

UKCIP Adaptation Wizard Case study: Midcounties Cooperative

About Midcounties Cooperative

The Midcounties Co-operative is one of the largest independent co-operatives in the UK with gross sales of £748 million. Its heartlands are in Oxfordshire, Gloucestershire, Buckinghamshire, Shropshire, Staffordshire, the West Midlands, Wiltshire and Worcestershire. They also have a trading presence, although to a lesser degree, in the surrounding counties.

Midcounties Co-operative has 7,800 colleagues spread across around 450 sites working in a number of diverse businesses:

- Food Stores, which include convenience stores and supermarkets, News Express and some Post Offices
- Travel
- Pharmacy
- Funeral care
- Child care

Midcounties Co-operative’s mission statement is 'to be a successful consumer co-operative working towards creating a better, fairer world and to enhance the lives of our colleagues, members, customers, and the communities we serve'. In real terms this means it is an ambitious business which sticks closely to its values and principles to ensure that everything it does profits its members and the wider community.

A retail Co-op is different from any other retailer in that it is owned by its customers, who control it and benefit from it. Like all co-operatives, The Midcounties Co-operative supports the principles of the International Co-operative Alliance detailed below:

1. **Voluntary and Open Membership:** Co-operatives are voluntary organisations, open to all persons.
2. **Democratic Member Control:** Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions.
3. **Member Economic Participation:** Members contribute equitably to, and democratically control, the capital of their co-operative.
4. **Autonomy and Independence:** Co-operatives are autonomous, self-help organisations controlled by their members.
5. **Education, Training and Information:** Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.
6. **Co-operation among Co-operatives:** Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
7. **Concern for Community:** Co-operatives work for the sustainable development of their communities through policies approved by their members.

These core values and principles have an important bearing on the organisations attitude to climate risks and its approach to climate adaptation.

This case study summarises the work Midcounties undertook with UKCIP to plan how to adapt to climate change using the methodology outlined in the UKCIP Adaptation Wizard.

STEP 1: Getting started

| Task 1.5: What do I want to achieve by using the Wizard? | |
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| What is our motivation for adapting to climate change? | <p>Midcounties Co-op has high standards of ethical, environmental and social responsibility. It is imperative that the organisation is able to meet these high standards in a future climate and maintain its obligations to its employees, customers, members and wider community. Failure to adapt to climate change could damage its reputation amongst customers, members, NGOs and the media resulting in lost customers and members as well as recruitment and retention issues.</p> <p>Positive incentives for adapting to climate change are to gain an early mover advantage and to improve Midcounties’ chances of winning recognition in the business community. Helping the business to adapt to climate risks could also be linked to individuals’ performance reviews, providing career development opportunities for employees.</p> |

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| What is the problem we need to address? | Midcounties is a complex business with multiple interests business areas (as indicated above). Many of these business areas might be exposed to climate change impacts both in the UK and abroad. Midcounties needs to assess the level of exposure it faces and plan to adapt. |
| What do we want to achieve? | <p>Specific outcomes that the business would like to achieve through this exercise are:</p> <ul style="list-style-type: none"> • To ensure the business can continue to operate as a business in a future climate, and can cope with the logistical, operational and other consequences of climate change. • To ensure the business provides clear information and guidance to staff, members and customers on how climate change is going to affect them and the business, and to help them to make informed decisions on climate change. • To ensure that the business considers and addresses the mitigation and energy issues associated with adaptation options, and seeks win-win adaptation options that also satisfy carbon and energy reduction objectives. • To identify and place the costs of adapting to climate change in the context of the overall savings that could be gained from being better adapted. • To generate a prioritised list of climate risks over a range of time scales. • To enhance the business's reputation as a forward-thinking, socially and environmentally responsible organisation. • To identify risks to properties and ensure that opportunities for incorporating appropriate climate adaptations into ongoing maintenance programmes and refitting strategies are implemented. • To ensure the Green Properties Checklist includes consideration of climate risks. • To ensure the Greening Together initiative takes account of climate risks. |
| What are the criteria against which we will judge a successful outcome? | Specific success criteria have yet to be determined, but a successful outcome will be achieved if the above objectives can be met. |
| Who needs to be involved? | <p>This project was initiated by the Energy and Environment Officer in Midcounties cooperative. Environmental colleagues from all business areas (ie childcare, travel, food retail, funerals, and pharmacies) as well as a representative of the Membership team were asked to participate in the project. Executive and Board level colleagues also participated in this project.</p> <p>These individuals were chosen for several reasons:</p> <ol style="list-style-type: none"> (1) They represent all business areas, and so should be able to provide a comprehensive overview of the business's exposure to climate risks (2) Responding to climate change is within their remit, so it was hoped that they would be able to dedicate resources (time) to undertaking this assessment. (3) They are the individuals who will ultimately be responsible for implementing any directives that come from this work so it is important that they are involved from the outset. (4) They are an established group who meet regularly, so there is a good opportunity to tie this work into their existing work programme. |
| What is the lifetime of my decision? | <p>Two timeframes were identified for the risk assessment:</p> <ul style="list-style-type: none"> • the short term (next 5-10 years), as this is the time period over which Midcounties would expect to see a return for investment in buildings; and • the 2040s as Midcounties would expect returns on major investments, such as renewable energy and new buildings, over |

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| | the next 20-30 years. |
| <p>Task 1.10: What difficulties might I face and how could they be overcome?</p> <p>a) Identify potential barriers b) How they might be overcome? c) How are changes made in your organisation?</p> | <p>It was recognised at the outset that it would be difficult to secure much time from individuals to attend meetings. An alternative approach was therefore adopted to allow more work to be completed independently of meetings, coordinated by a lead individual in Midcounties.</p> <p>This approach allowed more colleagues to engage in the process, and yielded rich information, but it probably took a little longer than originally envisaged. Initial discussions were held in February 2009. The first workshop was run in April 2009. Work progressed quickly initially with good buy in and participation from colleagues, but almost a year passed before the second workshop was held (in March 2010). The prime reason for the delay included competing work commitments and priorities. Progress quickened when the staff capacity of the lead team increased.</p> |

STEP 2: Am I vulnerable to the current climate?

| <p>Task 2.1: Why should I worry about the climate?</p> <p>Set the context for your work on climate adaptation and the Wizard. Describe how weather and climate affects you, and what is it about your particular organisation that makes climate change a concern to you.</p> | <p>Like other retailers, Midcounties Cooperative is sensitive to weather variability. It expects this pattern to persist in the future, and is motivated to reduce its sensitivity by adapting to future change.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <p>Task 2.2: How have previous weather events affected my organisation?</p> <p>Demonstrate how your organisation has been affected by recent weather events by completing Table 2.2.</p> | <p>Representatives from all business areas were asked to complete Table 2.2 of the UKCIP Adaptation Wizard, which is a template for recording an organisation's experience of past weather events. Completed tables were compiled by UKCIP. A summary of the number of impacts reported for each type of weather event, and the number of people that experienced each type of event, is provided in the Table below.</p> <table border="1"> <thead> <tr> <th>Climate event</th> <th>No. impacts reported</th> <th>No. responses</th> </tr> </thead> <tbody> <tr> <td>Extreme rainfall and flooding</td> <td>12</td> <td>7</td> </tr> <tr> <td>Snow and ice</td> <td>9</td> <td>7</td> </tr> <tr> <td>High summer temperatures</td> <td>8</td> <td>7</td> </tr> <tr> <td>High winds</td> <td>2</td> <td>2</td> </tr> <tr> <td>Drought</td> <td>1</td> <td>1</td> </tr> <tr> <td>Low summer temperatures</td> <td>1</td> <td>1</td> </tr> <tr> <td>Low winter temperatures</td> <td>1</td> <td>1</td> </tr> <tr> <td>More sunshine</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p>Several observations can be made on the information captured.</p> <ul style="list-style-type: none"> • Business consequences of variable weather ranged from damage to property and materials, through power failures, travel disruption affecting staff, deliveries and customers and cancellation of Community events, to actions taken to support vulnerable groups adversely affected by severe weather. • Several actions have already been taken in response to these impacts. The flooding event, for example, triggered a risk assessment and contingency planning exercise. Gaps remain though and a more strategic assessment of climate risks is required. The rapid response to past events suggests the business has a fairly high degree of adaptive capacity. • A number of adaptations were suggested at this early stage with a preference for low energy/carbon options clearly stated. | Climate event | No. impacts reported | No. responses | Extreme rainfall and flooding | 12 | 7 | Snow and ice | 9 | 7 | High summer temperatures | 8 | 7 | High winds | 2 | 2 | Drought | 1 | 1 | Low summer temperatures | 1 | 1 | Low winter temperatures | 1 | 1 | More sunshine | 1 | 1 |
| Climate event | No. impacts reported | No. responses | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Extreme rainfall and flooding | 12 | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Drought | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Low summer temperatures | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Low winter temperatures | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| More sunshine | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| <p>Task 2.3: What is my attitude to risk? State your risk attitude.</p> | <p>The Coop values its reputation as an environmentally and socially responsible company extremely highly. It is crucial that its high environmental and ethical credentials are maintained, and that it can demonstrate it is being proactive about adapting to climate change to ensure it can continue to function to its expected high standard into the future.</p> |
| <p>Task 2.4: What are the critical thresholds for my situation? Include in Table 2.2.</p> | <p>Specific thresholds were not identified, but hot summer weather and winter flooding were considered to be the two climate variables that presented most challenges to the business.</p> |
| <p>Task 2.5: How confident am I in this assessment? Include in Table 2.2</p> | <p>All the events described in this step were significant events that were fresh in people's memories so experience of the consequences of each event was easily captured. The process of completing the tables also served as a useful <i>aide de memoire</i>. The quality of entries was thus considered to be reliable.</p> |

STEP 3: How will I be affected by climate change?

| <p>Task 3.1: How is the UK's climate expected to change? The UKCP09 headline messages were used in this assessment.</p> | <p>Headline messages from the UKCP09 climate change projections were used to inform this assessment. The following changes are expected across Midcounties' core trading area, for the 2040s, and under the Medium emissions scenario. The central estimate (50% probably level) is presented here:</p> <ul style="list-style-type: none"> • average summer temperatures to increase by 2-3°C • average maximum summer temperatures to increase by 3-4°C • average winter precipitation to increase by 10-20% • average summer precipitation to decrease by 10-20% | | | | | | | | |
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| <p>Task 3.2: What are the key climate impacts on my area of responsibility? Identify specific impacts, or climate risks, to your organisation by completing Table 3.2</p> | <p>The group used UKCIP's Business Areas Climate Impacts Assessment Tool (BACLIAT) to scope the potential negative (threats) and positive (opportunities) impacts of climate change to selected areas of Midcounties's business. Three of the six business areas in the tool were considered (premises, people and logistics). Participants then completed the outstanding areas (markets, finance, processes) independently and submitted completed tables to the lead individual.</p> <p>Examples of potential threats and opportunities are provided below.</p> | | | | | | | | |
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| <p>Task 3.3: Are there indirect climate impacts that I need to consider? Complete in Table 3.2</p> | <p>Indirect impacts might arise from effects of climate change on Fair Trade suppliers in developing countries. These have not been noted but not addressed directly in this assessment.</p> | | | | | | | | |
| <p>Task 3.4: What risks do these climate impacts present to me? Complete in Table 3.2</p> | <p>The risk of each climate impact was assessed at a second half day workshop. Most of those present at the first workshop participated in the risk assessment workshop. As per 1.5(e), two time scales were identified for the assessment:</p> <ul style="list-style-type: none"> • the current climate (up to 5 years) e.g. for decisions relating to contracts/ office management. • the 2040s climate e.g. for decisions relating to investment in | | | | | | | | |

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| | <p>new buildings and renewable energy</p> <p>A High, Medium, Low risk rating was chosen, as is the convention in Midcounties. For each impact, a score was given for the “likelihood of the impact occurring” and “the magnitude of the impact should it occur”, for each of the timescales involved. The two scores multiplied together produced a risk rating for each impact.</p> <p>A useful discussion was held as to whether or not the rating for a particular risk should assume that some adaptation to potential impacts will take place. It was argued that if adaptation to each risk was assumed to take place, then there was a danger that all risks will be “adapted away”. However, it was also unrealistic to assume that no adaptation to increased risks would take place – and to do so would over-inflate the significance of climate risks.</p> <p>It was agreed that incremental adaptation to climate risks should be assumed, but that all assumptions should be carefully recorded in the risk matrix so that the logic behind the risk rating would be transparent.</p> <p>A total of 30 risks and 5 opportunities were rated and ranked.</p> |
| <p>Task 3.5: Will climate risks be more or less important than other non-climate risks that I face? List, or rank, the non-climate risks affecting your activity</p> | To be completed |
| <p>Task 3.6: What are my priority risks that require an adaptation response?</p> | <p>Priority climate risks that require an adaptation response were identified as follows:</p> <ul style="list-style-type: none"> • extreme weather could cause members events to be cancelled more frequently • extreme weather could cause local communities, staff and members to suffer damage to personal property from adverse weather • high summer temperatures could result in thermal discomfort and difficult working conditions in those buildings poorly adapted to cope with heat • winter flooding could affect distribution and supply chain • increased seasonality of precipitation could make sourcing of local goods more difficult. |
| <p>Task 3.7: How confident am I in this assessment?</p> | As a high level assessment, participants were confident that key risks had been captured and appropriately ranked. Further information is needed to assess the risk of a few further threats and opportunities. |

STEP 4: What should I do?

Several distinct activities may now be identified.

1. A number of possible adaptations have been identified while working through steps 2 and 3 of the process outlined in the UKCIP Adaptation Wizard. These have been captured in a separate spreadsheet and provide a starting point for a more formal adaptation options identification process. These potential adaptation options need to be mapped onto the risk assessment matrix.
2. Midcounties representatives will identify individuals in the business who would be best placed to progress responses to the climate risks identified in this assessment.
3. Outputs from the work to date will be shared internally, and used to secure any additional resources from Senior Management that may be required to implement climate change adaptations.
4. An Adaptation Options workshop will be held, facilitated by UKCIP, to identify potential adaptations.
5. Midcounties will explore opportunities to publish outputs from this work in appropriate internal magazines once further progress has been made.