

A CITY FOR ALL LONDONERS

Environment Workshop
17th November 2016, 9.30 – 13.00

Transition to the low carbon economy Table 4 Session 1

Facilitator in bold facilitator – comments in bold

Respondents in regular text

These notes are a summary of the conversation

Session 1, Table 4

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Today we will be talking about transition to a low carbon economy. We want ideas that are robust, achievable and ambitious. We're keen to draw out who is responsible, and what type of intervention can or should the Mayor and the GLA be making. We're looking at jobs and growth – sustainable economic growth. We will look at how we can meet our climate change targets as well as make reductions in energy consumption.

To start, what do we think are the policies to catalyse growth in the low carbon economy? What do businesses need to do to perform in a lower-carbon and more resource-efficient way? Are there specific strategies businesses can use? How do we measure growth? Is it jobs, sales, GBAs, number of companies? Should it be measured as a whole or by sector? How do we stimulate demand for low carbon goods? How do we integrate policies and strategies – such as the London Plan, the development strategy, the transport strategy – to work towards transition? What is the GLA's role?

One way of looking at it is to ask why cities are important. Because we have densified human occupancy, and our biggest responsibility is not just what goes on in the city directly – transport etc – but all the things we demand of our hinterland. The GLA is not directly

responsible because it sits outside of their boundaries, but the biggest impact we can have is in terms of what we bring in from the outside.

In the past, the zero carbon city has been about emissions from London, as opposed to what Londoners do to create emissions.

London's carbon footprint has doubled. London has a huge impact in terms of goods and services imports.

So we're talking about emissions.

Yes, but this is about anything that will have a beneficial environmental impact. There will also be a knock-on for services we import.

This is about us growing our low carbon economy. Creating businesses that do stuff outside the boundaries of the GLA. London will be an engine for creating a low carbon economy.

Are we saying London could incubate companies that will be replicated in, say, Mumbai?

These are decisions to be made at policy level.

It's London's economy. How do we do it better? What levers do we have to do it better?

Potentially, this is so broad that maybe everyone needs the chance to give their interpretation. We represent community groups. We're a collection with localised focus – fairness, diversity. We're disappointed at London's way of dealing with localised economy. Reducing travel has a huge impact. We want to see emphasis on a polycentric economy. Local jobs, support for diversification at local level. We're a range of citizens associations across London, seeking to give a voice for citizens in the London Plan. Localisation is important for us. The other dimension is social justice: that should be included.

Polycentric local jobs – what sort of policies influence that as part of the London Plan? Mixed-use development anywhere other than the central London district.

We're very critical of the rhetoric of mixed-use development. Local authorities are taking away the use of industrial land. Residential development is a big driver. We're interested in real economies at local level – supply chains – and there's not enough research. This leads to glib mixed-use development.

The loss of industrial land is dramatic. Mixed-use development becomes tokenistic policy. It's useful to look at the economy and ask, "What is the space for shift? What will it be in future?"

Transition to a low carbon economy, for me, means better jobs. The idea is not to have people hauling in and out of London. Creating new economy is disruptive. Things we do now that we won't be doing in the future. We need to plot a route from where we are now to where we want to be. That is the crux. We need to know where we're going. Make London the place where low carbon economy development is going. But it's disruptive. We need to think about how to do it.

I don't get it. Low carbon economy sounds like asking people to make a sacrifice. The solution is designing in low carbon – recycling etc. They're part of the DNA of the economic system. If we talk about policy and regulation, it feels like taking a hammer to it, instead of seeding lots

of inherently low carbon activity. Enabling low carbon businesses, recognising what we already have and utilising that, as opposed to regulatory system.

What policies do we need for that to help, for those companies to be designed in?

The sharing economy of grade 2 existence space. If we can use existence space better, we don't have to worry about encroaching on industrial space. Also, aspiring to make the car not needed in London. That's a policy response, but how to do that without being regulatory?

The biggest change in cars has come from regulatory response i.e. the congestion charge.

We need to be careful about saying low carbon economy doesn't include sacrifice. It doesn't have to be bad sacrifice, but there are things we need to sacrifice. It's about framing that, providing the alternative.

It's going to be different – not in a bad way. We have to show people that the low carbon future is quiet, clean, local, and brilliant.

We're talking about behaviour change, but we really want to focus on policies. We need disruptive innovation. Localism: how can we have policies that make that happen? It's currently geared towards commercial, large-scale developers. Where are the localised contract providers and systems to bring money back into local economies? We have an equal consultation encouraging local bodies to interact with intermediaries. How do we treat properties in London? Retrofit buildings. Decentralisation. How can we have heat regulation? How do we enable choice? Deregulation of energy supply. We want vision. Using and generating locally, managing locally. I'd like to see more of that.

Low carbon brings loads of things. Is it sacrifice? Is it growth? The one we've seen from the Green Investment Bank is it doesn't matter who, but we need a champion. Someone to put resources in place and work with communities and businesses. There's no standpoint. Local authorities are only just starting to get it. They have to make cuts, so green isn't always top of the agenda. They can be green and save money. Sometimes you need regulation, sometimes you need a carrot. Wind turbines, energy from waste – not all of it can be one size fits all.

Your bank provides money for investment. Is there anything we can do to make that easier?

Half of local authorities aren't involved in LED schemes. We invested in a village in Kent so they can afford to install a smart system of LEDs that brings in changes but also saves money. From the GLA's point of view, an expert team needs to go around offering support to local authorities, as the government is doing on the heating side. They need funding to start, but that could be paid back.

We could only have trailblazing local authorities, not all 33. Those boroughs could then become motors.

Carrot and stick. We have to be mindful that the other table has ambitions to be at 1.5°C. If we're going to do this, it won't just be through markets. We shouldn't underestimate the challenge for London – think of the challenge in getting your own house to meet the requirements. It seems you can also couple this to a carrot. The pressure is on councils to focus on lighting, to say, "The carrot is economic growth." Do we need to buy LEDs from outside London? What about our own businesses that we're promoting? The stick is the GLA

implementing ideas; the carrot is businesses that are helped to grow, to promote economic growth. In the transition, there will be companies doing stuff we don't want. If you're going to knock some businesses out, you need to help them make the transfer to other, low carbon businesses.

We're already behind the curve. How does London accelerate? London has biggest proportion of energy inefficiency. It's a broad definition, but it shows London has potential.

Just in the south-east, it's almost half the GDA of local emissions. We need to stimulate green economy for finance.

The GLA says London has economic excellence, has design capabilities, has an environment people want to live in, and has the key ingredients to grow. What can we do to further drive that growth so that it benefits all parts of society and London's environment generally?

How do we support community businesses?

In energy efficiency, there's major opportunities for new jobs. There is a limited ability to set energy efficiency standards, but you have to be able to do that. People won't change their homes unless pointed in the right direction. This is a national level argument, but London has a role to push the framework nationally.

We need to push for London to get its fair share. We need to start lobbying for a pot of cash to do deep retrofits on a huge scale.

How can local authorities feel empowered? Policy is not strong enough to do that. It's often seen as the local authorities leading alone.

Energy efficiency has the potential to grow. Are there any other sectors?

We need community space for community businesses to be incubated. London is unique – it has a confusion of ideas, a transient nature – but it's how to harness that. Ideas don't always translate to business models.

At Just Space, we ran workshops on energy efficiency and retrofitting. There isn't a requirement for an existing standard in the London Plan. Friends of the Earth and other voices said energy performance certification should be standard by 2030. Within community infrastructure, retrofitting is not a high priority. If we're serious about infrastructure, that needs to be at the top.

I completely agree, but make sure you have the space. Do things to make space affordable. Local small businesses? Reality check: this economy needs to be buzzing, otherwise in a decade we'll be buying elsewhere. We've got to recognise the magnitude of retrofitting somewhere the size of London. London needs to have its own power supply and that needs to be carbon negative.

That's being looked at.

Technologies are there to do that. It's still early, and you need to be ballsy, but it has to happen. Boroughs' procurement powers are conservative; they don't allow innovation. These

powers secure taxpayers' money, which lends itself to conservatism. Can we investigate how procurement could be used to stimulate local economy?

Are there any other ways to stimulate?

We do have policies. We want housing, growth etc. The framework we want is there, but at the end of the day there's a limited pot of cash.

We have some good case studies and trailblazers in local authorities. We need to roll that knowledge out to a wider base at speed, not over 3 years.

We need to be careful with negative emissions technologies. It's not about buying time; negative emissions tech is need as well. By 2050...

2050 is ridiculous. We won't meet legal obligations at all because it seems too far away.

2050's the outcome, but we need a staged approach.

There was an IPCC report in 2015. It's not an alternative, but we knew we had to do this. Global cities could be engines to explore these things.

In Scotland, we asked for small stuff to be done for a 2020 deadline – easy stuff. How are you going to then move on to 2050? There's a governmental macro point, but things are being done at a local level.

This kind of regulation might be radical, but say we give a timetable for when all diesel transport will be banned from London. It's difficult to respond, but it's an impetus for people to work out how to find alternatives. It's a stimulus. It's ballsy, but it would give people the impetus and will likely drive innovation.

We've got policies, suggestions and ideas. What can businesses do to formulate a low carbon economy environment? What can we do to help?

Make sure infrastructure exists for working on electric fleets.

Education and awareness from a business, rather than environmental, angle.

With business, the first 30 percent of what they want to do appears on the bottom line in the financial year. We need to help businesses know how to be leaner, more efficient. How can we make it appear as a positive on their bottom line? Things slow down when they start to see the return on investment is three or even seven years.

For companies, that's anything that doesn't fit in a two to four year payback. Companies have a pot of funding, but other things they do will be in advance of new carbon. In the States, they have other firms that finance it, but it takes six years to pay back. They say, "Outsource energy to us." That's guaranteeing energy saving. That will work for large corporations.

Is there anything London can do? Just making connections between business?

Can they trust that company to provide for ten years? Are they comfortable with that?

The large retrofit of houses in north London gave a full range of options. 99 percent of residents chose smaller, more local businesses. You want a brand that's trusted and impartial. That's what the council does. Like the EPC public sector model. If you have EPC data from manufacturers, tell them, "Nudge in one direction you get benefits, nudge in the other get penalised." We need to set lower business rates for green companies than diesel-producing companies. This will attract green jobs. Business rates should be based on green factors. Local authorities will sign up to it.

There are lots of micro companies in London. Their data is difficult to access and they're disparate from each other. We need to work to bring them together, to create scale. Very few businesses are doing that. We need to make it easier to be more energy efficient in a central London block.

What's the business model?

Business improvement models. There's a lot of sustainability in Victoria, but roll it out, from an area where they're already supporting each other.

Are there schemes that we should be going back to?

There's a lot happening through shared work spaces and impact targets. There needs to be interaction between larger and smaller companies.

So, what are our three points?

1. Look at the local economic partnership - make sure their priorities are around lower carbon economy.
2. We need to protect spaces we've got for growing these new businesses. Preserve space and make it favourable for businesses to set up in this sector.
3. There's a need for collective action. Financial models that allow people to do things on a bigger scale. Financial mechanisms that enable collective action.

Transition to the low carbon economy

Table 4 Session 2

Session 2, Table 4

Facilitator, Nusrat Yousuf, GLA

Tom Harrison, Sainsbury Family Charitable Trusts, Ashden Awards and London Cycling Campaign

Joseph Cosier, Energy Saving Trust

Kayshani Gibbon, RSA

Max Sugarman, Institution of Civil Engineers

The GLA sees a low carbon economy as essential for sustainable economic growth, as well as contributing to carbon efficiency targets. It reduces energy and natural resource consumption. In the last session we focused on: retrofitting; workspace for low carbon businesses – there was some negativity towards shared use of land; better use of a procurement framework; and a collective London-wide basis. One point that came up several times was, do we need a carrot or stick approach? Or both? Can SMEs collaborate? What do businesses need to do? Can they collaborate? Local high street associations working together can be used as a mechanism. Could the LEP be better at targeting the low carbon sector? What do you think is needed to catalyse transition?

There are issues. The point about SMEs is good. There's transience about London residents: a local generation can suffer. Ambitious targets are good, but how do we turn that into what individuals can do? Can there be strategic leadership by the GLA?

We need to identify which policies the GLA has control over. The previous Mayor set up a voluntary scheme to encourage private landlords, but it's not strong enough. What can the GLA do to strengthen that position?

It's more about regulation of deposits, but we should be putting sticks in for low carbon ideas.

The refit policy hasn't been successful. The stick needs to be there – the private sector has 30 percent of London emissions – but there's a minimum of standards coming in. There's a soft power, but there's only so much the Mayor can do to lobby. He needs to lobby for more devolved powers. Housing health and safety rating system things – maybe education – we can do with landlords. A warm home should be not a comfort but a right.

Making the day-to-day tradesmen champions of low carbon business. We shouldn't have to look for an ecobuilder, all builders should be eco.

Talking about new buildings and council-led development, how can the council play a larger role? What kinds of facilities will those buildings have? There should be regulation around the nice-to-haves such as air conditioning units.

Carrot and stick – do we want regulations to stop, but carrots to change minds?

Behaviour change is complicated. The stick often needs to happen first. If we took away the smoking ban people wouldn't start again, but change wouldn't have come without the ban. Carbon tax is a strong action to make people change their behaviours.

Why can't we have a London-wide carbon tax?

The Mayor doesn't have tax-raising powers.

That's part of the devolution debate. The toxicity charge – new measures to restrict the worst lorries. Are there lessons there for energy saving? You're not going to let retailers or landlords continue to operate if they're not going to play properly.

Banning diesel would immediately have a knock-on effect. People would need to ask, how do we change the delivery mechanism? What's the alternative to diesel? Electric?

That argument works. In this area, energy is very much something the Mayor needs to be an advocate for. It is a transition. It's very hard, apart from local energy schemes. The GLA's heat map was a great idea, but it gets to the point where the Mayor has to do the advocacy. With Brexit taking over his time, is the Mayor adding carbon to his list? You can only advocate for so much to the national government.

Things like convincing SMEs, even if the answers aren't there now, it's worth developing answers so they're there when the Mayor comes round to talking about them.

Encourage businesses to become more energy efficient. We have 6 percent per annum growth in low carbon businesses. How do we diversify the economic base to meet the low carbon issue? The Mayor is hot on the fairness agenda – having jobs available to all Londoners. Which areas can we develop to stimulate that?

SMEs collaborating. 80 per cent of bank lending is in mortgages, not in businesses, so how is the real economy meant to work? What about schemes where businesses lend credit to each other, to help each other grow? That's an alternative – not raising funds, but an inter-credit help scheme.

Doesn't 'Here East' in East London, do that?

I think, maybe. It means a collective of businesses agree to give each other their services on credit. It's like a community currency idea that cuts out the need to rely on bankers and investors. Quite a radical idea.

The RSA hosted a talk from the guy running it. Community credit, like the Brixton plan.

Community credit schemes to focus on low carbon?

Yes.

Scope to source more local food, local energy. If the GLA were to shift, or signify they want to, particularly in terms of finance... Copenhagen said they wanted to go zero per cent carbon, but didn't have the funds available, so local banks had to come up with those funds. That's about sending the message to create new products. Pension funds, but not investing in fossil fuels.

Danske Bank created the funds to invest in this way. The Mayor of Copenhagen was the leader to make it happen.

Human transport, reducing the need to travel. Shouldn't we be doing more of that? Local services, getting people to work more locally.

The GLA has a role to facilitate that. There's no planning network to say a carer should go to a local place. My grandmother had a care worker coming from the other side of the city.

Cargo bikes? 39 to 50 percent of cargos are half empty. Surely they could go by bike?

Delivery vehicles – a third of deliveries to homes are wasted trips. Something needs to be done. TfL are changing how the scheme works so there are fewer vehicles on the road – consolidation.

What support for businesses is needed to change?

There's interesting work called Ready for Retrofit in the south-west. They're helping businesses to have the right skills to build houses in the right way. They give support and training. Installers shouldn't be from outside London, so the economy grows itself.

The management of energy data needs to be made more transparent to help businesses compare themselves to each other. The GLA can take a facilitative role in seeing how businesses compare to their peers.

The Mayor's business energy challenge tackled that. There's a lot to be made of that.

The London datastore is used by Citymapper. You accumulate and show the data, but you don't have to see the end product when you show it. Making the data open is the priority. The end product comes from how someone else uses it, as with Citymapper.

Though, presumably, commercially sensitive data means they may be unwilling to share it openly?

Get the 33 boroughs involved. See who comes forward.

Is there an option to lower local business rates for businesses that focus on low carbon. Part of that could be getting them to publish their data thus stimulating demand.

You could use business rates to increase recycling rates.

There is an optimum level.

Sticks in business rates, rather than carrots. They are more effective.

Most behaviour change research says the wallet is the thing that people concentrate most on. That creates the incentive.

How would we measure growth in the low carbon economy?

Setting targets for milestones or just growth?

We have a problem measuring growth currently. A lot of the low carbon sector is around low carbon finance. It's broad.

That 6 percent growth rate is based on that big definition?

The Mayor is keen to widen the economic base. What's the best way to measure the sector?

For the sector I think location is important. Can you develop a hub for low carbon SMEs?

Perhaps a borough league table of where the lowest carbon businesses are? There's an innovation campus in White City doing some work, and maybe an incubator is what we should be trying. It's a chain that involves creating the market as well, making a virtual cluster. But that's only in west London. How do we make it happen across London?

Green finance. Is there a separation of activity that happens in London? Perhaps the GLA could run a consultancy service. There's a recycling service from Islington. They do that for Islington.

It's so broad.

Decoupling of the existing economy. How do you score it when a company improves their activity? How many companies are procuring renewable energy? The Mayor could be a champion of the RE100 renewable energy scheme. How does it compare to other cities? We funded some of the work the Climate Group did. There's EP100 on energy productivity as well.

The public sector needs a leadership approach too.

There's plenty to be getting on with on what the GLA controls. Creating demand and showing leadership. It's so easy to say what we need to make other people do stuff.

Hydrogen fuel cells, for example, were a while ago. The only building that tried them was the Walkie Talkie, and they saw they were slow. How do you encourage companies to use hydrogen fuel cells?

Things like Demand Logic, which taps into the building management systems of commercial buildings. There's a pilot in King's College. It depends on the infrastructure that's already there.

So what is the GLA's role? Specifically, what should we be doing for the transition?

Community energy groups should be helped or encouraged. Do small-scale projects, but encourage them. Launch partnership businesses. Corporate social responsibility. A coordinated support network for these groups.

So something like solar for London. London has problems with such projects – shading etc – but that doesn't mean we can't look at these schemes. In Bunhill they used the heat from the underground and put it back into the system. These examples need to be scaled up. Pipe sizes, retrofitting. These things can't happen overnight, but with the right leadership...

They're very difficult things to get off the ground. There needs to be a whole-London approach that stops individual boroughs, businesses or groups from taking the flack if it doesn't work.

Any thoughts on policy?

It's hard to say. Business rates are great, but it's how you use them. The data is good too. Measurements are difficult if you don't have data. We need strategic leadership and boroughs should be given the backing to do more complex schemes.

They're complex to deliver because of the political structure.

Boroughs have had to make cuts and expertise has been lost, unfortunately.

Hence the focus on policy. What can be put in to drive this forward?

It is essential to keep zero carbon homes. On a different scale, what policies are currently used? As part of this consultation, we want to hear from the GLA on the policies they think are working, then we can ask specific questions about each policy.

As a consultation strategy, these will be a lot more detailed. This is an early stage. We're trying to engage with the idea of what is possible.

Transparency and open data throughout what the GLA controls are valuable. It's not commercially sensitive to say what the GLA is doing, because it's not competitive. The GLA can adopt its own carbon price. Something more symbolic? I don't know about powers, but organisations might be able to use that. Communicating it will spur a response from the economy.

So, what key three points have we got?

Business rates. Carrots and sticks. We need to learn from the congestion charge. The toxicity charge and the congestion charge need to be emboldened – a smarter version of the system.

Procurement. The GLA and local authorities need to stimulate demand – investments, as well as goods and services. There might be unusual areas where this is not obvious.

What implications does the loss of industrial land have for the London Plan and the development strategy? How do we make sure that's protected? Protecting distribution centres. Enabling human transport in the last mile. Local-level development – reducing the need to travel, local transport and distribution. Credit schemes as local currency.

Energy efficiency schemes to retrofit and drive innovation. There needs to be much higher quality. Current policy has mixed targets. A ban on diesel, perhaps?

Transparency of data to raise awareness that the GLA are taking action. In Edinburgh, there's a building with a huge carbon meter on top. It's a small action that raises the conversation. Publicising being a good leader.

Leadership, data transparency, sharing schemes, stick polices – especially with big businesses. Have business rates lean towards punishment of companies with high carbon emissions.

Procurement – stimulating innovation via deadlines.

What the GLA hasn't done is look at businesses across London to see how they can improve. There needs to be business support schemes. The GLA appoints the LEP; the work programme is set by the GLA. Hopefully, going forward, low carbon will be a priority.

Consultation is fantastic, but make it more ongoing.

Could the London Sustainable Development Commission develop a mechanism to have regular events?

A massive ear, like Bloomberg? Have it like the Fourth Plinth. People fed ideas into the ear. At the end of 2017, collect it all. Have a year when these ideas can filter in. Broad brushstrokes of plans and details will be hashed out. Enable testing throughout the years.

Street art that starts conversation. You walk through consultation architecture on the streets. It's blue sky stuff, but there's a lot that can be done to generate conversations in the community.