



West Midlands
Combined Authority

Environment & Energy Board

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Report title	WM2041 - Five Year Plans
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	Ed Cox, Director of Public Service Reform email: ed.cox@wmca.org.uk tel: 07788 224179 Jackie Homan, Head of Environment email: jacqueline.homan@wmca.org.uk tel: 07584 449339

Recommendation(s) for action or decision:

The Environment & Energy Board is recommended to:

- (1) Advise on their preferred approach to engagement as the Five Year Plan project progresses.
- (2) Advise on the appropriate engagement with their key local authority contacts

1. Purpose

- 1.1 This paper provides an overview of the first Five Year Plan (FYP) that is currently being produced to outline the priority activity for 2021-26 to set the region on course to deliver on the net zero carbon ambitions for the West Midlands by 2041.

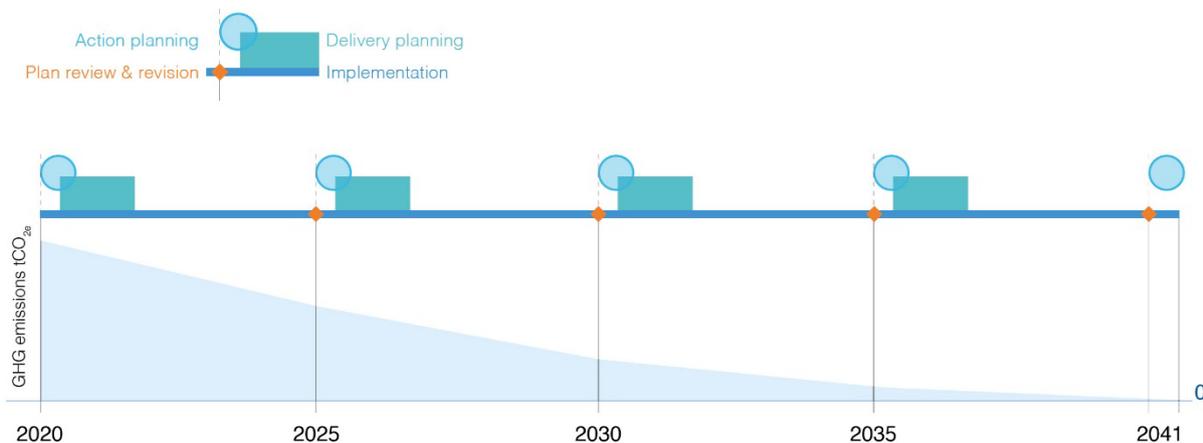
2. Background

- 2.1 Following the approval of 'WM2041: A Programme for Implementing an Environmental Recovery' in June 2020, the WMCA and stakeholders now need to produce five-year delivery plans (four in total) with interim carbon budgets and other metrics in support of delivering the net zero carbon target for the West Midlands by 2041.
- 2.2 The aim of the Five Year Plans will be to provide clear guidance on the types of measures that will need to be implemented to reach net zero by 2041. As a regional authority, and working with our stakeholders, we want to understand where and how we need to invest in programmes of delivery and develop policy to support the 2041 target. We also want to understand how this should be sequenced and the combination of approaches that will need to be taken to get us to a position of net zero carbon emissions.
- 2.3 We want the Five Year Plans to create the right conditions for accelerating delivery and raising ambition to position the West Midlands as a leader in addressing climate change and futureproofing the region, generating excitement about the potential to invest in our region's future, creating jobs; better social outcomes; and, healthier and happier places to live.
- 2.4 The Plans need to give confidence in making the right decisions for people, place and economy, following the principles of WM2041 that:
 1. We will change our economy without leaving anyone behind
 2. We will invest in the resilience of our places
 3. We will use our industrial past to create a new future
 4. We will create places and connections that help us to meet the climate challenge
 5. We will decouple prosperity from the consumption of energy and resources
- 2.5 The first Five Year Plan (FYP) will set the pace and tone of the WMCA engagement with constituent local authorities and wider stakeholders. We aim to:
 1. Provide an **evidence based spatial plan**, linking up WM2041 and local authority delivery plans, projects and investment programmes and grouping them into type / location across the WM region to ensure an efficient, cost-effective and prioritised approach to delivery.
 2. Create a **common vision for stakeholders** across the WM with a strategic plan, policies and outline of practical devolution opportunities to deliver WM2041.

3. Outline **different existing and potential new routes to delivery** and where this is best led by communities, local authorities, the WMCA, the private sector, or a mixture.
4. Outline the **funding sources, financing and investment** to deliver the FYP, based on a and c above.
5. Represent **a step change** in the way the region works together to deliver against environmental priorities for an inclusive, prosperous and fair transition to a net zero carbon emissions society and economy.

2.6 The cycle of Five Year Plans to support delivery of WM2041 carbon target of zero carbon by 2041 are covered below with carbon emissions reduction targets as follows, based on a 2016 baseline:

- 36% reduction by 2022
- 69% carbon reduction by 2027



2.7 The FYP will need to build on the previous Tyndall Centre work in WM2041 to estimate the impact that actions will have on the carbon emissions of the WM region, factoring in efforts at the local, regional and national levels.

3. FYP Outputs and Scope

3.1 The outputs of the project will include:

- WM2041 Five Year Plan report
- A summary document identifying the key highlights and recommendations
- A technical appendix

3.2 The report will include recommendations for:

- Policy and programme priorities for 2021-26 along with carbon analysis
- What is the best way to structure our delivery overall for different sectors?
- How could delivery be done most efficiently and cost-effectively across the WMCA region?
- The jobs and skills necessary for the delivery of the Five Year Plan, as well as when they will be required.
- The routes for funding and financing of the Five Year Plan.

- The governance arrangements that need to be put in place.

3.3 The scope of the WM2041 Five Year Plan (2021-26) will include:

- a) **A technical and spatial evidence base of existing activity.** This will build on the work of local authority carbon plans - we are not beginning from a standing start and there is already a lot happening to tackle climate change across the region. There will be significant value in gaining a view of similar project types and place-based solutions already in concept or delivery phases, as this may enable a more co-ordinated approach to strategy and delivery across the region. This should also include any policy-based activity across different sectors and at different scales.
- b) **Carbon budget impact analysis** – the plan will provide carbon emission analysis of the following scenarios:
 1. **Do Nothing** – what is the impact on the carbon emissions of the region if no local action is taken to reduce emissions, accounting for the impact of carbon reduction activities at the national level to understand the extent to which we are relying on national measures,
 2. **Existing delivery plans** – where might the existing actions and policies in local plans take us by the end of 2026 and on the 2041 trajectory? What is the impact of any development or activity that increases carbon emissions?
 3. **WM2041 target** – where do we need to be by the end of 2026 to achieve the ambitions of WM2041 to be net zero carbon by 2041 and how does that breakdown into carbon budget periods?
 4. **Five Year Plan impact** – through the development of new policies and investment opportunities, where could we realistically be by the end of 2026 to keep in line with the WM2041 carbon reduction progress required under Scenario 3?
- c) **2021-26 priorities - priority actions, new policy levers and priority investment opportunities** - it is envisaged that this section of the FYP will provide, for the first time, an indication of the existing and required investment and policy activity across different sectors, building on the work that is currently underway, to recommend the scale and pace at which existing and new functions of delivery for investment and policies need to be developed.

Building on existing **investment** plans, what opportunities are there for:

- Better co-ordination of programme development and delivery - where is there potential for co-ordinated investment across the region and delivery at a greater scale in different sectors, e.g. buildings, energy, transport, natural capital.
- Place-based investment – what are the opportunities for investment packages linked to regeneration and co-ordinated place-based delivery, for example, in inclusive growth corridors building on the existing WMCA work to ensure this investment is inclusive and part of a just transition.
- Public Sector Assets – what plans do WMCA / LAs need to develop to use their own assets to greater effect – e.g. how can ‘One Public Estate’ support this?

Policies – the FYP will analyse the policy environment for WM2041 and identify:

- Potential new policies that would remove barriers to delivering the WM2041 target.
 - Devolution - how would devolution powers enable us to accelerate or deliver more effectively? What proof of concept needs to be done to develop devolution asks? How might these be developed with other regional stakeholders?
 - Other interventions - what other areas require interventions that may be unknowingly creating a future mitigation requirement? How do the existing practices of WMCA and LAs need to change to align with the WM2041 target?
 - How can decision making processes be improved to ensure adherence with WM2041 ambitions? How should WM2041 strategically align as an interdependency within business cases for investment that fall outside of the direct remit of the Five Year Plan? For example using the Single Assurance Framework and Single Commissioning Framework? What criteria should be used to test activity that falls outside of the Five Year Plan e.g. carbon impact analysis?
- d) **Jobs and Skills** – the Five Year Plan will analyse the local jobs and skills required for delivery of WM2041, providing for the first time detail on:

- Job roles required for delivery and when they will be required. Which jobs may become obsolete as a result of delivery?
- Net volume of job creation, accounting for transitions (with corresponding training) from obsolete roles to new roles for WM4021 delivery?
- The specific timeframes involved in this job creation, against which skills provision can be planned and core curriculum requirements at all levels.
- The stakeholders who need to be involved in developing the skills and jobs required?

As this is the first FYP, it is equally important that we understand and communicate:

- Where there are gaps in knowledge that require further investigation and development.
- How priority actions can also lead to quality of life improvements to ensure a just transition, linking to the United Nations Sustainable Development Goals, showing impact beyond carbon reduction alone.
- We need to be clear about delivery in measures that support WM2041 being an investment for our region's future.

e) **Resources, Finance and Delivery overview** - the key focus for the FYP is ensuring a clear understanding of the priorities for delivery over the next five years. The FYP will conclude with detail on the resources, finance and delivery section in terms of:

- Resources (to develop programmes across sectors)
 - What level of maturity are projects / programmes (from section a) across the region?
 - What new business cases need to be developed?
 - How much will it cost to establish new programmes of work?
 - How/when will projects and programmes be developed to the point of delivery?
 - Who develops these and what is the role for the WMCA, especially in removing barriers or covering gaps in delivery?

- Delivery routes – a range of stakeholders will need to be involved with delivery in order to achieve the ambitions of WM2041, including communities, local authorities, the WMCA, the private sector, and partnership arrangements between them:
 - Who is best placed to deliver each part of the plan?
 - What delivery models exist - are they in place or do they need to be established?
- Finance
 - How much could the actions in the FYP cost? The £40bn over 21 years estimate in WM2041 needs to be broken into sectors and aligned to the findings of the FYP.
 - How will delivery be financed? Who needs to provide capital? What models exist?
 - What is the cost of NOT taking action?

f) **Governance – the FYP will conclude by outlining:**

- What governance and reporting will ensure the FYP and the various delivery components are held to account by WMCA and partners? What different options are available and which is most suitable to WM2041 context for different sectors?
- How will we monitor FYP progress?
- What needs to form part of the annual review of the FYP?
- How can we ensure that our regional carbon budgets have status in a national context?
- How will we baseline the carbon emissions and what is the best way to track emissions changes?
- What other carbon are we not counting? How can this be factored into the annual review of the FYP?

4. **Lead Responsibility**

- 4.1 The FYP is being managed by the WMCA Environment Team, with input and support from an internal WMCA cross-Directorate Working Group. The local authority Low Carbon Officers Group have also been consulted and will continue to be engaged throughout the delivery of the project and the recommendations. Sustainability consultants, WSP, have been commissioned to produce the FYP.

5. **Stakeholder Engagement**

- 5.1 Successful delivery will depend on the engagement of stakeholders in the region. This will include:
- Close collaboration with local authorities. Most local authorities in the region now have their own carbon reduction plans that will form an essential part of understanding the activity across the West Midlands and the FYP will group it into delivery activity. The FYPs should also be co-owned by local authorities and other regional partners.
 - We are looking to engage with Leaders and Chief Executives to ensure coordination around strategy and delivery and how WMCA and LAs work together where appropriate. How much collaboration do local authorities want to pursue?

How joined up should the delivery approaches need to be? What efficiencies could be realised through joined up delivery?

- Wider engagement will also be required to build an ongoing programme with the people of the region. External engagement will take place largely through existing networks and includes:
 - Delivery organisations – e.g. utilities, other public bodies, private sector
 - Active participants and allies – e.g. those already engaged on environment agenda and working with WMCA
 - Passive / opposers – e.g. those not yet engaged but important to delivery
- WSP have costed the option of running a public assembly to get wider input and views into the FYP. The WM2041 consultation showed that people want to be engaged and this needs to include both intensive involvement in shaping the agenda and around particular programmes of activity, but also ongoing information, advice and guidance relating to the overall agenda and specific projects.

6. Delivery Plan for the FYP - Tasks and Milestones

6.1 The following project milestones are in place for delivery of the FYP.

Project Stage	Includes	Estimated Target Date
Project start	Kick-off meeting with consultants	September 2020
Stakeholder Engagement	Stakeholder mapping	September 2020
	WM Local Authority Working Group	Ongoing
	Internal Cross-Directorate Working Group	Ongoing
	WM LA CX and Leaders engagement	October/ November 2020
	External engagement	October/ November 2020
Draft	Produce draft FYP	November December 2020
Final Document	Produce final FYP	December 2020
Briefings and Approvals	Briefing to Environment and Energy Board for update	September 2020
	Environment and Energy Board for update	November 2020
	Environment and Energy Board for approval	December 2020

7. Financial Implications

7.1 The production of the first Five Year Plan will cost £105,000 including consultancy support.

8. Legal Implications

8.1 There are no legal implications as part of the production of the first FYP. Any legal implications will be presented as part of the recommendations for approval of the FYP.

9. Equalities Implications

- 9.1 There are no equalities implications as a result of the production of the FYP. Any equalities implications will be presented as part of the approval of the FYP.

10. Inclusive Growth Implications

- 10.1 We see the delivery of WM2041 as being very closely tied to the WMCA inclusive growth agenda; it will form a key part of the projects and programmes developed as part of the FYP. There are no inclusive growth implications as a result of the production of the FYP per se.

11. Geographical Area of Report's Implications

- 11.1 The core work of the FYP will cover the constituent local authorities of the West Midlands Combined Authority.

12. Other Implications

- 12.1 None.

13. Schedule of Background Papers

1. FYP presentation