

Sustainability Challenges in the West Midlands

Sustainability West Midlands

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Report information

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About Sustainability West Midlands

We are the sustainability adviser for the leaders of the West Midlands. We are also the regional sustainability champion body for the West Midlands, designated by government. We are a not-for-profit company that works with our members in the business, public and voluntary sectors. Our Board is private sector led and has cross-sector representation; they are supporting by our team of staff and associates.

Our vision is that by 2020 businesses and communities are thriving in a West Midlands that is environmentally sustainable and socially just. By 2012 our leaders are clear on what this looks like, have set milestones, and their organisations are making strong progress.

Our role is to act as a catalyst for change through our advice to leaders, to develop practical solutions with our members and share success through our communications.

www.sustainabilitywestmidlands.org.uk Registered company No.04390508

Introduction

Over the previous year we have built on our understanding of the current context and future challenges that the West Midlands faces in terms of sustainability and now express these in terms of the five sustainability challenges. These are described in detail below, together with a focus on the potential leadership gap arising from uncertainty around regional and sub-regional governance.

Summary of West Midlands Sustainability Challenges

- **The Productivity Gap** - £15 billion per annum compared to UK average due to poor productivity & long-term unemployment.
- **The Carbon Gap** – additional local measures needed to meet national targets - focus on transport, waste, decentralised energy and energy efficiency.
- **Quality of Life Gap** – health inequalities – gap of 10 years of life expectancy between different places in region.
- **Marketing Gap** – poor promotion within and outside region of good sustainability practice – but changing.
- **Leadership Gap** – varied understanding on sustainability as overall framework for action, business often ahead of public sector, and sub-regional governance is ‘unfinished & uncertain’.

These challenges will need to be addressed to achieve our vision of by 2020 businesses and communities are thriving in a West Midlands that is environmentally sustainable and socially just.

The Productivity Gap – underperforming or unemployed

Research for the West Midlands Economic Strategy has identified that, in terms of economic productivity (the value of goods and services produced compared to costs), the region is performing below the English region average. This is expressed as £10-15 billion ‘productivity gap’ or less money circulating around the economy per year. The nature of the problem has been identified as 80% structural – either lower concentration of high productivity sectors, or under performance of existing sectors, and 20% arising from the need to help the long term unemployed access work.

Sustainability approaches help to address this gap by improving productivity of existing sectors through reducing waste, energy, materials, and transport costs, diversifying into new and higher value low carbon markets. Also opportunities to tackle unemployment can be created through ‘green new deal’ style schemes involving the retrofit of housing, community recycling and green space improvement.

The Carbon Gap – having to work harder than other regions to reduce carbon

Research for the West Midlands Economic Strategy and Climate Change Office has identified that, although the region does not yet have a formal carbon reduction target, this would likely to be around a 26-32% reduction of direct CO₂e (carbon dioxide equivalent of the

basket of greenhouse gases) emissions within the region from a 1990 baseline by 2020, and an 80% reduction by 2050.

The good news is that the majority of these savings will be met by the implementation of international and national measures such as the EU emissions trading schemes, the carbon reduction commitment, and new building and vehicle standards. The bad news is that due to the concentration of manufacturing, the national motorway network, and limited renewable deployment such as off-shore wind, then the West Midlands still has a 'carbon gap' of around 2 million tonnes of CO₂e to be found per annum by 2020. The current methodology for national carbon reporting does not include embedded carbon in imported goods or international aviation and shipping. This is likely to change in the future, and businesses are already trying to manage the risks and opportunities represented by their extensive supply and disposal chains.

Sustainability approaches such as the low carbon economy have identified that West Midlands actions around decentralised energy, waste, and transport demand management measures are the most able to produce additional carbon reduction and economic benefits. Other positive benefits will arise from approaches such as environmental infrastructure in helping to strength the role in which green spaces, forestry, agriculture, biodiversity, and other natural environmental assets can be used to absorb carbon, help adaption to changing weather and shorten some supply chains around energy and food.

The Quality of Life Gap – addressing health inequalities

Research for the Regional Economic Strategy has sought to put an economic value on a range of economic, social and environmental factors within the region to provide an indicator that seeks to measure the broader sustainability agenda in economic terms. This is called the Index for Sustainable Economic Wellbeing. The Index indicates that the West Midlands is below average on performance due to productivity, carbon, environmental and community factors.

In real terms when these factors of difficulties in access to work, lack of supportive community networks, and poor environmental conditions are concentrated in particular areas these lead to a reduction in years of healthy life expectancy. The average gap within the West Midlands is currently around 10 years extra life expectancy between the bottom and top performing areas. This gap often follows the economic geography of income and sometimes ethnicity and it is often expressed in terms of 'the quality of life gap' or 'environmental justice'

Sustainability approaches around environmental and social justice offer solutions such as targeting low income areas to improve the natural environment and access to work. There is a strong correlation between the carbon reduction agenda in improving diet, transport, use of green space, energy efficient housing and public health benefits. There are also opportunities to use the common interest of improving the environment as a way of the third sector building community cohesion through practical action and across different communities of interest.

The Marketing Gap – promoting our good practice

A number of national reviews over recent years by the National Audit Office, Forum for the Future, and Government Departments, and our recent regional leadership summit have all indicated that the West Midlands collectively is below average in promoting what it is doing around the sustainability agenda. This lack of knowledge of existing sustainability activities has often led to a lack of confidence both by potential external investors and leaders within the region. This is often expressed as a 'confidence gap'.

However over the last two years there has been a noticeable difference through the collective effort of West Midlands partners. We have the UK's first low carbon regional economic strategy, a Regional Development Agency that has been benchmarked nationally as leading with regional partners on this agenda, a Low Carbon Economic Area, a leading role in a European wide Climate Change and Innovation programme and through the work of Sustainability West Midlands higher recognition of the regional and national award winners within the West Midlands. For example the region is increasingly hosting visits from other regions and nations to explore what lessons the West Midlands can share in respect of the low carbon agenda. The issue now is not one of confidence but improved marketing of West Midlands good practice within the region and externally.

The Leadership Gap

The need for civic leadership

The West Midlands has shown leadership on a range of policy and project issues around sustainability. However this often been hard won as the difficult transition is being made by those currently in leadership positions that have often gained their experience through traditional manufacturing or public sector structures, while advisory boards often have members that represent the past of the West Midlands rather than the future in terms of diversity of life experience, and new emerging business models and sectors. This issue of our current leaders experience, knowledge, and drive around sustainability issues and that required to take our region forward is often expressed as a 'leadership gap'.

Through the work of SWM work across the sectors we have found, as a generality, larger businesses are successfully using sustainability approaches to help inform their business plans and models, and in turn influencing their supply chains. The third sector and social enterprise is actively exploiting sustainability business opportunities, although more understanding is required across the sector as a whole. However the public sector, and especially local authority leadership, with some notable exceptions, is perceived as weak in terms of understanding the public value and business case, which has led to under resourced capacity within their organisations to support their leaders. This also has important knock on effects for the region in terms of local authorities 'market-making' and enabling roles such as planning, district energy joint ventures, housing retrofit and procurement.

Uncertain regional and sub-regional governance

The other issue of leadership is the uncertainty surrounding 'unfinished business' about how the West Midlands collectively or as sub-region is governed. This uncertainty has continued with the Coalition Government, with the end of many regional structures such as Regional Development Agencies, Government Offices, Local Authority Leaders Boards and a move to

more sub-regional structures such as local enterprise partnerships. There has also been a change of language with some Departments no longer using the word 'region' while some talk of 'hub and spoke' while others issue 'Regional Growth' funds, or encourage local authorities and the emerging local enterprise partnerships to club together to achieve scale for particular functions such as inward investment.

Our recent benchmarking of good sustainability practice for the City Region revealed other Regions leading on low carbon and sustainability issues nationally and internationally had a clear set of roles and functions spread across regional and sub-regional level.

West Midlands governance is likely to continue to go through several changes in the next three years, where a consistent voice and champion for sustainability will need to be maintained and strengthened. To deliver our mission we require regional and sub-regional organisations to understand, own, and collectively deliver more of the sustainable development agenda. National bodies will continue to struggle to understand and relate to West Midlands regional and sub-regional organisations.

Despite the uncertainty over regional and sub-regional governance, interest and demand in sustainability is growing rapidly, but against a context where regional coordination or 'strategic added value' around this agenda has previously often been fragmented or poorly resourced which has led to a mixed experience of delivery on the ground.

The Role of Sustainability West Midlands

Our main role is to tackle the leadership and marketing gaps of the West Midlands around sustainability, while advising others how they can tackle the other challenges around productivity, carbon reduction and quality of life.

SWM as the sustainability adviser to the leaders of the West Midlands has ensured that many of our new work programmes are helping to identify, support or celebrate the achievements of existing sustainability leaders, such as our Top 50 Green Leaders competition, our Business Futures network and our Low Carbon Economy Leadership work with local authorities.

SWM plays a key role in helping partners to improve their coordination of marketing good practice on sustainability. Feedback on our award service, website and newsletter all indicate that we are becoming the first point of contact for those wanting to be signposted to good practice in the West Midlands. However we believe more could be done through improved coordination and use of existing marketing and communication resources by regional and sub-regional partners, especially in the support for those within leadership positions within the West Midlands.

We will continue to work across the West Midlands with a strengthened focus on sub-regions and our members and green leaders. We will seek to work collectively with partners and sub-regions where there are clear benefits around accelerating our progress towards a more sustainable future.

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