



West Midlands
Combined Authority

WMCA Board

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| Date | 17 January 2020 |
| Report title | #WM2041: Our Actions to Meet the Climate Challenge |
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| Report has been considered by | Environment Board - 24 October 2019 Programme Board - 20 December 2019 |

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Receive and endorse the climate green paper (Appendix A) as an important stage in a programme of collaboration, engagement and policy development to address the climate challenge in the West Midlands.
- (2) Agree for the next steps outlined in section 4 – including the development of an investment pipeline with priority investments as part of our Spending Review /

Budget proposition to Government – and to delegate this collaborative task to the Environment Board, supported by the WMCA executive.

1. PURPOSE AND BACKGROUND

- 1.1 West Midlands authorities have taken the bold collective step of declaring a climate emergency – recognising the urgency of addressing an issue that has fast escalated in public and political importance. In July 2019, the WMCA Board approved a report outlining a regional carbon budget and a headline target for transition to net-zero levels of CO₂ “no later than 2041”. Inspired by the Youth Strike 4 Climate protesters that attended the July meeting, the Board recognised the need for sustained focus and a blueprint for the future that recognised the systemic nature of the issues that climate change will create.

In line with this call to action, the Board asked for a plan to be developed, which would outline:

- a) the areas and sectors within which our response to the climate challenge will need to be focused – based on what the existing national, regional and local evidence base currently tells us
- b) a set of principles upon which our collective response will need to be based – including important questions about leadership, governance and the need for strong collaboration to ensure a fair transition for citizens, communities and businesses
- c) a range of short, medium and longer term actions that will be needed – recognising there is a gap between what we may need and what we are currently able to do; but that action and behaviour change starts now
- d) inspiration from other places – because this is a global challenge, and we can gain much from collaboration and engagement with other cities and regions; and examples of what ‘good’ looks like
- e) a call to citizens, services, businesses, universities and other partners in the region to help us develop our West Midlands response – because we know this isn’t a simple challenge we can ‘fix’, and collective endeavour is vital.

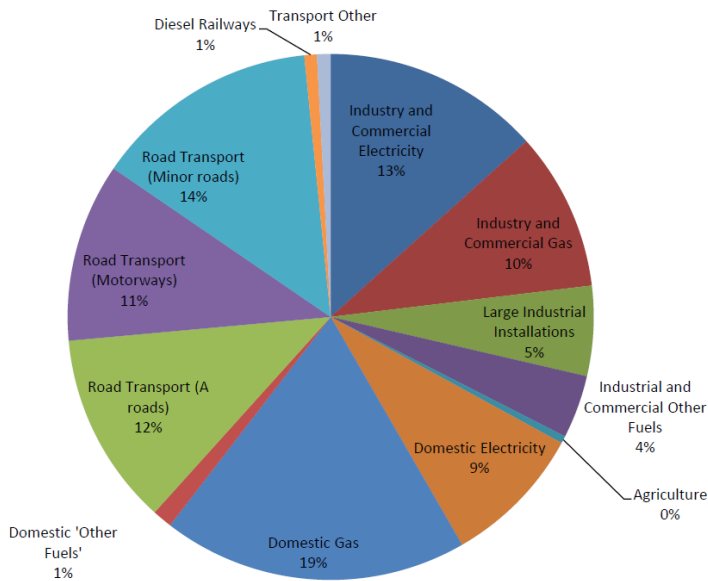
- 1.2 The plan appended to this covering report is the WMCA executive’s response to this challenge. It is a ‘green paper’: an opportunity to create a shared plan with WMCA members, our stakeholders across the region, and the citizens, communities and businesses for whom all of this is ultimately for. It is not an attempt to ‘regionalise’ a challenge that needs to be met at all levels. Individual cities, towns and places within the region are developing their own targets and action plans. This document asks what can be done in support of those; what can usefully be addressed at a collaborative and/or regional level; and how we can come together to make the case for the investment into the region that we will need for things to really change.

- 1.3 The paper also recognises that climate change is not the only challenge that faces the region. Our Strategic Economic Plan, our Industrial Strategy and our plans for Skills, Housing, Transport and Public Service Reform show the scale of change that is needed to maximise our productivity and ensure that all of our communities can flourish. Brexit will add a further layer of complication. #WM2041 does not seek to supplant these plans. But it does require some real questions to be asked about what we want as a region and as a partnership. There are trade-offs that will inevitably need to be made; and the need to dramatically reduce emissions and transition to clean growth and reform will impact on all of our sectors and programmes.
- 1.4 The flip-side of this challenge is an opportunity – to be on the front foot in the search for new forms of cleaner industry; different ways of living and working; and of using our past to help define our future. There is much being done already – from work at a LEP level to support SME transition, to city-level initiatives like Birmingham’s ‘Road to Zero’ taskforce, to the high-level investment cases being created in line with the region’s Industrial Strategy. We will need to support and amplify all of this and more.
- 1.5 The recommendations in this report ask the Board to consider the framework presented in the Appendix; to endorse its principles and priorities; and to signal the beginnings of what will be a sustained approach to citizen engagement, systemic collaboration, behaviour change and collective policy development with the purpose of galvanising the region around its climate challenge.

2. RECAP OF OUR CLIMATE COMMITMENTS

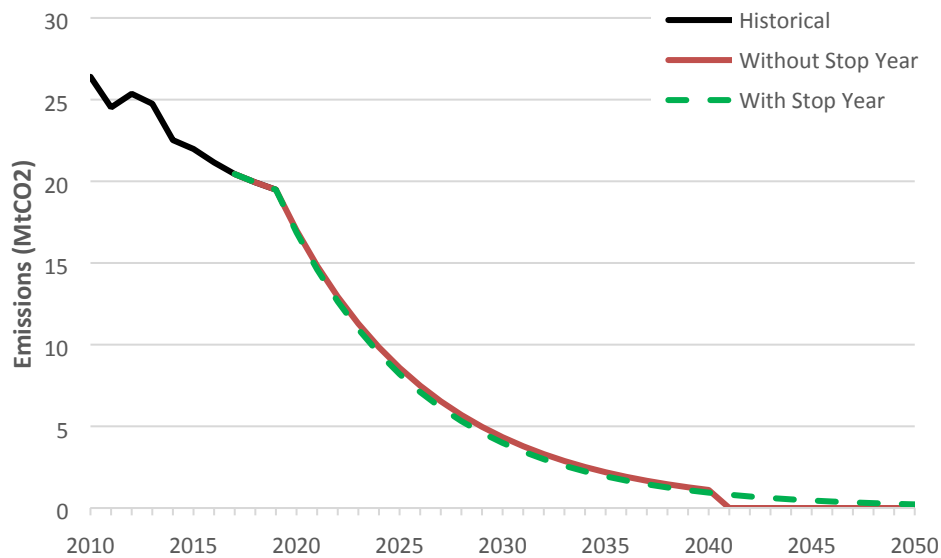
- 2.1 The Board paper endorsed in July committed the region to the following:
- The WMCA 3-LEP region should reach net zero carbon emissions by no later than 2041 – with interim targets of 36% reduction by 2022, and 69% reduction by 2027. This is the minimum progress required to contribute our part to the Paris Agreement.
 - The appropriate ‘carbon budget’ for the region – the net amount we can emit within the above period if we follow this recommendation – is 126 megatonnes (MtCO₂). At our current progress rate of reduction, the carbon budget left to use between 2020 and 2041 would be used up within six years.
 - This means that to meet the 2041 ambition, we will need to reduce our emissions annually by 13% from 2020. Our current annual reduction rate for the WMCA area (based on latest figures which are 2016-17) is 3.8%, with individual local authority areas varying from 1-8%.
 - This is an over-arching target. If individual local authorities are minded to declare earlier targets than 2041, this would need to be accompanied by a concomitant reduction in their overall carbon budget.
- 2.2 The following diagrams recap the major sources of our emissions as a region, and the trajectory of our carbon reduction pathway should we meet these interim and medium term targets.

2016 CO₂ Emissions (21 MtCO₂) for WMCA Area



Note: Sectoral split of 2016 CO₂ emissions for WMCA Area from BEIS statistics – showing a relatively even split between commercial/industrial, domestic and transport sector emissions. Source: WMCA use of Tyndall Centre research, July 2019

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. Our recommendation is a stop year by 2041.

3. PRINCIPLES UNDERPINNING THE #WM2041 PAPER

3.1 The plan detailed in Appendix A is based on five underlying principles, reflecting the ambitions of the Board articulated above. They are:

- **Principle 1** - *We need to make the journey to 2041 without leaving anyone behind.* By 2041, we want the West Midlands economy to have shifted to one which is zero carbon and abides by circular economy principles, while enabling the people of the region to build and enjoy their prosperity. The choices we make now will determine whether we can deliver on our obligations, and the extent to which we can do so in a way which alleviates poverty, deeper inequality, and disenfranchisement.
- **Principle 2** - *We need to boost our resilience to 'locked in' climate breakdown.* Some changes to the climate are inevitable – either because they have already happened, or will already happen. This means that the people, places and infrastructure that comprise the West Midlands will need investment in order to withstand impacts like increased rainfall and extreme temperatures. This will require us to think differently about nature-based solutions to climate change, as well as how we build homes and communities.
- **Principle 3** - *We need to reconcile our past with our future.* The West Midlands has a proud industrial past, and our strengths in sectors like automotive are deeply embedded in our psyche. Cars are not just how many people get around: they are part of who we are. We need to take this part of our identity forward without locking the region into congestion, polluted air and climate breakdown. This means we need to prioritise mobility solutions that support public health and social outcomes.
- **Principle 4** - *We need to build more places, and more connectivity between places.* Our Strategic Economy Plan commits us to building 215,000 homes by 2031 to house an additional 500,000 people. Those people will need more than a home to live in: they will need schools, shops, GP surgeries, bus routes, broadband connections, leisure facilities, places to send their household waste, and more. All while investing into the quality and connectivity of existing places. Our region needs to grow while our emissions shrink.
- **Principle 5** - *We need to reduce demand for energy and resources without impacting on shared prosperity.* We want people in this region to become more prosperous, together – but we will need to do this while reducing demand for energy, resources, and recalibrating our demands on the land and natural environment more broadly. Moving away from single-use plastics is an active shift that we can learn from, but there will need to be a lot of these types of shifts happening simultaneously across the sectors.

3.2 The Paper uses these principles to outline a number of actions (over five, ten and fifteen year timeframes), which include:

1. *Active travel and cleaner transport* – including incentives to adopt low emitting modes

2. Infrastructure to support the transition to *electric charging* at scale in the region.
 3. The transition to more *eco-friendly homes*, including a West Midlands 'new green deal'
 4. Creating breathable places, including big ambitions for *tree planting*
 5. The proposing of *behaviour change* campaigns at-scale, including on single-use plastics
 6. Investment to support *re-skilling and employment* as a result of sector transitions
 7. Incentives for business innovation, including '*clean growth challenges*'
 8. Commitments we can make as '*anchor institutions*' (as the public sector) within the region
 9. Consideration of *new fiscal mechanisms* – such as workplace levies – to support clean air
 10. *Energy devolution* so that we can combine sustainability with reduced fuel poverty
- 3.3 We will need to decide – as a region – how we deliver these actions. Some will be things that local authorities lead, or indeed citizens and communities from the bottom up; many will need business to the fore. There are some actions that the WMCA can take which would bring benefits across the region. And there are several areas where we will need to come together and speak with one voice to government to make a compelling investment case – such as areas like EV charging, boiler scrappage, energy devolution or funding for re-skilling.
- 3.4 What the Plan does is provide a framework against which we can hold ourselves to account collectively – and which can function as our statement of intent as to the seriousness with which we take action on climate change as a region.

4. NEXT STEPS - HOW WE PROPOSE TO USE THE PLAN

- 4.1 We noted above that #WM2041 is written as a form of 'green paper'. This means it contains proposal and propositions, not pre-determined activities and outcomes. It should be the beginning of a #WM2041 campaign – of quality dialogue and collaboration across the region to flesh out the ways in which we deliver against our ambition, and the way in which we build a social and system movement around this. We propose, for example, that:
- Local authorities consider how this Plan can support their own plans for zero-carbon transition, and where we might align to share resource and/or expertise. For example, Solihull Council has developed its own commitment drawing from the evidence base for the West Midlands provided by the WMCA/Tyndall Centre research published in July.
 - Where taskforces and local initiatives have been set up, we look to make constructive links and don't re-invent wheels. For example, Birmingham's Route to Zero Taskforce will drive forward thinking and practice on many of the initiatives highlighted in the attached paper. Their efforts can provide insight and expertise for the region as a whole.

- LEPs and WMCA consider how #WM2041 should influence the operationalisation of the Local Industrial Strategy and existing commitments around sector support and business infrastructure development – recognising that the investment case we make in ‘clean growth’ could achieve a win-win in terms of climate and economic progress.
 - Public services consider how they can lead progress in changing behaviours and practices. For example, University Hospitals Birmingham are actively developing plans to use digital technology and more agile working practices to dramatically reduce the carbon footprint of the hospital, its fleet, and that of health system around it.
 - Planning authorities consider their response to the need for environmentally progressive development – and, for example, where there might be opportunities for the region to take a lead on encouraging investment in modern methods of construction that deliver future-proofed housing development.
 - TfWM and its partners consider how we can come together to create an investment case in bringing forward commitments to greening the network – a principle which is already central to the re-fresh of the region’s strategic transport plan already being scoped.
- 4.2 The WMCA team is small and has limited resource. So we will need to focus our efforts on where we can leverage the most regional collaboration; and where it is most advantageous for us to act. We will need WMCA members, business and local communities to steer us towards that – helping to focus the capacity and expertise we have as a whole-region on levering in the most resource to make the boldest transitions. Influencing and bringing the public with us is critical. It is a collective challenge.
- 4.3 The enclosed climate change report will be published at an event in Birmingham on 23 January. This will be supported by a press release and social media posts. The WMCA will launch the paper and the associated engagement period, and we will share content with councils and other partners so they can also promote the report. The engagement period will run for six weeks throughout which we will be seeking comments from councils, businesses, organisations and communities on our proposed actions, as well as identifying media and other publicity opportunities (for example, The Royal Institute of Chartered Surveyors (RICS) is working with a number of organisations to formally respond to the report and will launch the response at an event at MIPIM 2020). Submissions to the consultation can be made via an online portal. Alongside this, the WMCA is procuring public engagement specialists to start the ‘climate change conversation’, which will seek views from a broad community on #WM2041, as well as to understand how people want to be actively engaged in the longer-term.

- 4.4 There will be some immediate initiatives launched during the consultation period, most notably a ‘crowd planting platform’ that will bring together stakeholders to collectively address the challenge of a tree for every person in the WMCA area. Simultaneously, the aim of the #WM2041 consultation is to enhance and build the action plan that has been started in the green paper. A summary highlighting the main findings of the consultation process will be brought back to the Combined Authority Board in March, with a revised action plan to come to the Combined Authority Board in May. A comprehensive investment case, that highlights carbon savings and, where appropriate, other social benefits of the actions will be produced as we go forward; this will enable informed decision making in terms of the actions that have the greatest impact, as well as the investment required to realise them.
- 4.5 In the immediate term – subject to approval of CA Board – WMCA executive will work collaboratively to create an investment pipeline to deliver the actions contained in this report.

5. Wider WMCA / Geographic Implications

- 5.1 The activity proposed here are relevant across the three-LEP geography of the WMCA. They will support the delivery of the SEP and Local Industrial Strategy goals, though of course some are more relevant to the challenges posed in urban areas. The Tyndall Centre analysis mentioned above (and published in July) is conducted across a three-LEP geography. Our hope is that all of our authorities can use the Paper in support of their own frameworks for climate adaptation and transition.

6. Financial Implications

- 6.1 The longer term financial implications of adaption to climate change are still not yet fully understood – though we do know they will be substantial. The CCC estimates that the annual costs of meeting net-zero emissions are between 1-2% of GDP in 2050¹. The region alone cannot bear the costs of transition – making the investment case built by this portfolio (and its links with economy, transport and housing) absolutely critical. These investments are inevitably part of a whole-system transition in which each organisation across the public, private and social sectors will need to play a part. The ongoing financial implications of all of these activities will need to be considered on a case-by-case basis, and are of course highly contingent on resources that are not yet in our control.

¹ The cost attached to tackling climate change for the WMCA area has been estimated to be £40bn over 21 years, but will be the subject of detailed work and much will depend upon the speed with which action is taken, the type of action that is necessary and the buy- in we obtain across the region.

7. Legal Implications

- 7.1 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.
- 7.2 Where specific power is required to authorise actions which are not otherwise explicitly provided within the existing functions 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.

8. Equalities and Inclusive Growth Implications

- 8.1 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. It demonstrates support for 'just transition' (deliberately mitigating the cost of changes for those least able to bear it), and seeks 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. This outward engagement and citizen voice is a critical part of what we propose in the Plan.

Appendices

#WM2041: Our Actions to Meet the Climate Challenge – Green Paper