

Launching a Sustainable City Charter for Westminster's businesses

Westminster City Council
Friday 31 March 2023

Summary

The Sustainable City Charter is Westminster's flagship business-led climate action partnership. It's an innovative climate pledge for reducing emissions from non-domestic buildings open to all businesses, public sector, and third sector organisations with property in Westminster. It helps organisations work together to overcome barriers to climate action, and can be easily replicated in other councils.

Councillor Matt Noble, Cabinet Member for Climate Action, Regeneration and Renters at Westminster City Council, said:

"Our city is facing an unparalleled crisis as we reach a critical point in addressing the climate emergency and we have made a commitment to becoming a net zero carbon city by 2040. As part of the council's Fairer Westminster strategy we have created a range of ambitious policies that will improve the environment in Westminster and help us tackle the climate emergency.

"The Sustainable City Charter is an ambitious partnership between the council and businesses committed to leading on this agenda. It aims to provide a voluntary framework for climate and sustainability action to support all businesses across the city to act on climate change and sustainability. By signing up, businesses will be supported by the Charter Partnership and a toolkit of advice and guidance, to make progress towards reducing their contribution to climate change to create a greener, cleaner and fairer city for everyone."

The problem

Westminster City Council declared a climate emergency in 2019 and set a target for the whole city to achieve Net Zero emissions by 2040. Westminster is unusual among councils in that most of our emissions (86%) are produced by the built environment, with only 11% from transport. Over 70% of the emissions come from heating and powering the city's commercial and institutional buildings. Only a small number of these buildings are owned by the council. The rest are owned and occupied by a wide range of public and private organisations, from huge landowning estates to micro businesses.

Some of these organisations are already leading the way in cutting their carbon footprints, while others have not yet started on this journey. We wanted a way to bring together organisations of all sizes to share best practice and work together under a common climate framework. That framework would reflect the 2040 target and the importance of cutting emissions from non-domestic buildings.

The council has few official powers beyond its planning policies to regulate building emissions from third parties. So to be a success, the initiative would need to have the buy-in of influential external stakeholders.

The solution

With leading business partners, we developed the Sustainable City Charter as the proposed solution. The original idea for the charter was first put forward in 2021 by the Zero Emissions Group (ZEG). The ZEG brings together landowners and Business Improvement Districts (BIDs) to tackle challenges related to climate change. It focuses on the prevalence of freight, servicing, and delivery (FSD) vehicles in the city.

The ZEG proposed that the charter would be a set of commitments for owners and occupiers of non-domestic buildings. These commitments would bring together organisations across the city through a shared understanding of what climate-conscious building operation and management looked like. Charter commitments would focus on the city's existing buildings to complement the council's planning policy framework, which mostly focuses on new developments.

The council was very supportive of this ambition. Our 2021 climate emergency action plan included the action to 'develop and implement a Westminster Sustainable City Charter to promote city-wide business commitments to reducing carbon through operational activities and to reporting'.

We recognised the potential scale and scope of the charter were huge. So there was an agreement at the council that we should work with the Westminster Property Association (WPA) to develop the charter into a workable prototype. The WPA is a membership body representing the voices of 250 Westminster organisations with an interest in the property and building sector.

The final Sustainable City Charter contains 8 commitments to action on decarbonisation. It includes themes on collaboration, energy, procurement, construction, deliveries, vehicles, waste, and implementation.

Organisations who sign up to the charter need to:

- agree to these commitments
- submit the total gas and electricity consumption for any Westminster buildings where they are responsible for purchasing the energy
- state whether they used a green tariff for their electricity
- provide data on how much on-site renewable energy they produce
- provide an update on these figures each year

These figures should enable the council to track over time where and whether charter signatories are making progress on reducing their energy emissions in Westminster.

There were several decisions we had to make while creating the charter's commitments. We grappled with how specific to make them and whether any should be tailored to particular organisational sizes, sectors, or tenures. We also discussed whether commitments should focus only on carbon emissions or include wider health and sustainability issues, for example air quality and biodiversity. The council and the WPA considered these questions carefully, in consultation with a wide range of external stakeholders (see timeline section below).

The final version of the charter opted for the same 8 commitments for all signatories. But we worded the commitments to:

- reflect the diversity of organisations that might apply
- allow flexibility for different organisations to meet the commitments of the charter in different ways depending on their circumstances

The merits of this approach were that it:

- set a common framework for all organisations
- made the charter simpler for organisations to sign up to
- avoided replicating existing sector-specific climate accreditations, for example the Green Key scheme for the hospitality sector

Timeline

Throughout 2022, the WPA and the council engaged a range of businesses and commercial landlords on an initial draft of the charter and a set of accompanying FAQs. A technical working group was also formed, made up of key business stakeholders. We regularly consulted this group on the developing documents. It provided views and insights on the charter's governance, application process, and its signatories' accountability.

The high-level timelines for this project were:

November 2021: WPA and the council start to take the lead on the charter's development.

February 2022: Council holds event held to gather interest for a technical working group for the charter's development. The WPA publishes a statement of intent published on its website around the development of the charter.

April 2022: The technical working group for the charter's development has its first meeting and discusses initial drafts of the charter.

May 2022: Change of council administration from Conservative to Labour following the local elections. Labour administration confirms its support for the ongoing development of the charter.

May to June 2022: New versions of the charter drafted as well as an accompanying draft FAQ document and application form.

July 2022: Virtual consultation workshop held on the current charter documents with a wide range of property owners and occupiers.

August to September 2022: Further refinement of the charter documents including formulation of future governance and funding arrangements. Launch date and venue selected. Design work on the charter documents.

October 2022: Promotion of the upcoming launch and preparation of the relevant web pages.

15 November 2022: Official launch of the charter at the Royal College of Nursing, with over 100 business delegates in attendance.

March 2023: 20 charter signatories achieved. The technical working group for the charter is set up (see below). First major charter network event held at the Royal Opera House on 28 March.

5 people on a panel discussion at the launch of the Sustainable City Charter.

A panel session at the launch of the Sustainable City Charter. Credit: Westminster City Council

Future timeline

April to June 2023: Consultation with signatories and other businesses on what tools they would find most helpful to support them to implement the charter. This is ahead of creating an enhanced toolkit for signatories.

June 2023: Steering group for the charter set up (see below).

Stakeholders

The key external partner on this project was the Westminster Property Association (WPA) and its members. Another important partner was the Zero Emissions Group (ZEG), which included all the main BIDs and many of the major landowners in Westminster.

We also engaged organisations via the Westminster Business Council and the council's business newsletter. Internal stakeholders included cabinet members and the director of environment, who was closely involved in the formation and launch of the charter.

Early and regular engagement with all these stakeholders was key to ensuring that we delivered the project and balanced the competing demands of different parties.

Addressing concerns

While many organisations supported the concept of the charter, several were concerned about whether it would:

- place additional administrative or reporting burdens on businesses
- be sufficiently resourced in the long term
- mean signatories would be publicly 'named and shamed' if they did not keep to their commitments

The council and the WPA were careful to listen to each of these concerns and we made several changes to the charter to address them. We streamlined the initial reporting requirements and made clear that organisations' submissions would not be made public without prior consent.

Post-launch collaboration

Following the launch of the charter, we are continuing to work closely with the WPA as we start the implementation phase. We're working together on establishing the governance of the programme, implementing a comprehensive toolkit and membership offer for signatories, and driving further sign-ups (see 'next steps' below).

We are also working with a range of business networks to promote the charter, including BIDs, the Federation of Small Businesses, and the local Chamber of Commerce.

Impact

The project has had a few notable impacts so far.

Signing up organisations across different sectors

As of mid-March 2023, just over 70 organisations have expressed interest in the charter. Of these, 21 have become full signatories. Several of these signatories are major landowners or stakeholders including Landsec, Derwent London, Shaftesbury Theatre, Whitbread (the owner of Premier Inn), Portman Estate, and the Royal Opera House. Overall, the signatories come from the property, cultural, public, hospitality, scientific, and consultancy industries, including numerous SMEs.

Helping businesses overcome barriers

One key benefit of this project is the creation of a collaborative business network. It helps signatories understand common barriers to delivering carbon savings associated with building operations. And it provides tools to overcome them.

The charter has also:

- built closer links between the council's climate programme and signatory organisations
- improved transparency around business action
- provided the opportunity to understand how we can better support SMEs to deliver carbon savings

Encouraging collaboration between landlords and tenants

The charter also encourages closer collaboration on climate between landlords and tenants across Westminster. One of the 8 commitments focuses on cooperation between landlords and tenants, including through the use of green leases and memorandums of understanding.

Improving council data to reduce emissions

There is also a data improvement aspect to the work. Signatories' annual update on their gas and electricity consumption will allow us to calculate their change in energy consumption (and hence emissions) within the borough. Ultimately this should lead to carbon emissions reductions of participating organisations.

Lessons learned

There were 2 important lessons learned from this project.

Finding time and resource to engage businesses

This was a challenging project. It required a lot of time and resource to engage with many different organisations to ensure the charter would attract signatories and benefit organisations. While drafting a charter is simple, creating a product that has the buy-in of a critical mass of organisations is much harder.

It was essential for us to have the partnership and expertise of the WPA on this project. It was able to bring a business perspective to the charter's development that council officers could not. And it had clear routes to engaging its member businesses on the project.

Replicating the charter in other local authorities

This project is very replicable in other local authorities. Many have already created climate action pledges for residents and businesses, even though these may not be as detailed as the Sustainable City Charter.

A project like the charter probably works best in urban local authorities that have a strong business community and business membership bodies – for example BIDs. It may also find more success where the local authority is able to invest a reasonable amount of time and resource in engaging these businesses. There is already interest from some neighbouring inner London boroughs in replicating the scheme within their areas.

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The development and launch phase of the charter was low cost. Here the main costs were officer time, event preparation, consultancy support, and design work for the charter documents and assets.

The upcoming work around fully developing the charter's governance, network, and expanded toolkit is likely to be more financially and resource intensive.

The charter is a business-led initiative. So over time there will be an expectation that signatories play a greater role in putting resource towards its evolution.

Many of the initial development and launch costs were met by organisations that were supportive of the initiative, reducing the overall cost to the council. The WPA funded a consultant to help develop the charter and lead the technical working group (about £10,000). New West End Company and Northbank BIDs both sponsored the venue and catering costs of the launch event in November 2022 (£5,000 each). Design and publicity costs were met through the council's internal climate emergency reserve.

Over the longer term, the council and the WPA will both continue to invest officer resource and funding to support the charter's implementation. Before we launched we had considered charging a membership fee but found this would be difficult to implement in practice. Any additional future funding will need to come from external grants or from charter signatories.

Next steps

Launching the charter was only the first step. Over the course of 2023 the council and the WPA will work to ensure that the scheme is a success. Following the launch, a charter officer working group was formed from the council's climate emergency and economy teams and from the WPA. The group is actively pursuing 3 key workstreams around the charter:

1. Governance

This workstream focuses on setting up a full business-led governance structure for the charter, including 2 key governance groups: a steering group and a technical working group. The steering group will be made up of senior representatives from signatory organisations and will make strategic decisions around the future development of the charter. Meanwhile, the technical working group, made up of experts on key areas related to the charter, will advise the steering group on issues and changes.

2. Support and offer for signatories

This workstream looks to deliver exclusive benefits to charter signatories including events, knowledge sharing, peer-to-peer learning, and participation in pilot projects.

We are also commissioning a supplier to:

- engage with charter signatories on their needs
- create an expanded digital climate action toolkit for signatories
- explore other ways to incentivise organisations to sign up

The toolkit should be a key method of supporting signatories to achieve emissions reductions from their activities.

3. Driving participation

This workstream focuses on actively reaching out through different engagement channels to promote the charter and encourage more organisations to sign up. Wherever possible we'll use existing business contacts and resources.

Alongside the charter, the council is also promoting 2 complementary support schemes to help SMEs get involved in the charter: These are the:

- [Business Energy Savings Scheme](#): a free on-site energy audit and recommendations
- [Climate Essentials for Business](#) pilot: a free 1-year licence for a carbon monitoring platform and 1-to-1 support for businesses

We are sharing information about the charter with other local authorities by presenting at groups such as the Cross River Partnership, Ashden, and other cross-borough partnerships.

Links, contacts, and credits

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