zero) by 2050. In June the Government stated its intent to enshrine this new target into legislation. At the same time, Birmingham City Council declared a climate emergency and set a target for 2030. The figures recommended by different interest groups noted above are therefore as follows:

Targets	2020	2030	2040	2050
Climate Emergency		Zero target		
CCC recommendation				Zero target
Paris agreement recommendation			Zero target	

3.5 The WMCA commissioned the Tyndall Centre for Climate Change to provide an independent recommendation on our own target. The centre have worked on the Greater Manchester approach, and are currently working with BEIS to roll out support for local authorities using the same methodology. Their findings – tabled here as a basis for engagement across the three-LEP geography over the next month, rather than for agreement at this Board – are as follows:

- A recommendation to reach net zero carbon emissions (or near zero) no later than 2041. This equates to the minimum progress required to contribute the region’s part to the Paris Agreement.
- At our current progress rate of reduction, our carbon budget left to use between 2020 -2041 would be used up within 6 years.
- Therefore to meet this notional target we would need to reduce our emissions annually by 13% from 2020. Our current annual reduction rate for the WMCA area from latest figures (2015-16) is 3.8% with individual local authority areas varying from 1-8%.
- We also need to better understand the role of land use and green space in terms of carbon sequestration, and how to improve the efficiency of how people and goods enter and leave our region.
- Key sources of emissions are from the fossil fuel energy used by our homes (35%), transport (32%), and industry, commercial, agriculture, and the public sector (33%).

3.6 In terms of our regional ability to influence: many levers lie at national level in terms of decarbonising the energy supply network and national building and product standards; but regional and local level policies can accelerate implementation and innovation around areas such as transport, planning, waste, procurement, business support.^{3.5} We do not propose to table a recommended target for agreement at WMCA Board in June – but instead to use it to frame a rapid programme of engagement with local partners to embed both the most appropriate regional target, and the credible programme of work that will underpin consolidated action – and level of national, regional and local investment – that will be needed to meet it. Targets and the underlying science behind them will inevitably be subject to change as the context evolves; our job is to mobilise and support a cross-agency, cross-party and cross-society coalition for change that is strong enough to adapt.

4. Moving Forward - Proposed Work Programme

4.1 We noted above that the WMCA Environment portfolio is not new – so the action plan proposed below will build on the following foundations:

- i. Early engagement with stakeholders to frame original SEP plans, Mayoral manifesto commitments and early work commissioned from Sustainability West Midlands as part of the nascent environment activity plan.
- ii. A set of priorities, published in 2017, to promote ‘best in class’ combined authority policies and the establishment of an officer-level ‘Environment Delivery and Advisory Group’ (EDAG) with agreed partner responsibilities.
- iii. An emerging evidence bases and set of partnership to underpin regional environment priorities around energy, carbon, air, and natural capital.
- iv. The establishment of a member-led WMCA Environment Board in July 2018 – which will now be chaired by Cllr Ian Courts, Leader of Solihull Council – supported by the WMCA executive and a re-freshed mandate (sought at this Board) from WMCA Board Members.

4.2 In May 2019 the WMCA and central government published the region’s Local Industrial Strategy. This is one of two trailblazing strategies (WMCA and GMCA) outlining the sectors and growth opportunities that will frame the region’s economic growth ambitions and underpin its future investment case to central government and the private sector. Central to this strategy is the notion of a ‘clean industrial revolution’ - realised through investments in electric cars, battery technology, energy efficient design and innovation and an increase in the region’s ‘natural capital’. The strategy has been developed collaboratively across the three-LEP West Midlands geography, and is one of the major vehicles – alongside our HS2 connectivity package, transport modernisation programme, infrastructure and housing-led growth and public service reform plans – through which we will seek to promote our environmental and inclusive growth ambitions.

4.3 In line with the building blocks above, the proposed forward plan for the portfolio is focused on four interrelated areas:

1. **CLEAN GROWTH** – focusing on carbon reduction, green business growth, waste reduction and economic inclusion which benefits marginalised communities. This will be delivered through our Industrial Strategy implementation and the development of a cross-regional ‘Clean Growth Challenge’ which will create incentives for innovation to drive clean growth.
2. **CLEAN AIR** – focusing on an improvement in air quality across the region, working closely with local authority partners and supporting improvements in clean transport, enabling lower emissions (e.g. via electric charging), and creating incentives for citizens and businesses to change behaviours and lifestyles.
3. **NATURE GAIN** – focusing on growing and improving ‘natural capital’ – the quality of our waterways, green spaces, public realm, biodiversity and resilience to the effects of climate change. This could include the launching of a ‘year of green action’ to promote focused investment in priority areas, and social action to promote and protect our natural assets.
4. **LEADING BY LOCAL EXAMPLE** – focusing on our own assets, performance and the extent to which we, as anchor institutions in this region, are living up to the values we espouse for others. This might include focused action on issues like single-use plastics and waste, supported by targeted investment where we are able to generate it.

4.4 Appendix C shows how these priorities might be delivered as part of a work programme over FY2019/20, and – critically – areas where we might leverage investment via our Industrial Strategy and within the Comprehensive Spending Review process. As noted above, they build on substantial work happening already across the region, with proposed engagement designed to understand specifically where we can add value, amplify and enable quicker progress.

Across all of these priorities, we will seek to ensure that we maximise the role that other WMCA portfolios – such as housing, skills and transport – can play in supporting our headline environmental goals, working closely with those portfolio leads and directorates to achieve this.

The WMCA Environment Board also requested that we undertake a regional review of air quality with our members and partners – as a means to understand where priority investment and actions might be needed. This work is being undertaken by a partnership of TfWM, University of Birmingham WMAir and local authority air quality officers. Progress will be reported back to the WMCA Environment Board. The region has also made commitments in its Local Industrial Strategy around natural capital – which will be taken forward collaboratively, building on the work done by the Black Country LEP and the WM Natural Capital Partnership.

5. Next Steps

5.1 The specific and time-critical next step is to begin a period of rapid engagement led by WMCA with local authority and public service partners within the region, with a view to:

- i. Brokering a carbon target that has credibility within the region, and which local partners can align around and sign up to. This will be brought back to WMCA Board in July.
- ii. Developing an action plan that is rooted in local evidence, builds on existing initiatives and which clearly adds value in the view of our regional partners.
- iii. Identifying a small number of bold 'challenges' around which we can mobilise and generate external investment and align our own activities for the biggest economic, social and environmental impact.
- iv. Ensuring the range of regional stakeholders - across business, public services and civil society – are engaged within the process, working with existing forums and groups (including climate activists) to do this. We will also ensure that these partners have a voice on the Environment Board.
- v. Identify the overall costs for the plan, sources of funding, and how we can rapidly secure these from existing budgets, Government, and institutional investors.
- vi. Developing a comms and education plan that reflects the above – and in particular the need for collective behaviour change as well as institutional action.
- vii. Bring this detailed plan covering actions ii-vi back to WMCA Board in Autumn – subject to its approval of this paper.

6. Wider WMCA / Geographic Implications

- 6.1 The activity proposed here will support the delivery the SEP and Local Industrial Strategy goals which are relevant across the three-LEP geography of the WMCA. Certain commitments within the forward plan and ensuing actions (for example support for local action around clean air) will be contingent on locally derived priorities and political considerations. The plan should offer something to all of the WMCA authorities and partners, and should reflect their input and priorities.

7. Financial Implications

- 7.1 There are substantial financial implications to both the delivery of this portfolio, and the implications of the region pivoting towards a more environmentally conscious way of doing economic growth and public sector reform. WMCA Board has allocated a limited revenue budget to support Environment Board priorities, with secretariat support drawn from this resource, from regional collaboration to support what will be a shared set of goals, and from the additional investment we will need to leverage. We will review the level of resource required following the production of our delivery plan and revert to WMCA Board accordingly.

The longer term financial implications of adaption to climate change are still not yet fully understood – though we know they will be substantial. The CCC estimates that the annual costs of meeting net-zero emissions are between 1-2% of GDP in 2050. The region alone cannot bear the costs of transition within a context of local government austerity – making the investment case built by this portfolio (and its links with economy, transport and housing) absolutely critical.

8. Legal Implications

As a public authority the WMCA is affected by the implications of environmental legislation in all its activities. Furthermore, there are environmental implications in all the functional activities of the Combined Authority and many of those areas will be affected by specific environmental legislation and controls. The environmental portfolio demonstrates how the authority both responds to those requirements and contributes to regional leadership in partnership with constituent and non-constituent authorities in the authority's area.

Where specific authority is required to authorise actions which are not otherwise explicitly provided within the existing powers of the Authority, the WMCA has a functional power of competence under s113A of the Local Democracy, economic development and Construction Act 2009 to undertake actions which are related to or incidental to the performance of its functions.

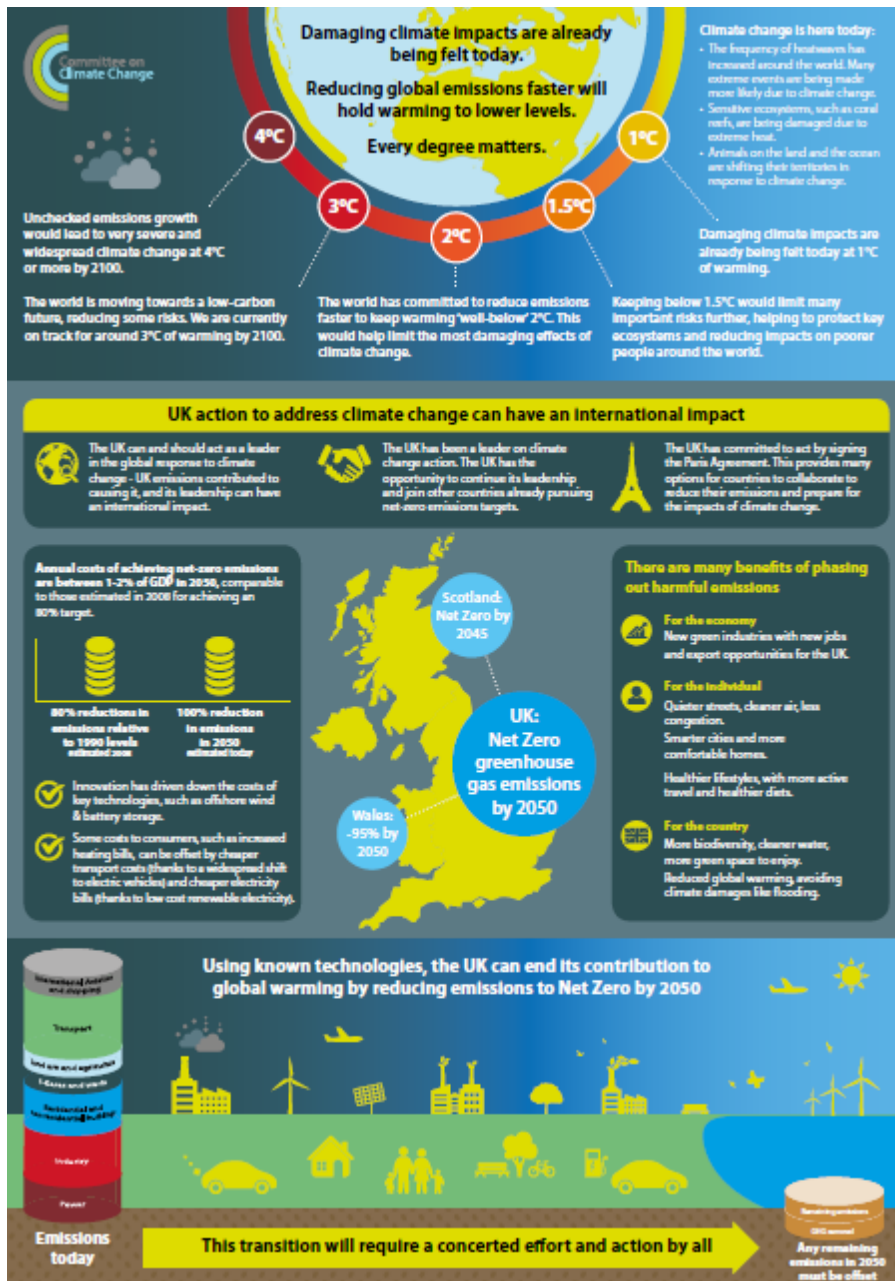
9. Equalities and Inclusive Growth Implications

- 9.1 The equalities implications of this paper – and the activities it proposes – should create net positive effects in terms of the impacts on citizens and communities. We will seek support for 'just transition' (mitigating the cost of changes for those least able to bear it), and will seek to embed environmental goals as part of an overall approach to economic growth that is more inclusive. We will use the WMCA's Inclusive Growth Framework to assess these impacts, and work with civil society to ensure that the range of voices across the region are heard within this work.

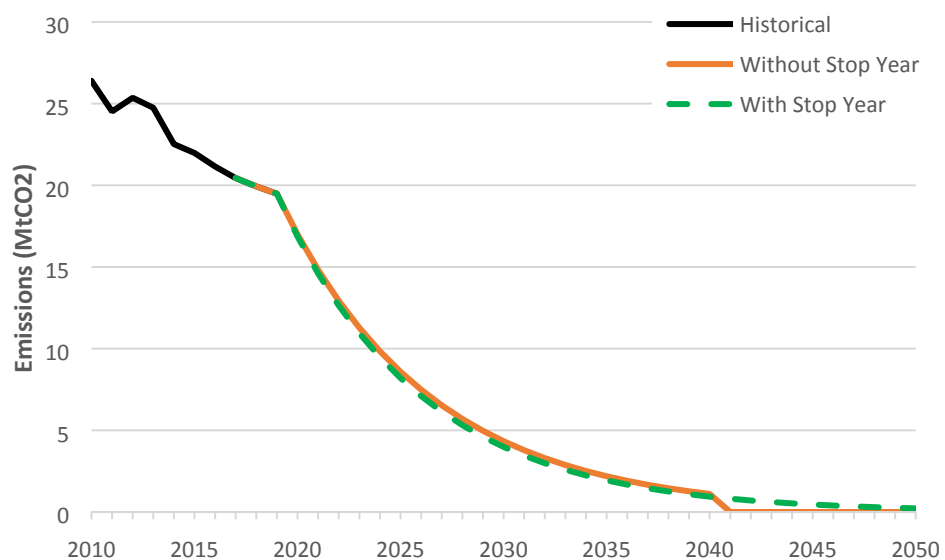
Appendices:

- i. CCC infographic
- ii. Example of Tyndall Centre Research on WM target

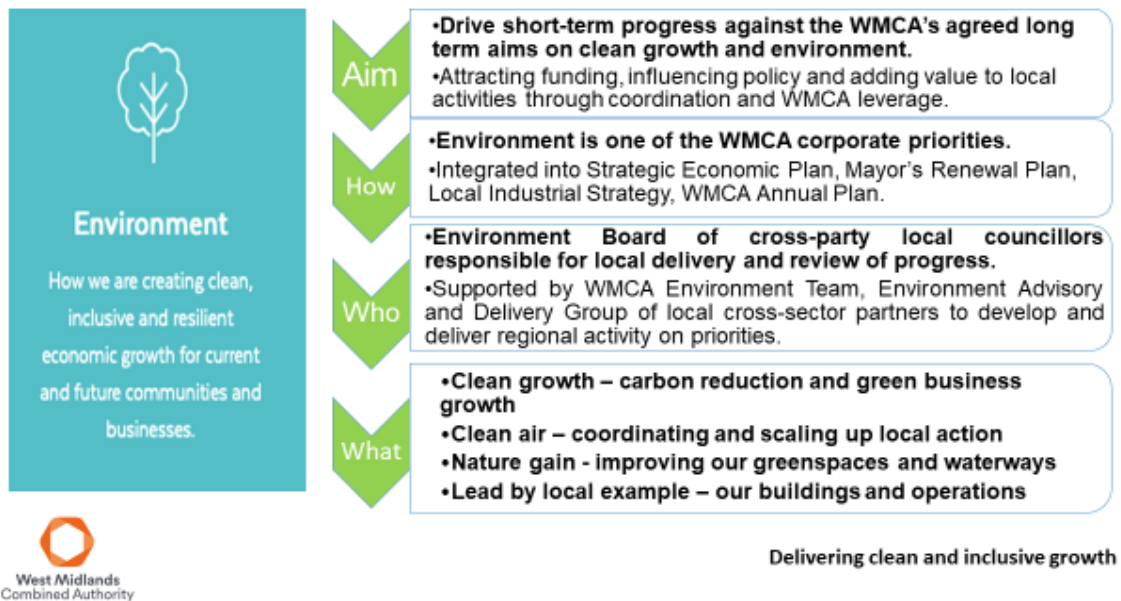
Appendix A – Committee on Climate Change infographic outlining the ‘journey to net zero’ and its implications for the UK



Appendix B: Tyndall Centre Research: Energy CO₂ only emissions pathways (2010-2050) for WMCA premised on the recommended carbon budget



Note – options are stop year so zero emissions by 2041, or 5% emissions by 2041 and this continuing to reduce afterwards. Both approaches are compatible with the Paris agreement requirements.



1. Clean Growth – carbon reduction and green business growth

WMCA Environment goals

Carbon reduction – to be the best Combined Authority area in reducing greenhouse gases, based on the latest science (These targets to be developed with clear metrics and what it will look like)

Green business growth – to be the best Combined Authority area in encouraging growth in clean growth – improved production processes and new products and services

Waste reduction – to be the best Combined Authority area in reducing commercial and domestic waste and maximising its value and reuse.

Inclusive clean growth – to make sure improvements to the environment also benefit our poorest communities and therefore reduce health inequality between areas.

During 2019...

Set out our ambition

Launch of UK's first clean and inclusive growth Local Industrial Strategy – highlight clean growth credentials with partners and follow through into delivery plan (Spring 2019)

Existing carbon reduction target is from 2010 to 2030 to reduce our carbon by 40%. We are on track with 18% reduction while improving economic productivity by 23% in 2015, best of any CA. But we want to use the latest science to update our climate target and create a new one for green business growth (June 2019)

Accelerate action

Green Business Hub – highlighting green finance and support from across the 3 Local Enterprise Partnership areas, local Green Business Clubs networks, local good practice awards

Clean Growth Challenge – first set of challenges for businesses and communities to respond to with new ideas and products, supported by partners and prizes. Likely to focus on air quality, food waste/packaging, and greenspace (likely Autumn 2019)



Delivering clean and inclusive growth



Clean Air – coordination and scaling up of local action

WMCA Environment goals

Air quality improvement – to be the best Combined Authority area in improving air quality across the whole area, tackling a range of pollutants, based on the latest science, and focused on long-term health improvement of our communities.



Delivering clean and inclusive growth

During 2019...

Set out our ambition

Socialisation of Low Emission Strategy and Action Plan for improving regional air quality and greenhouse emissions (September 2019)

Joint air quality team established by WMCA, TfWM, University of Birmingham WMAir, Local authorities to deliver action plan (Autumn 2019)

Accelerate action

Agreed coordinated approach to roll out of electric charging infrastructure and then roll out – (beginning in FY19/20)

Other actions to be determined by action plan – likely to include local planning policy, procurement of fleet vehicles, improved monitoring and reporting, prioritising particular TfWM schemes, all buses to Euro 6 standards, Commonwealth games; etc



Delivering clean and inclusive growth



Nature Gain – improving our greenspaces and waterways

WMCA Environment goals

Nature gain – to be the best Combined Authority area in growing the overall net gain of the quality and quantity of our greenspaces and waterways, using the best available evidence.

Nature for all – to be the best Combined Authority area in extending the benefit and access to nature to all our communities.

Weather resilient – to be the best Combined Authority area in using our greenspaces and waterways to help us cope with extreme weather events such as flooding and heatwaves.



Delivering clean and inclusive growth

During 2019...

Set out our ambition

Launch of Natural Capital Investment Strategy and Programme (late 2019)

Accelerate action

Investment Prospectus to identify a range of local sites to promote for investment e.g. from within Natural Capital Investment Programme - Dudley, Eastside, River Cole HS2 - (2019)

Partner with a range of local organisations to promote something like a national 'Year of Action for the Environment' to raise the collective profile of local community volunteering opportunities and campaigns such as canal clean ups, community gardens, 'one-tree per child' etc

Develop and launch 'movement for nature' with TfWM guide on how to bring nature into new and existing public transport stations and corridors with roll out on key sites (Spring 2020)



Delivering clean and inclusive growth



Lead by local example – our buildings and operations

WMCA Environment goals

To be the best Combined Authority on sustainability in terms of our leadership, strategy and delivery by the end of 2020 (measured through annual national benchmark)

To be the best Combined Authority area in terms of the proportion of our local authority councils performing well on the sustainability performance of their buildings, operations, and procurement.

Delivering clean and inclusive growth

During 2019...

Set out our ambition

Launch our Environment Portfolio Re-Fresh (June 20 AGM 2019)

Produce an Internal WMCA Improvement Plan – including our current operational energy and waste savings, impact of our social procurement policy, and **policy announcements on banning plastic etc** (through 2019)

Accelerate action through FY 2019/20

Working with Housing team on influencing WMCA Housing and Buildings Standards and Regional Design Charter

Securing improvements to environment criteria within our funding system and standards

Produce baseline of current good practice of WMCA and local authority partners, communities and business, and identify areas for joint improvement and support and good practice sharing / awards event

Delivering clean and inclusive growth