

Localism

Our best opportunity to overcome the climate emergency?

The wider impact of any given construction project on the community has always been important – but the focus on carbon reduction in our towns and cities means it is now a key commercial driver for companies that want to be part of the future as opposed to finding themselves consigned to our unsustainable past.

It follows that the accountability of decision makers within project teams has been broadened and enhanced by a wider appreciation of the value of the project with regards to financial impacts, as well as social, economic and environmental.

Even before the unprecedented impact of Covid-19, businesses were under increasing pressure to reduce their carbon outputs. In order to attempt to mitigate the long term economic impact, there is a growing belief amongst many key figures that a green recovery will be key to rebuilding the UK economy.

To date, over 400 local government bodies have declared a climate emergency and there is an increasing belief that localism may be at the key to reducing carbon emissions.

To explore this issue further, we brought together key figures from across the private and public sectors to discuss what role localism can play in both fighting the climate emergency and helping to rebuild the economy following the huge impact of Covid-19.



Around the table

Hazel Blears

Chair at Social Investment Business

Ben Carpenter

Chief executive, Social Value UK

Mark Cook,

Partner, Anthony Collins Solicitors

Sarah Crawley

Chief executive, i-SE

Richard Fielding

Area director – Midlands,
Morgan Sindall Construction

Louise Townsend

Head of social value and sustainability,
Morgan Sindall Construction



The discussion began with a look at how the world has changed in recent months.

"I think the notion that we can go back to where we were before and pick up where we left off at the end of 2019 is not viable," said Louise Townsend.

"The fact is that Covid-19 is here and is shining a light on how things could potentially be done differently, particularly how things could be done more locally. Necessity is the mother of all invention, and there are certainly opportunities coming out of everything we're going through at the moment."

Hazel Blears agreed, and pointed to how a growing political consensus about an environmentally friendly response: *"It's quite interesting that 'green industrial revolution' is now becoming cross party language. However, for the government engagement with local authorities is key. If you want to deliver things on the ground then you need to work with local partners, and in particular I would say the role of Metro Mayors such as Andy Burnham, Steve Rotherham and Andy Street will be critical."*

It was agreed by several participants that a Green Jobs Fund should be introduced to tackle inequalities that will arise as a result of Covid-19 and any economic shock from Britain's exit from the European Union. All participants also pointed to the role that social enterprises could play in supporting a green and local recovery.

"I was recently involved in a project that looked at the regeneration of an area in Birmingham and the environmental approach was key", said Sarah Crawley.

"We used the doughnut economics model that is being adopted in the Netherlands, where there is a balance between the social structure and the ecological ceiling. I think that kind of rethink in terms of what the role of profit has in terms of our future rather than it driving damage to our local environment is really interesting. I'd encourage people to read Doughnut Economics by Kate Raworth to find out more about this model."

"I think one of the key issues is also how we help people in terms of local transport as well as local energy," added Mark Cook.

"We're increasingly going to see heat networks and smart grids and energy consumed locally, and if we're going to be sustainable then being reliant on national infrastructure will not always work. For private firms, there needs to be an improvement in how they engage with local communities. That help can come from social enterprises. I think in the years ahead there's going to be a lot more localised approaches to work, whether that's through local labour or a focus on developing robust local infrastructure."

This point moved the discussion on to what private businesses can do to better consider when practicing localism to combat climate change.

Richard Fielding said: *"We measure projects in terms of localism from their outset. For example, we look at the opportunities that exist from SMEs and microbusinesses. What we find is that if you get buy-in from the local community then they buy into the project and feel a sense of ownership. Early engagement is key. This allows us to design projects at an early stage and develop opportunities for local trade to promote localism. It's also important to look at energy outputs at the design stage. What is the maximum amount of energy that can go into a project from a sustainability point of view? We can do that through a heat map and we've got some really good software that can analyse at an early stage and help us shape the build program to reduce the carbon footprint."*



“For firms in construction,” [said Sarah](#), “it would be good see that if, for example, you’re changing your models or using 3D printing to develop kit that you’re going to be using, that you also train local people to use that technology or leave behind the equipment so that communities can take advantage of it in the long term. This is already happening in some cases, but there’s so much more that can be done.”

“In order to achieve much more zero carbon activity at a local level, long term capital investment is required,” [commented Mark](#). “Therefore, I think we will need to see a commitment – hopefully backed by the government – to local partnerships happening between councils and the private sector, working in communities on a sustained basis over a number of years. This is not about doing a single capital project but identifying what the pipeline could be in a particular locality and then using the same workforce and training local people to do a lot more in terms of modern methods of construction and upskilling a whole range of people. That requires a commitment to strategic partnerships that last beyond a single contract.”

This led the conversation on to how collaboration can be improved.

[Hazel said](#) “One of the big things for me is not just how collaboration between the public and private sectors can be improved, but between different private companies too. I know that’s really difficult as there’s competing IP and there’s competitive and commercial pressures. However, without that sharing of knowledge every company that begins the process is starting at ground zero and the progress is much slower than the situation demands.”

[Ben Carpenter agreed](#): “I’ve noticed that a lot of businesses want to work with social enterprises but they don’t actually understand what they are! I think there’s a lot of education and awareness that needs to happen with brokering the third and private sectors.”

Richard then explored the issue of collaboration further: “I’m interested in how we can create better behaviours through understanding local governments, and

encouraging cooperative and collaborative behaviours. I think that there’s beginning to be some conversations around the country about how we create different zones in areas where we actually encourage the climate for collaboration, so that different organisations work well with one another. If you can get out of a system that is purely based on bilateral contracts and on to something that is much more integrated about how people work with each other, I think that will deliver much more long term benefits at a local level for climate change.”

“I agree,” [added Sarah](#). “I think that at the moment we’re in a very difficult position and we can’t ignore the massive changes that society is going to face in the next few years. I think that the third sector has a big role to play in addressing those economic and social issues.”

“Hazel mentioned earlier about the role of social enterprises in employment creation. We know we’re heading towards massive unemployment, and there’s going to be a lot of recalibration and creativity to create new jobs. My sector is very innovative, we’re used to doing great work on very little and it would be great if we could be recognised as having a role to play in the economy going forward. I would say to stakeholders across the board – we’ve got a lot to say and a lot to contribute, we can work strategically and nationally across a range of sectors – don’t forget us!”

“That resonates with me, Sarah,” [said Ben](#). “I’ve been involved in a few conversations since Covid-19 broke with Social Enterprise UK and other organisations and we’ve been trying to work together to raise the profile of social enterprises with the government. It was quite clear from the initial reaction that social enterprises feel between two stools – they weren’t in the package of support for charities and they weren’t recognised in the business support category either.”

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Private firms such as Morgan Sindall Construction are helping social enterprises raise their profile and become more visible, as Louise explained: “We’re developing a tool that allows social enterprises to buddy with a mainstream company in the same industry. For example, a social enterprise dry lining company can buddy up with a more traditional firm. By allowing both firms to reap the benefits of this collaboration, Morgan Sindall Construction also builds capacity in our supply chain while helping these firms create job opportunities in their communities.”

“In terms of practicalities for construction firms, it’s healthy to have some contractual obligations and KPIs for social value and carbon emissions,” said Richard. “For example, we delivered a project for the University of Nottingham, a carbon neutral laboratory that was in partnership with GSK. The key driver here was we had a commercial contractual penalty for being carbon neutral. These challenges are healthy until it’s more in people’s DNA to do these things naturally.”

“I think Richard’s given a really good example of what you should do in terms of the whole aspect of economic, environmental and social wellbeing because far too many commissioning organisations are asking for social value but are focussing on corporate social responsibility,” said Mark.

Mark then explored further the issue of procurement: “I’m really keen to ensure people embrace better habits in terms of collaborative procurement, collaborative commissioning, premarket engagement, and engagement with communities beforehand in order to scope out what’s possible. It’s crucial to find out how you can create consortia involving social enterprises and the private sector that doesn’t hinge upon the transfer of risk but working together to manage risk and delivering the best local outcomes. I think you can create frameworks for doing that under the current procurement rules – it’s just about having the right attitude.”

Agreeing with Mark, Hazel said: “When we took the Social Value Act through parliament it was partly to bust the myth of CSR so that firms would use the whole of their mainstream business model to make economic, environmental and social impact. Every bit of the way that commercial businesses or public sector organisations should be infused with the idea of maximising those impacts.”

How to achieve those impacts while operating under tight budgets is of course a problem for local authorities, and Louise addressed the danger of financial contracts impeding localism.

“We see it almost daily that the client side project manager who, for understandable reasons, will focus on the capital budget while perhaps overlooking long term goals. When we’re going through design and development stages we can put forward bold solutions around localism and addressing the climate emergency, but it ultimately all comes down to the capital budget. We can suggest all sorts of things, but unless there’s a freedom to marry operational budget with capital budget there’s only a finite window to develop a localism-focused climate harm reduction strategy.”

Mark pointed out that work is taking place to make this happen in some sectors: “We’re working with a lot of housing associations and helping them with data analysis to enable behavioural change amongst tenants, therefore changing how issues like damp and ventilation are dealt with. That’s not necessarily addressing Louise’s point, but it shows how organisations are trying to alter habits within a community in order get them to participate in the effort to tackle climate change.”

“Empowering local people is really important,” agreed Sarah. “I think social enterprises and third sector organisations fit very comfortably in terms of empowering communities. The values that they use to encourage people to develop and grow and get confidence in terms of making changes in their local environments are really powerful.”

“What we are finding is that in some of the most impoverished communities is that there can be a lack of trust towards public sector agencies, so social enterprises can act as intermediary in terms of making things happen. As an example, we worked in a project in Birmingham called Use It!, where we examined the local assets, whether that was physical or people based, and identified the opportunities. Coming out of that we saw cultural foods being sold and traded, taking into account the multicultural expertise of the area. We saw people growing things in their gardens and being really creative – it was wonderful, economically successful and eco-friendly.”

“I totally agree with Sarah,” said Ben “Working with social enterprises and the third sector adds resilience. Such organisations are generally rooted in the community, have less of a turnover of staff and are designed to meet local needs. Their link to the community can’t be any better.”

“However, while employing local people and working with local businesses or social enterprises is a good thing it needs to be backed up with the necessary structures that ensure that it leads to a good experience for all concerned – for example, employees’ wellbeing improves and the social enterprises have good accountability and impact.”

Now is the time for social enterprises to shine, agreed our panellists



“We’re currently experiencing one of those moments in life when everything is up in the air and the prize goes to the person that can make a catch and develop a winning proposition. There are big private companies that are starting to realise social enterprises can be a vital partner in delivering successful commercial projects while also fulfilling community goals,” said Hazel.

While there were some reservations about how widespread this attitude might be amongst large private companies, there was consensus that there are reasons to be optimistic with the panel agreeing that the instinct for collaboration of younger generations needs to be nurtured in order to develop skill sets that are entrepreneurial but in a way that is cooperative and collaborative.

The panel agreed that as successive generations have been more conscious about both environment and the community, this could only be good news for the fightback against the climate emergency.

With regards to how to pursue the localism agenda going forward, Hazel pointed towards a **‘just keep going’** attitude and the importance of maintaining resilience.

Richard concluded on how lessons could be learned from how the country has reacted to the unprecedented changes brought about by Covid-19:

“People have looked after each other locally, we’ve looked after our neighbours and families more... let’s not forget these simple things where we can help each other out. It’s a real benefit. It would be criminal of us not to take advantage of the nice things we’ve done for one another and implement them formally in order to improve the world around us for the better.”