

LEARNING

CONTACT

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Decarbonising the city is funded by DECC's Local Carbon Framework and NWIEP



LEARNING

Greater Manchester is acclaimed for its strategic partnership working and joint Greater Manchester Strategy that is driving the rapid transformation to a low carbon economy.

Through working in small teams to identify, assess and develop low carbon investment projects, individuals have learned new skills outside their traditional arena.

Key learning points include:

Communication and partnership working are essential
It's important to trust each other to facilitate the sharing of information

It was alright to 'not know much about this' at the start within our respective professions

Low carbon investment is a relatively new discipline and that no-one knows everything

We need to move from thinking 'grant' to thinking 'investment'

We have developed a basic understanding of financial models and new concepts such as Pay as You Save.

There are barriers to low carbon investment and attempted solutions

Private sector investors need to be engaged in our schemes

We need to raise the bar on low carbon investment

We have acquired knowledge from the Energy and Environmental Infrastructure Advisory team at Ernst & Young who supported the projects

The projects we tested our skills on were the Greater Manchester Domestic Retrofit; St. Mary's Biomass Project, Oldham; and Greater Manchester Electric Vehicles.

The North West Improvement and Efficiency Partnership (NWIEP) supports innovation and the sharing of best practice between councils. DECC's Local Carbon Framework (LCF) pilot put in place a partnership of nine authorities across the UK to work on addressing common local government issues and priorities. Funding provided by NWIEP and LCF has assisted Greater Manchester in developing its approach to delivering a low carbon economy.

INDIVIDUAL ACTION LEARNERS

Planning Officer – Local Development Framework (LDF)

“My main task was to liaise with Greater Manchester Authorities and the AGMA Environment Commission to identify low carbon projects that could be considered under the NWIEP umbrella and RGF bid. This involved identifying the details of low carbon projects underway such as an outline of what was planned, timescales for delivery/phasing, carbon savings, payback period, funding streams, deliverability etc. This raised my awareness of the details required in taking forward and implementing studies and projects. It developed my understanding of the different projects underway across Greater Manchester. It also developed my understanding of the process of submitting a bid in terms of the application details and the role of key officers involved.”

New skills acquired

Developed partnership working skills through liaising with Greater Manchester authorities and the Environment Commission to identify low carbon projects underway.

Demonstrated and developed adaptability skills through working on a specific project, in addition to LDF work.

Gained some understanding of financial modelling/using finance models

Gained understanding and skills in researching information required to feed into the NWIEP work/RGF bid, i.e. carbon savings, project costs, payback, funding, other supporting mechanisms, details on feasibility, timescale etc

Low Carbon Investment Lead – Greater Manchester Environment Commission

“My role was to co-ordinate and drive projects forward for investment, starting with a list of undeveloped projects and making these more deliverable. My background was in traditional investment and economic development and I have learnt to adapt those skills to take on low carbon projects in the energy field. I have also learnt valuable lessons through developing Regional Growth Fund bids on what changes need to be made to the policy framework to enable low carbon investment to create jobs and have identified the skill-sets required to take this forward.”

New skills acquired:

How to apply low carbon investment models.

Ability to feedback to government future needs of low carbon investors

INVESTMENT APPRAISAL PILOT

Department Of Energy And Climate Change

Local Carbon Frameworks

Greater Manchester Investment Appraisal Pilot

The Government initiated a pilot programme with nine local authority areas to co-design a series of Local Carbon Frameworks to identify what works at each spatial level, and develop templates for action on carbon for all local authorities.

The purpose of the programme is to mainstream measures to combat climate change into the core business of local authorities (at the business, commercial and neighbourhood level); optimise the local authority contribution to the national carbon budget; and secure local carbon accountability in line with the Coalition's localism agenda.

Greater Manchester Environment Commission is a public-private sector partnership overseeing environmental policy in Greater Manchester. It has steered its agenda towards investment over the course of the Local Carbon Framework pilot and low carbon investment projects now have tangible expression and high level backing. Outcomes from the pilot include:

A co-ordinated list of low carbon projects from across Greater Manchester was created – joining up information from planners and investment that had previously been held separately.

A cohesive phased low carbon investment portfolio was developed and successfully presented to a number of potential investors, including corporate banks and private sector investors at investment events in London.

The housing retrofit and heat networks projects were tested against Regional Growth Fund criteria to identify how jobs could be created and how the criteria would apply to low carbon economic growth.

Financial Models were developed with Ernst & Young for social housing retrofit and heat network investment and shared with all ten Greater Manchester Councils for their ongoing use. These models enable Internal Rates of Return on investment to be calculated and could serve as a training tool for finance managers.

Working with Forum for the Future we undertook a sustainability assessment of our low carbon investment projects and retained the methodology for future use, building it into our Single Assessment Framework for the Greater Manchester investment pipeline.

We joined European partners in a bid for Regions4Green-Growth – we now have a much better understanding of where external funding would benefit investment delivery most.

We have moved from a list of projects to a number of delivery options for low carbon investment, in particular around possible collaborative procurement of heat networks, public sector estate and in particular housing retrofit.

Overall we have gained a greater understanding of how to create jobs from low carbon investment and what skills are needed.

The work carried out around social housing retrofit was particularly strong and, as a result, Greater Manchester is now a 'Social Housing Green Deal Trailblazer' that will test out the Pay As You Save (PAYS) model at scale. Alongside this, Registered Social Landlords are now working with AGMA to deliver volume photovoltaic installations utilising the Feed-in Tariff. A bid for Regional Growth Fund 2 is under consideration based on the scale of the market and supply chain opportunity for domestic retrofit.

NEXT STEPS

Our learning will not stop here – we have identified future actions that are needed to build on the achievements made:

Embed financial modelling skills within local authority finance teams to enable specific applications to individual projects, for example energy projects such as heat and wind.

Disseminate our experience and communication both within Greater Manchester and externally, including across Europe.

Apply the learning to other sectors, for example bringing forward public sector estate procurement and the realisation of the ambitious Corridor programme.

Join up procurement and legal structures across Greater Manchester to facilitate procurement of collaborative projects whilst minimising the transaction costs.

Explore delivery options, including the establishment of one or more energy supply company or other delivery structures that fit into Greater Manchester's overall Investment Framework (Evergreen/Jessica).