

SCPnet Annual Conference 2009 Workshops

Abbreviations

CAP	Common Agricultural Policy
ELDC	Economically Less Developed Country
GVA	Gross Value Added
ISEW	Index of Sustainable Economic Welfare
MoD	Ministry of Defence
NHS	National Health Service
PFI	Private Finance Initiative
RDA	Regional Development Agency
RES	Regional Economic Strategy
RSS	Regional Spatial Strategy
SD	Sustainable Development
SCP	Sustainable Consumption and Production (!)

Workshops A and C Alternative Economic Growth and Green Jobs

Workshop A

- The workshop discussed alternative economic models, particularly in light of Tim Jackson's and Paul Ekins' presentations.
- Regional representatives were concerned about whether zero growth implies that relatively deprived regions would not be able narrow the gap with other regions.
- The group discussed the need for alternative indicators of well being. Alternative indicators like Index of Sustainable Economic Welfare (ISEW) are promising, but the group considered that richer results are available from a basket of indicators rather than moving to another single indicator.
- A key conclusion is that, rather than being powerless, regional organisations can demonstrate leadership and innovation on sustainable consumption and production.

Workshop C

Green Jobs:

- What is a green job? Should everyone's job be a green job?!
- Internalising costs within businesses
- Movement from products to services
- Lots of problems with definitions e.g. 'Growth Within Environmental Limits'

Behaviour change:

- Behavioural change – attitudes to consumption. It can be done e.g. its not cool to drive a Land Rover!!
- Who controls change – national regional / local level
- The Government is perhaps less able to influence change
- Greater role of self-responsibility – you suffer the outcomes of your actions.
- Control of behaviour through contracting, regulation, planning guidance, tendering etc (need for a level playing field).
- Sustainable procurement through Local Government / Regional Development Agencies (RDAs).
- There is a need for uniformity of standards to stop inter-regional competitiveness.
- We must not forget about the social aspects of Sustainable Development. A shrinking economy will highlight inequalities more & more.
- Tax / fiscal policies must be in place to protect the 'poor'.
- Devolution of fiscal control needed!

Indicators:

- Indicators of economic development – should this be more about Gross Domestic Well-being!
- The current indicators are perhaps too economics focussed / less on social and environmental aspects.
- There is a need to also take an ecosystems approach.
- Currently we are an hostage to language & focus on outcomes.

Play to Strengths:

- There is a need for regions to play to their strengths e.g. marine renewables.
- Opportunities to focus more on domestic energy efficiency.
- Skills for change agenda e.g. through business support and carbon literacy, designing out waste / maximising recycling etc.
- Public sector lead in sustainable procurement including buildings and infrastructure.
- National road charging and carbon pricing opportunities.
- Energy focus on de-centralised power sector and renewables.
- Water is a key issue in the South East
- Developing skills for new technology e.g. 'use of Nuclear Industry Skills'
- Need to address flood risk / adaptation issues.

Workshops B and D

SCP & Economic Recovery:

Threats and Opportunities of the Recession

Workshops B and D were asked to discuss the following issues:

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- What are the threats and opportunities of the economic slowdown?
- Is now the time to look again at the economic structure?
- Is now the time for zero growth?
- Sustainable development as a core principle.

Workshop B

There was a question over whether the positive impacts of the environmental services industry as a whole could be counted towards national carbon targets

The group discussed how the UK could maximise on our position in the environmental services marketplace in the current downturn with the challenge of limited public funding. Options discussed were:

- Sustainable procurement
- PFI (Private Finance Initiative)
- Making market conditions favourable for private sector (e.g. legislation)
- Looking at tools like landfill tax and renewables obligation as systems that work

The group discussed the need to understand the barriers to renewables projects and why the private sector wasn't taking up the opportunities, some discussed were:

- Money/Capital
- Risky technologies
- Incentives aren't joined up and incentivise different things
- There aren't many regional responsibilities towards climate targets as yet

The fact that some UK businesses don't take advantage of the opportunities to export our environmental services expertise was discussed and two barriers why this might be were identified as not understanding how international export markets work and that young businesses tended to not branch out into exporting until they were more established.

Workshop D

The group discussed zero economic growth as a policy

There was lots of discussion within the group regarding zero economic growth. There was general agreement from RDA representatives that RDAs would not adopt a zero growth target. A key objective of the RDA network is to grow the economy. Others suggested that a zero growth policy should be adopted and concentration of effort should go towards improving welfare and living more sustainably.

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Innovation can lead to economic growth – Do we need to aim for zero economic growth? Innovation in green technology could actually increase GVA (Gross Value Added).

The UK has 1% of world population but consumes 2% of world food. This suggests that we cannot continue to grow and we should allow the rest of the world to catch up.

Assistance should be given to Economically Less Developed Countries (ELDCs) to grow sustainably

There was general agreement that the developed world economies should give assistance to less developed economies to grow sustainably.

Economic growth does not necessarily equal an increase in welfare

There was a suggestion made that UK welfare is declining despite a long period of economic growth. More importance should be placed on welfare rather than GVA figures. Perhaps a new measure of prosperity is needed.

Population levels are a key factor

There was general agreement that the UK cannot continue to grow at past rates. A suggestion was made that the population should be controlled; others argued that actually the population of the UK is levelling off. It was suggested that it is more important to control how we live than population numbers. The comment was made that often larger and/or poorer families have smaller footprints per head.

There is not a sufficient evidence base or knowledge base

What can SCPnet and the RDA network do to help? The group discussed the RDA involvement – RES/RSS (Regional Economic Strategy/ Regional Spatial Strategy) joint planning

Need a change in political structure to incentivise innovation in SD

If it was economically advantageous to adopt renewable energy then the market will follow. Currently it is cheaper to use fossil fuels. The state of the global economy should not stop the UK economy adopting SCP principles. In fact investment in green technologies could benefit us economically – i.e. secure supply of energy without relying heavily on imports.

There was general concern that the economic slowdown will hinder sustainable development

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SD is no longer so much of a political concern – concentration is given to keeping jobs. RDAs invest in SD but government focus on the economy can take away funding and divert resource to business support etc.

Planning issues surrounding wind power

Many schemes have been refused due to public opinion. We need a change in public acceptance of wind turbines. There are also issues with MoD refusal.

The group discussed the possibility of retro fitting old housing stock

This would benefit the economy, provide new skills/jobs, and improve the efficiency of homes.

Workshops E, F, G, H Economic Opportunities of Changing Consumption Patterns

Themes chosen from: Food, Mobility & Home Energy Consumption

1. Mapping exercise:
 - (a) What changes of behaviour are required?
 - (b) What do businesses need to do to adapt and what are the opportunities?
 - (c) What can regional and local government influence?
 - (d) What incentives can regional and local government offer?
2. Identify key elements for a regional and local economic action plan towards sustainable consumption

Workshop G: Theme – Food & Drink

This workshop considered the role of food in sustainable consumption and the opportunities for green jobs within the agriculture and food and drink sectors.

The following themes/issues were identified

- Waste – production, packaging, emissions
- Carbon emissions – transport of food, travel to shops, agriculture
- Water – pressure on water resources, pollution (nitrates)
- Diet – meat vs vegetarian, dairy, organic, seasonality

Possible channels or actors for change were identified to include national, international, regional and local governments; retailers; producers and consumers.

Policy/regulations –

- ‘Use-by’ dates are often unnecessary and the group felt they often encouraged people to throw out more food.
- It was felt that the European level had a great deal of power in agricultural policy and food standards. Example discussed included:
 - regulation of misshapen fruit and vegetables
 - CAP (Common Agricultural Policy)
 - regulation of abattoirs
 - suggestion to consider a single government body for food in the UK, however some in the group felt that this may not be practical
- It was also felt that sometimes regulation aimed at helping food standards disadvantaged a more local approach.

Retail and other Businesses

- It was agreed that while retailers follow the market, they are still in a very strong position to drive change. Examples of this include Sainsbury’s fair-trade bananas and free-range eggs.
- Ideas as to how retailers could act included – removing buy-one-get-one-free and continuation of the move away from plastic bags. Provide more information to consumers about transport and packaging.
- Possible business opportunity for collection and using food waste. The difficulty of recycling food waste at the end of its life compared to other consumer products was highlighted. One suggestion was for local authorities to address this by collecting more frequently from areas with high concentrations of food related businesses.

Regional and local governments

- **Local sourcing of food.** Public Procurement – the large spenders and therefore those with largest clout are NHS, education and prisons. Also public sector has a role in being an example for local procurement (e.g. at high profile events). Working with local producers to ensure that capacity and reliability of supply is developed.
- **Waste** – local authorities have a key role in delivering on national target, overcoming difficulties of composting in dense urban areas (perhaps daily waste food collections?). The issue of increased maceration of food was identified and the group discussed the knock-on impact on the water companies (and other service providers more generally) of changing waste collection rules and patterns.
- **Re-skilling in catering** – encourage up-skilling in using seasonal, local products and in waste reduction.
- **Influence over agriculture** – the group felt that the local level of government particularly had little influence over agriculture, as this is driven by the European level. Although there may be a role for local and regional government to influence the space available for farming.
- **Space for farming** – particularly in urban areas - encourage vertical farms in cities and use brownfield land for allotment space.

- **Nutritional Advice/Support** to improve health of the workforce – it was discussed whether it would be appropriate for RDAs to be involved since a healthy labour force is more effective and take less sick days. Some members of the group felt that the link was too tenuous and the results of such projects would be hard to prove and justify in terms of economic development.
- **Business Support** – Many RDAs have interventions focused on the food and drink sector. Possible improvements and additions to support focused around improve resource efficiency.

Workshop H: Theme - Home energy consumption

Summary

The group discussed the key issues for business and the public sector arising the need to vastly improve performance of domestic energy consumption.

To start with, this would involve a mixture of gradual and radical operational change. Improving the energy performance of products and how consumers use energy involves ongoing gradual changes in products and behaviour. The role of energy companies in the future could be an example of the radical operational change we will also require, where they are more involved in providing energy services rather than just selling units of energy.

This spectrum of changes presents opportunities and challenges. To exploit the opportunities that arise from this, businesses need to be able to read their external environments to recognise where change is coming from and have the capacity to evolve their internal operational structures to deliver in these new markets.

To help this happen, business and public sector have to recognise there is a gap between current performance and where we need to be and identify a way to close this gap. This will involve activities such as awareness raising, networking (especially for SMEs, micro businesses), innovation/business change support programmes, opportunities for training/upskilling. There may be a role for local universities/colleges to help with training and knowledge transfer. Simply put it, is about a coalition of the willing, recognising the need for change and identifying a locally appropriate programme of activity to deliver this and maximising the opportunities it will present.

1 a) Behaviour change

Need to consider:

Gradual, incremental change

vs

Radical, potentially disruptive change

- **Focus on major energy uses within homes:**
 - Heating
 - Washing/ bathing
 - Cooking

- **Encourage people to do simple things**
 - Wear a jumper
 - Zonal heating – heating where it's needed using thermostatic valves etc

- **Costs are a major driver** of behavioural change, so make customers aware of actual costs:
 - E.g. electricity meters showing **real-time costs in £**

- **Insulation**
 - Insulation companies can focus on a neighbourhood, produce **thermal imaging maps** of the neighbourhood and approach those with most heat escaping to offer insulation
 - **Incentives** to insulate – make insulation part of a deal with an energy company
 - Energy companies can provide contract to provide energy for 5 years based on current use and bills, provide insulation and other energy saving measures and the **savings** can be **shared between the customer and the company**.

- **New business models:**
 - **Sell the service:**
 - Energy provision
 - Insulation as above
 - **Equipment provision under lease** – cooker, washing machine, fridge etc
 - Company maintains equipment
 - Equipment chosen to be best combination for:
 - Efficient energy use
 - Long life etc
 - Easily and cheaply serviced, maintained, mended
 - Spare parts easily and cheaply available

- **Social housing deals**
 - Energy company provides energy offer to social housing stock
 - Need to ensure meets competition rules

1 b) Business adaptation and opportunities

Ability of businesses to adapt:

External pressures	Internal pressures
• New entrants/ innovational	• Business culture

<p>companies force change</p> <ul style="list-style-type: none">○ Support and nurture innovative companies, e.g. SMEs <ul style="list-style-type: none">● Make the market work<ul style="list-style-type: none">○ Sell outcome rather than means<ul style="list-style-type: none">▪ e.g. mobility rather than train/plane tickets● Use 3rd party brokers, working with:<ul style="list-style-type: none">○ Energy company○ Service suppliers○ Funding providers<ul style="list-style-type: none">▪ Bankers/ investors/ business angels▪ Public sector?	<ul style="list-style-type: none">● Resistance to change<ul style="list-style-type: none">○ BP, General Motors etc● Change from rewarding short term profits to longer term sustainability<ul style="list-style-type: none">○ Can both be achieved?● CEx embracing change<ul style="list-style-type: none">○ E.g. M&S 'No Plan B'
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1 c) Regional and local government influence

SCPnet member influence

- Need to map influence of SCPnet members
 - E.g. EA
 - Regulation of waste has removed regulatory barriers and influenced positive market development
 - E.g. compost, anaerobic digestion, flat glass recycling

Assisting businesses

- Need to help businesses understand the external environment and future trends, e.g.
 - Fuel costs and availability
 - Material prices and resource availability
- Where do SCPnet members have regional/ local influence?
- How can SCPnet members best assist businesses?
- How can businesses be reached?
 - 80% of businesses are **SMEs**
 - How are these best reached?
 - Who has influence?
 - Are the **same 10% of businesses always reached** – those who want to find out more rather than those who are not aware or not ready for change?
- There needs to be a **sense of urgency** generated:
 - Consumer will be concerned with immediacies of **price**

- National/ regional/ local government needs to be concerned with **supply**
 - Energy crunch predicted for 2015

1 d) What incentives can regional and local government offer?

Low carbon supply

- How can a **low carbon supply** be influenced?
 - Dispersed local generation of energy
 - What are the infrastructure needs?
 - Can this be achieved through incremental growth?
 - What is availability of feed-in-tariffs, meters, pumps and contractors to carry out work?
 - Can public sector insist on photovoltaics and other micro-renewables on all **new builds**, alongside other energy efficiency and low carbon criteria?
 - All **new public buildings**?
 - Local government should lead by example
 - Local authorities
 - NHS
 - Third sector?
 - All buildings authorised under **planning system**?
 - This would influence business sector:
 - leading by example,
 - increasing awareness of micro-renewables, energy efficiency and low carbon building,
 - increasing availability of skilled contractors,
 - reducing costs of equipment and installation.
- **Public sector procurement** can have a major influence on SCP
 - Common **criteria** can be chosen that influence the market to respond (offering services/ products that meet those criteria at a better cost)
 - Public sector should aim for **aggregated contracts** – e.g. for Local Strategic Partnerships/ Regional bodies/ EA etc
 - This would be an effective 'coalition of the willing'
 - Could use **innovative contract procurement**
 - E.g. **reverse online auction**: like eBay in reverse, where organisations bid to provide a contract against certain criteria, the bid price is displayed online, and the price can decrease right up to the auction closure.
 - The % of renewable energy etc can be specified
- Public sector needs to work with **social element** of progress towards SCP
 - Fuel poverty national indicators (NIs)
 - Upskill unemployed by training them to insulate their own homes ⇨ trained up for employment in sector

2. Key elements for a regional and local economic action plan towards sustainable consumption

- Need to map out what is needed to reach 80% carbon reduction targets
 - Calculate contribution from public and private buildings
 - Focus work accordingly
- Also need to focus on:
 - Water use
 - Biodiversity
 - Population...

A 6-step model of change:

