

## Sustainable Cities – are we there yet?



Have you ever wondered why the Sustainable Cities agenda has yet to make the dramatic progress anticipated five years ago? There was (and is) plenty of noise about decarbonisation, but we have yet to see the seismic shift in behaviour needed to take forward the large scale green infrastructure projects that will provide cleaner, warmer and more energy efficient cities for the people who live in them.

The statistics are stark: almost 75% of the EU population live in urban areas - more than 40% in cities. The Office for National Statistics estimates the UK population will reach 71 million by 2030, rising to 77 million by 2050, with most people living in and around cities. Population spikes in urban areas will also further concentrate levels of electricity consumption and increase pollution levels – further contributing to alarming climate change forecasts, so it is imperative we decarbonise our cities by 2050, if not before.

There are a huge number of projects, using technology available today, which should be underway in our cities – in transport, waste management, water treatment, energy efficiency, district heating, energy storage and smart technology to name some of the more obvious ones. However, progress to date has been slow, despite the enthusiasm articulated in the UK Government's Clean Growth Strategy and the Scottish Government's Energy Strategy and a number of local authorities pledging to achieve 100% clean energy consumption by 2050.

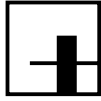
While there is still a long way to go, we have seen progress in some areas. In Scotland, the Scottish Futures Trust's *Street Lighting Toolkit* has encouraged local authorities to replace 43% of the country's 900,000 ageing street lamps with energy efficient LED units.

And the Green Investment Group, formerly the Green Investment Bank plc, has been at the forefront of funding for a number of smart LED street lighting projects across the UK.

Nevertheless, while there are pockets of best practice in a number of cities, there does not appear to be a uniform approach on how projects are scoped, structured, funded and executed. A myriad of smaller capex projects is being undertaken, though frustratingly the vast majority to date have been less than £5 million in value. The larger scale, 'whole of city' projects are few and far between, despite the obvious, demonstrable benefits.

We are missing a trick – anyone can see that the opportunities and benefits could be enormous. Cities can and should be making a huge difference to the UK's energy agenda and the lives of their residents, so why are we not seeing the wave of projects required to aggregate and leverage the effect of these clean energy measures?

For local authorities delivering essential services against the backdrop of straightened budgets, the challenges are significant and are impacting on their procurement, legal and finance teams, and there is often no team or champion in place to drive green infrastructure projects forward. Planning and procurement processes also



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compound matters by being too rigid, which, in turn, impacts upon innovation, imagination and ambition. Politics, of course, also plays a role in the inertia, and any hope of helping cities become truly sustainable will require a shift away from short-term to longer-term solutions.

To date, a large number of city decarbonisation projects have been developed and paid for through grant funding, borrowing from government or from local authority cash reserves, with little private sector investment. Post-Brexit, European grant funding will also cease to be an option, and other public funding will come under pressure (though, in any event, these projects should be delivered on a subsidy-free basis, which is the direction of travel for the renewable energy sector).

There is no single solution, but as a starting point we have some policy certainty – both at Scottish and UK Government level. I believe we now need a UK/Scottish equivalent of President Obama's Presidential Memorandum on Federal Leadership on Energy

Management – a direct public sector mandate to achieve measurable sustainability targets and financial savings by certain dates, backed by accountability. Failure shouldn't be an option.

If we were willing to do this, then we could kick-start the ambition to "go large" in terms of the scale of projects. Scale and aggregation means more interest from developers, investors and funders, and more capital flowing into cities to expand, regenerate and modernise, and create jobs. Larger projects could provide greater flexibility to incorporate innovations in technology, with the potential for synergies from multi-sector, whole-city projects (think local authority, healthcare, justice, transport, waste and water). In seeking a dynamic working relationship with the private sector, which has the expertise, the means and the determination to see these projects through to fruition, we will see a step change.

Overly ambitious? Of course, but the UK is known for rising to the challenge. Most importantly, we owe it to future generations to try.

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