



Sustainability in a climate of austerity: responses from UK- city-regions

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Title: Sustainability in a climate of austerity: Responses from UK city-regions

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The economic and financial crises experienced in recent years have put pressure on governments around the world to focus their efforts on promoting and implementing structural reforms in strategic areas like education, health, labour and product markets, competition, taxes and innovation. Many governments are already taking some measures to ‘green’ their approaches to economic revival, addressing recovery by supporting sustainable long- term growth. A recent report published by the OECD (2009) argues that the economic and financial down-turn provides both an opportunity and an incentive to promote a greener model of economic growth and development: a green growth that ensures natural assets continue to provide the resources and environmental services on which human health and well-being relies.

Urban retrofitting is becoming critical to the achievement of ambitious carbon reduction targets and to pursue a green growth agenda. In order to realize the ecological and economic benefits of retrofit, cities are continually searching for a ‘fix’ that allows them to upscale retrofit from a largely ad hoc and piecemeal activity into strategic and systemic programmes that transform existing cities. It is with the issue and purpose of such experimentation and efforts to integrate retrofit and governing that we are concerned in this paper, drawing, from a research study that investigates lessons and practices in sustainable retrofitting¹ in two core UK city-regions (Cardiff -South East Wales and Greater Manchester).

National priorities, policies and programmes create possibilities and constraints on those governing city-regions in their construction of retrofit strategies. In the UK since the onset of the financial crisis in 2007 the ways in which retrofit has been promoted across a range of UK national government bodies has varied. Elements of both a low carbon industrial interventionism and seeing retrofit as a market making opportunity were inherent in the last

¹ Retrofit is defined for the purpose of the paper as the ‘directed alteration of the fabric, form or systems which comprise the built environment in order to improve energy, water and waste efficiencies’ (Eames, 2011)

Labour government. Post-2010 this has shifted to the primacy of seeing retrofit as a market opportunity, as exemplified through the Green Deal².

A narrative for retrofit has recently been developed in response of a complex set of pressures and drivers ranging from climate, energy and fuel poverty, in the two city-regions. This has resulted in a number of key policy objectives and programmes developed to address urban and regional economic development. From a first reading, these responses seem to follow common rhetoric of sustainability and economic growth in both the case study regions. Nevertheless, the two different governance settings and different historical development in the two city regions have generated different responses towards a transition to sustainable retrofit in a climate of austerity.

Greater Manchester: Retrofitting ON and IN

The governance framework in GM has recently changed from a two-tier governing arrangement³ to a metropolitan level⁴ with GM been designated a Statutory City-Regional Pilot in the 2009. This resulted in the emergence of a new metropolitan governance aimed at the external positioning of Greater Manchester vis-à-vis other UK city-region outside London and other European cities and as a test-bed for UK national government initiatives and policy experimentation. This new metropolitan governance, characterised by the concentration of political and governing power in the hands of agencies and coalitions of political elites, however, is one where the embedded capacity to act is limited, where national priorities remain an important shaper of metropolitan priorities and where the financial crisis post-2008 has created the conditions for an era of austerity within which efforts to constitute the capacity to shape retrofitting strategies needs to be understood.

A strategy for retrofitting Greater Manchester housing stock is set out in the low carbon housing retrofit strategy and the wide range of retrofit activities illustrate two emergent and distinct pathways for urban retrofit. On the one hand, there is a dominant national/city-regional policy and business led view of the relationship between Greater Manchester and retrofit which is ‘top down’ and aims at: reducing emissions in relation to Greater Manchester’s carbon reduction emissions targets in a broader national context; as a way of

² This is a national policy established by the post-2010 coalition government and run from the Department of Energy & Climate. The Green Deal establishes ‘a framework to enable private firms to offer consumer energy efficiency improvements to their homes, community spaces and business at no upfront costs, and recoup payments through a charge in instalments on the energy bill’ (Department of Energy & Climate Change, 2010:5).

³ Where the strategic level of Greater Manchester County Council shared power with the 10 metropolitan boroughs that constituted it.

⁴ Through the Association of Greater Manchester Authorities (AGMA) and associated agencies (see for instance Hodson and Marvin, 2012)

achieving ‘first mover’ economic status and positioning Greater Manchester as leader in an emerging UK retrofit market and as a way to attract private investment to the city-region. On the other hand, there is a range of community and embedded activities within Greater Manchester which is more ‘bottom up’, embedded in local contexts with manifold motivations for retrofit and community engagement. These initiatives emerge primarily from and are developed in particular neighbourhoods, organizations or places to meet, or at least try to address, the motivations of groups of local interests and people.

Cardiff city-region: Retrofitting as alternative to National strategy

Since 1997, there has been a progressive process of devolution that has changed the face of government and politics in Wales, with the development of a regional government in Wales. The Government of Wales Act (1998) provided two statutory obligations for the Welsh Government: an emphasis on inclusive governance and equal opportunities and a requirement to pursue sustainable development. SD, in Wales, firmly focuses on improving and sustaining people’s quality of life, the wellbeing of people and communities, embedding social justice and equality for all. The approach to decision making embraces therefore the long-term, encouraging joined-up thinking and active participation at all levels (people, communities, businesses, the third sector, and the public sector). The WG’s vision is one that reinforces, therefore, a collaborative rather than a competitive approach towards public service provision and improvement among its delivery arm, the local authorities⁵. The WG has shown strong political and organisational leadership in relation to SD, however the challenge remains how to apply SD aspirations and interpret specific actions and outcomes in practice (PWC, 2011). Although the concept of a Cardiff city-region⁶ is a nebulous one without the clear geographic boundaries of city-regions like Greater Manchester, the interdependences between Cardiff and its surrounding areas are clear both historically and in the contemporary region, showing very different characteristics: the coastal area is relatively prosperous, housing the cities of Cardiff and Newport while the Heads of the Valleys area is in need of regeneration. As such, a question mark remains as to how a more unified city-region would function.

⁵ Local authorities have discretion in providing and delivering services in their areas. LAs are democratically elected organisations with their own political priorities and tensions may arise between priorities at the national, regional and local levels. For instance, neither the legal duty to have a SD scheme nor a duty to make sustainable development the central organising principle have been passed onto other public bodies such as local authorities.

⁶ For our purposes this conceptual city-region has been extended to include the local authorities of Neath Port Talbot and Swansea to the west. This is intended to capture the strong economic connections between the three urban regions along the south coast (Newport, Cardiff and Swansea) which differ significantly from the neighbouring rural regions of West and Mid Wales.

The historical development of the region (for a review see Hunt, 2011) coupled with the economic and population growth experienced in the 1800s has had an important role in shaping the built environment (both in terms of infrastructure and the housing stock) in the city region. Mass immigration in South Wales Valleys put several pressures on the housing stock and in order to accommodate its swelling population (Minchinton, 1969) a number of houses were quickly built to low standards. The issue of poor quality housing stock is closely related to the issue of fuel poverty and hard to treat homes, problems that are most prominent in the Cardiff city-regions.

While retrofit is not framed formally as a policy area within the Welsh Government, retrofit is slowly emerging as a potential delivery mechanism- *a solution*- for addressing and implementing different policy priorities stemming from the SD agenda. A narrative for retrofit is constituted around the challenges of climate change (adaptation and mitigation), a wider low carbon economy goal, which include the creation of green jobs, maximising the opportunities offered by the deployment of renewable energy sources and fuel poverty.

Retrofit is an emerging process within the city-region that ranges from planned and responsive maintenance programmes to targeted energy efficiency improvements and major refurbishment programmes (e.g. Arbed). There is a move towards a more 'scaled up approach' to increase impact and above all, deliver the ambitious targets that the WG and LAs are aiming to achieve. Most of the activities are driven by public funding which targets mainly social housing, excluding the private rented and private housing sector. Most of the retrofit activities focus on regeneration areas and aimed at reducing fuel poverty and establishing a demand for greener technologies that will create local jobs. Since the outset of the flagship refurbishment programmes Arbed, it was realised that 'the full potential of energy efficiency schemes can be realised if these schemes are embedded into Wales' broader economic development and regeneration agenda'. This focus on regeneration and community renewal has offered a more inclusive approach to retrofit.

Greater Manchester and Cardiff City-Region in Comparison

A narrative for retrofit and low carbon innovations has recently been developed in response of a complex set of pressures and drivers ranging from climate, energy and fuel poverty, in the two city regions. This has resulted in a number of key policy objectives and programmes developed to address urban and regional economic development. From a first reading, responses seem to follow common rhetoric of sustainability and economic growth in both the case study regions. Nevertheless, the research shows that the two different governance

settings coupled with different historical development in the two city regions have generated different responses towards a transition to sustainability in a climate of austerity.

Within Greater Manchester there is an overarching emphasis in the dominant retrofit response to position the city-region as an economic first mover, an attractor of inward investment and a test-bed for national priorities. While the response at a Cardiff city-region scale emphasise social justice and fuel poverty elements of retrofit within a longer-term governance framework oriented to sustainable development. The nuances of the ways in which they do so are set out in the comparative table below.

Table: Comparing Retrofit in Greater Manchester and Cardiff City-Region: Transformation and Market-Making

Understanding retrofit	Greater Manchester	Cardiff city-region
Drivers and Pressures	A means to position the city-region externally to attract investments - 'retrofit markets'	A means to deliver SD - Economic, environmental and social benefits
Governance and cultural context	Emergent metropolitan governance at GM scale: - top down up and less inclusive - limited capacity to act and shaped by national priority - mainly <i>aspirational</i> Grassroots approach: - a range of communities and embedded activities - tackle issues that are specific to the local context - can be piecemeal and isolated	Inclusive governance and partnership - SD organising principle - Governance by government - HAs/ RSLs/ LAs /private sector
Social organisation of responses	Ambitious targets and plan to retrofit at scale Driven by businesses and elite politicians - hierarchy of responses - dominant technological approach - raise funding from private and public sector 'cherry picking' Little coordination between the two styles of governance	Area-based approach: Focus is on vulnerable communities and households - 'targeting the right area first' - 'Worst performing stock' Alignment of interests Establishing links with community groups and existing organisations

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