



Environment and Climate Change Scrutiny Committee

Date: Thursday, 10 February 2022

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

This is a **Revised Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published.

Access to the Public Gallery

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Filming and broadcast of the meeting

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Membership of the Environment and Climate Change Scrutiny Committee

Councillors - Chohan, Flanagan, Foley, Hassan, Holt, Hughes, Igbon (Chair), Jeavons, Lynch, Lyons, Razaq, Sheikh, Shilton Godwin and Wright

Revised Supplementary Agenda

5. **Neighbourhood Directorate Budget 2022/23** 3 - 30
Report of the Strategic Director (Neighbourhoods)

Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council is forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25. This report sets out the high-level position.

This revised report replaces the report that was issued on 3 February 2022.

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Friday 4 February 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension , Manchester M60 2LA

**Manchester City Council
Report for Resolution**

Report to: Environment and Climate Change Scrutiny Committee –10
February 2022
Executive – 16 February 2022

Subject: Neighborhood Directorate Budget 2022/23

Report of: Strategic Director (Neighbourhoods)

Summary

Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council is forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25. This report sets out the high-level position.

The finance settlement was towards the positive end of forecasts and no actions beyond those outlined in November are required to balance next year's budget. As reported to November Scrutiny meeting officers identified savings and mitigations totalling c£7.7m which are subject to approval.

The settlement was for one year only and considerable uncertainty remains from 2023/24. A longer-term strategy to close the budget gap is being prepared with an estimated requirement to find budget cuts and savings in the region of £60m over the next three years. In addition, £30m of risk-based reserves have been identified as available to manage risk and timing differences.

Appended are the priorities for the services in the remit of this committee, details on the initial revenue budget changes proposed by officers and the planned capital programme.

Recommendations

The Scrutiny committee is recommended to:

1. Note the forecast medium term revenue budget position.
2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

The Executive is recommended to approve these budget proposals.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing the leadership and focus for the sustainable growth and transformation of the City's neighborhoods and highways
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Ensuring residents are connected to education and employment opportunities across the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.
A livable and low carbon city: a destination of choice to live, visit, work	Creating places where people want to live with good quality housing of different tenures and effective use of the highways network; clean, green, safe, healthy, and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring residents, neighbourhoods, businesses, and goods connect to local, national, and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure.

Full details are in the body of the report, along with implications for:

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences Revenue

The changes included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2022/23 budget preparation.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

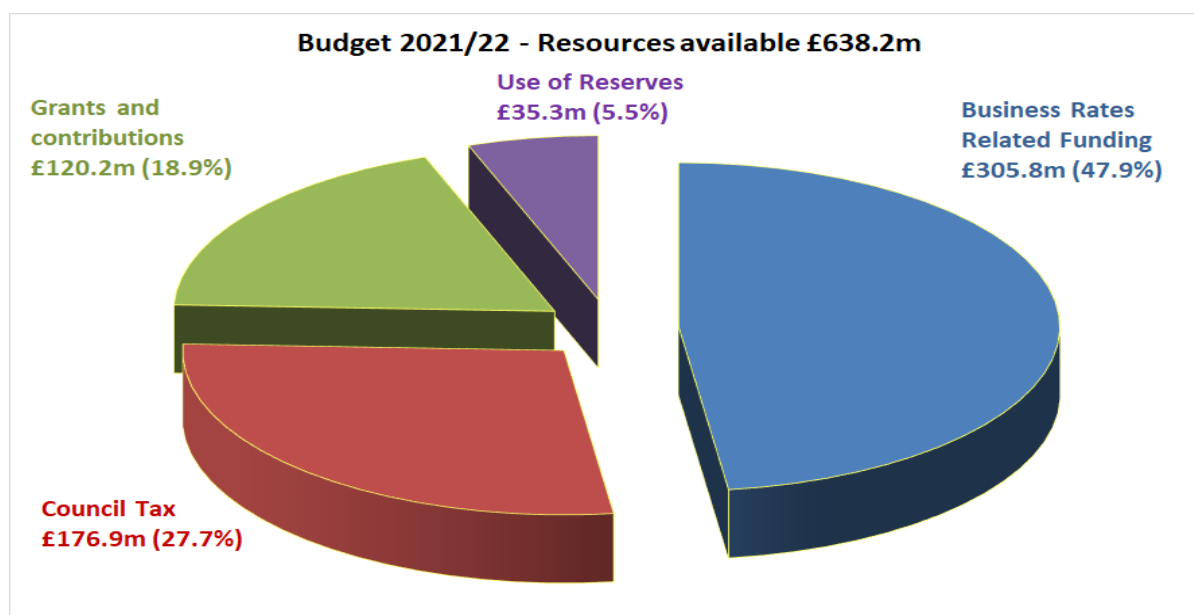
Neighbourhoods Directorate Budget Report 2021/22 – Executive 17th February 2021

Neighbourhoods Directorate Budget 2022/23 – Environment and Climate Change Scrutiny Committee 11th November 2021

[Executive – 17 January 2022 Subject: Provisional local government finance settlement 2022/23 and budget assumptions](#)

1. **Introduction and Context**

- 1.1. On 27 October 2021, the Chancellor of the Exchequer, Rishi Sunak MP, delivered the Spending Review and Autumn budget 2021 to the House of Commons. The Spending Review sets the quantum of funding available for local government for the next three years, whilst the Finance Settlement, which followed on 16 December 2021, sets out the distribution to individual local authorities.
- 1.2. The finance settlement has been front loaded and includes a number of one-off distributions of funding. It also only set the funding allocations for one-year. Therefore, considerable uncertainty remains in relation to the position after 2022/23.
- 1.3. The Local government funding reform work will be restarted in the Spring. This means that the Fair Funding Review and baseline reset are both going to be under consideration again, for implementation in 2023/24. This will impact on how funding between different local authorities is distributed.
- 1.4. The final budget position for 2022/23 and beyond will be confirmed at February Executive. This will be after the key decisions confirming the Collection Fund position and Council Tax and Business Rates tax bases have been set and the Final Finance Settlement is confirmed. As in previous years, it is unlikely that there will be any significant changes to the Provisional Settlement.
- 1.5. The Council's 2021/22 net revenue budget is currently funded from four main sources which are Council Tax, Business Rates, government grants and contributions and the use of reserves. In recent years as central government funding has reduced and business rates retention has been introduced the ability to grow and maintain the resources raised locally has become even more important for financial sustainability and is integral to the Council's financial planning.
- 1.6. The following chart shows the current breakdown of resources available.



2. Current budget position

- 2.1. The indicative medium-term position is shown in the table below, full details are provided in the settlement and budget report to 17 January Executive meeting.

	Revised 2021 / 22 £'000	2022 / 23 £'000	2023 / 24 £'000	2024 / 25 £'000
Resources Available				
Business Rates Related Funding	156,416	338,092	322,337	340,330
Council Tax	176,857	208,965	206,620	217,197
Grants and other External Funding	120,243	104,533	87,374	85,374
Use of Reserves	184,667	36,781	30,592	15,573
Total Resources Available	638,183	688,371	646,923	658,474
Resources Required				
Corporate Costs	120,232	133,058	110,211	114,849
Directorate Costs	517,951	555,313	573,494	601,172
Total Resources Required	638,183	688,371	683,705	716,021
Shortfall / (surplus)	0	0	36,782	57,547

- 2.2. The budget assumptions that underpin 2022/23 to 2024/25 include the commitments made as part of the 2021/22 budget process to fund ongoing demand pressures as well as provision to meet other known pressures such as inflation and any pay awards (estimated at 3% from 2022/23). Whilst this contributes to the scale of the budget gap it is important that a realistic budget is budget set which reflects ongoing cost and demand pressures.
- 2.3. Officers have identified options to balance the budget in 2022/23 which are subject to approval. The detail relevant to this scrutiny remit is included in

Appendix 2. If these proposals are supported a balanced budget will be achieved. In addition, £30m of risk-based reserves have been identified as available to manage risk and timing differences in the funding arrangements.

3. Scrutiny of the draft budget proposals and budget reports

- 3.1. The reports have been tailored to the remit of each scrutiny as shown in the table below. This Committee is invited to consider the proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2022.

Date	Meeting	Services Included
8 February 2022	Resources and Governance Scrutiny Committee	Chief Executives Corporate Services Revenue and Benefits / Customer and Welfare Support Business Units
8 February 2022	Communities and Equalities Scrutiny Committee	Sport, Leisure, Events Libraries Galleries and Culture Compliance and Community Safety Housing Operations including Homelessness Neighbourhood working
9 February 2022	Health Scrutiny Committee	Adult Social Care and Population Health
9 February 2022	Children and Young People Scrutiny Committee	Children and Education Services Youth and Play
10 February 2022	Environment and Climate Change Scrutiny Committee	Waste and Recycling Parks Grounds maintenance
10 February 2022	Economy Scrutiny Committee	City Centre Regeneration Strategic Development Housing and residential growth Planning, Building Control, and licensing Investment Estate Work and skills Highways

4. Next Steps

- 4.1. The proposed next steps are as follows:

- February Scrutiny Committees (8-10 February) and Executive (16 February) receive proposed budget
- Resources and Governance Budget Scrutiny – 28 February
- March Council - approval of 2022/23 budget - 4 March
- New Municipal Year – early options around 2023/24 & 2024/25 discussed with members

5. Conclusion

- 5.1. Overall, the settlement announcements were towards the positive end of expectations. It is expected that mitigations in the region of £7.7m, as previously identified, will be sufficient to balance the 2022/23 budget.
- 5.2. Officers have estimated the future resources available based on the information available. This results in forecast gap of £37m in 2023/24 increasing to £58m in 2024/25.
- 5.3. The focus will now be on identifying savings and mitigations to keep the council on a sustainable financial footing. It is proposed that budget cuts and savings of £60m over three years are developed for member consideration. £60m equates to just under 12% of 2022/23 directorate budgets. In addition, £30m of risk-based reserves have been identified as available to manage risk and timing differences.

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Appendix 1 – Headline Priorities for the Service

Neighbourhood Services is the City Council's largest directorate with c1,800 staff and includes a wide range of services, all working to improve the lives of Manchester residents and showcase the city to our millions of visitors every year. Our services work directly with the people of Manchester and together we want to make Manchester a better place to live, work and play.

We have committed, via the Our Manchester Strategy, to creating sustainable, safe, resilient, and cohesive neighbourhoods, with more affordable housing, good quality green spaces, and accessible culture and sporting facilities. We will work with colleagues and partners to achieve our zero-carbon ambition by 2038 at the latest, via green growth, low- carbon energy, retrofitting buildings, green infrastructure, and increasing climate resilience.

The services under the remit of the Environment and Climate change scrutiny committee are as follows: -

Commercial & Operations

Operational Services

Waste Recycling & Street Cleansing – work with the collections provider to improve street cleansing standards across the city and reduce bin collection issues, Work with Neighbourhood Teams, Neighbourhood Compliance Teams, and other services to develop, coordinate, and monitor a range of programmes and activities to encourage residents and businesses to manage their waste legitimately.

Grounds Maintenance - work across the city, tending to parks, roadsides and green spaces.

Priorities

- Improving the quality of services provided by the waste contractor in relation to passageway collections and cleansing, litter bins, abandoned bins and wheeled bin returns.
- Developing differential approaches to waste management within the city to better respond to local demands.
- Implementing proposals from the English Waste and Resources Strategy expected in 2022.
- Further integration of operational services to support the development of biodiversity measures, reduce fault lines between services and support the continuous reduction in the use of pesticides / herbicides.
- Review of depots and operational requirements in conjunction with development proposals and property issues.

Parks

As part of our vision for Manchester to be in the topflight of world-class cities by 2025, our Parks team ensure that residents and visitors can regularly enjoy relaxation and sports in green, open spaces, parks, and riversides - rich in wildlife. This contributes to helping residents lead healthy, active lifestyles and bringing people together to enjoy their leisure time across the city.

Priorities:

- Ensure that Parks are the heart of all neighbourhoods
- Look after them and run them to good standards
- Make parks vibrant parts of vibrant communities
- Partner-up in new, fruitful ways with organisations and communities who care to deliver improvements, investment, and savings.
- In response to COVID-19 - ensure parks remain safe and accessible; and manage supply chains shortages particularly shortages of security staff, trained stewards, delivery drivers, event infrastructure, plastics etc. In order to minimise impacting on events and activity.

Appendix 2 - Neighbourhoods Revenue Budget Strategy

The Neighbourhood Directorate has a gross budget of c£187.9m and a net budget of c£92.8m, with 1,763 budgeted FTE's. This is net of the £6.683m savings that were approved as part of the 2021/22 budget process.

The remit of this scrutiny committee oversees a gross budget of £61.633m, and a net budget of £55.76m, the breakdown of which is provided in the table below. The majority of the budget is spent on the contractual arrangements with BIFFA for waste collection and the GMCA for Waste Disposal via the waste levy.

Table 1 Budget withing the Remit of the Environment and Climate Change Scrutiny Committee

	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	£'000
Waste and Street Cleaning	24,655	21,197	13
Waste Disposal Levy	28,731	28,731	0
Grounds Maintenance	4,639	3,841	101
Parks and Green Spaces	3,608	1,991	62
Grand Total	61,633	55,760	176

Changes to the 2022/23 Budget

The impact of the proposed changes below would result in a net budget for 2022/23 of £57.735m as detailed below:

Table 2 – Budget Changes

Service Area	Cash Limit	2021/22 Savings	Growth / Other Adj	New Savings proposed 22/23	New Growth 22/23	New pressures identified 22/23	Cash Limit
	2021/22 £000	2022/23 £000	2022/23 £000	2022/23 £000	2022/23 £000	2022/23 £000	2022/23 £000
Waste and Street Cleaning	21,197	0	150	(7)	700	4	22,044
Waste Disposal Levy	28,731	0	1,225	0	0	0	29,956
Grounds Maintenance	3,841	0	0	0	0	15	3,856
Parks and Green Spaces	1,991	(100)	0	(24)	0	12	1,879
	55,760	(100)	1,375	(31)	700	31	57,735

Changes to the 2022/23 Budget

Approved 2022/23 Savings.

Members will recall that the 2021/22 approved City Council budget identified over £48m savings over the three years 2021/22 - 2023/24. Of these savings a total of £427k related to services under the remit of this scrutiny committee. There were an initial £127k savings profiled for 2021/22 and these are all on track to be achieved. A further £100k savings are profiled for the next three years 2022/23 - 2024/25 and details are set out below: -

- Parks **£100k** to be achieved through increased income following ongoing investment to improve parks assets and increase commercial opportunities.

Proposed changes to 2022/23 Budget

Inflationary Pressures

Waste Levy

The waste disposal levy is paid over to Greater Manchester Combined Authority (GMCA) and this contributes towards their costs of funding Greater Manchester Waste Disposal Authority (GMWDA). Based on figures provided by GMCA the 2021/22 levy costs are to increase by £1.225m, due to changes in costs, recycling rates and market prices for recyclates. The budget has been uplifted to reflect the increased costs.

National Insurance Increase

Budgets have been updated to reflect the employers National Insurance increase of 1.25% (£31k) to fund the 'social care levy'.

New Growth/Investment

The report to January Executive set out that the funding announced for 2022/23 makes available £12m to fund additional pressures and emerging risks and that, in line with the agreed approach, "this is used across a three-year period, for example at £4m a year.

Full details of suggested priorities for funding will be presented to the Executive in February 2022. This could include priorities such as anti-poverty measures, waste and street cleaning." There was also a commitment to ensure the capacity is in place to support the delivery of the Council's Zero Carbon Action Plan and for the citywide work required, linked to the work of the Manchester Climate Change Partnership. It is proposed that £0.7m is made available to support a range of additional measures to ensure the city remains a clean and attractive place to live and work are being developed including council owned land not covered by the waste collection contract, as well as additional capacity to improve the cleanliness of district centres and streets.

Additional revenue investment of £0.8m is proposed to provide new capacity to develop a funded programme for housing investment and retrofit, a city-wide energy and infrastructure plan, embed awareness and behaviour change across the council and to maximise the benefits from the 10% procurement weighting for low carbon measures is included. This will include a small amount of funding is to support activities in wards and with schools.

Increased Vacancy Provision

A review of staff budgeting and vacancy factors to reflect the fact that many employees are not at the top of the grade and the current levels of turnover would generate budget savings of £31k. This is part of the Council wide initiative to save £2m from staffing budgets by more accurately reflecting the natural vacancy rate and budgeting at actual grade, rather than at the top of the grade.

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Appendix 3 – Capital budget and pipeline priorities

The current approved capital programme, as at period 9 in 2021/22, is shown below alongside the funding to be used. Details on potential future investment opportunities are also shown, but these remain subject to approval.

Recognising the role that capital investment can take in driving reductions in carbon emissions, the Executive agreed in February to adopt the Manchester Low Carbon Build Standard for future capital projects. The business case for any capital project is also required to include carbon reduction methods for both the project progression stage, for example during building works, and the ongoing lifecycle once completed. The Carbon Reduction Programme, augmented by the Public Sector Decarbonisation, is investing in energy-efficient measures across the Council's estate, including solar panels, heat pumps, and battery installations. Alongside this, the Civic Quarter Heat Network is now operational, reducing the City's CO2 emissions and improving air quality in the city centre by reducing emissions of oxides of nitrogen.

This approach is being embedded across the programme, with schemes such as the refurbishment of the National Cycling Centre including proposals to replace the existing plant within the building with green technology to reduce emissions and remove gas as an energy source. The This City project, building a new supply of accessible and market homes, has sought to include providing sustainable homes at the core of the design principles for the project.

Similarly, the Strategic Regeneration Framework for Victoria North has established low-carbon principles for the regeneration of the area, with the plans for the area including provision of good quality active travel, and work is ongoing to seek to ensure that proposals for development are Fabric First and thermal efficient, alongside other measures such as heat pumps and solar panels. Further to this, active travel schemes are being created across the highway and footway network to promote walking and cycling. The electrification of the waste fleet has also begun, with electric charging points being installed at the Hammerstone Road depot.

Approved Capital Programme

Service Area	2021/2 2	2022/2 3	2023/2 4	2024/2 5	Total
	£'000	£'000	£'000	£'000	£'000
Waste - Electric Refuse Vehicles	9,185	-	-	-	9,185
Waste - Other	775	350	-	-	1,125
Carbon Reduction Programme	2,662	7,201	6,801	5,000	21,664
Public Sector Decarbonisation Programme	17,602	-	-	-	17,602
Parks Development Programme	1,082	3,574	4,685	903	10,244

Parks - Other	939	839	-	-	1,778
Total	32,245	11,964	11,486	5,903	61,598

Funding of Approved Capital Programme

Service Area	2021/2 2	2022/2 3	2023/2 4	2024/2 5	Total
	£'000	£'000	£'000	£'000	£'000
Grant	17,602	-	-	-	17,602
External contributions	648	-	-	-	648
Revenue Contribution to Capital	-	-	-	-	-
Capital Receipts	-	-	-	-	-
Borrowing	13,995	11,964	11,486	5,903	43,348
Total	32,245	11,964	11,486	5,903	61,598

Future Investment Priorities

The following projects are potential future investment opportunities, which may be brought forward in the future:

- The Council is exploring the possibility of investing in a solar farm to reduce the carbon emissions linked to energy use, either directly or through a purchase power agreement.
- Capital investment to support carbon reduction measures on the Council's corporate estate remains a significant priority.

Appendix 4 – Climate Change Priorities and Investment

In November 2018 Manchester City Council committed to achieving Zero Carbon by 2038 at the latest and was one of the first cities to develop a COP21 Paris compliant science-based carbon budget. The work with the Tyndall Centre for Climate Change Research at the University of Manchester set a carbon budget of 15 million tonnes CO₂ between 2018-2100. Achieving this requires rapid decarbonisation in the short term and means the city needs to become zero carbon by 2038 at the latest. Manchester City Council declared a Climate Emergency in July 2019 and have also put green recovery at the heart of our Economic Recovery plans.

To stay within the carbon budget the council and the city must halve their emissions over the next five years. There has been some good progress and the direct emissions of Manchester City Council fell by 21% last financial year. This was driven by major investment in energy efficiency and energy generation across the operational estate, and major investments such as the £9.8 million purchase of 27 new electric refuse collection vehicles and changing all our street lights to LED. To achieve the targets the council's next step has to be to decarbonise our energy supply.

The Council is only directly responsible for around 3-5% of the carbon emissions across the city which means we need to work closely with our strategic partners. The Manchester Climate Change Partnership brings together organisations from the city's public, private, community, faith, education and academic sectors that share the common goal to achieve the ambitious objectives and targets in the Manchester Climate Change Framework 2020-25, to not be dependent on the use of fossil fuels for core activities and display leadership within their sector through ambitious and immediate science-based action plans.

To achieve the citywide targets rapid action across the city as a whole is required. The latest data shows that Manchester (and Greater Manchester) are not decarbonising at the rate required. Manchester's emissions fell by 3% in 2018-19 and by 11% in 2019-20 – below the original 13% target which now needs to increase. The new Climate Change Framework for the city 'Framework 2.0' with the Manchester Climate Change Partnership is being developed and will include a more detailed implementation plan. An update on the development of the Framework is scheduled for Environment and Climate Change Scrutiny in February 2022. The Council has a Zero Carbon Action Plan in place with targets on how the reduction needs to be achieved for its own emissions.

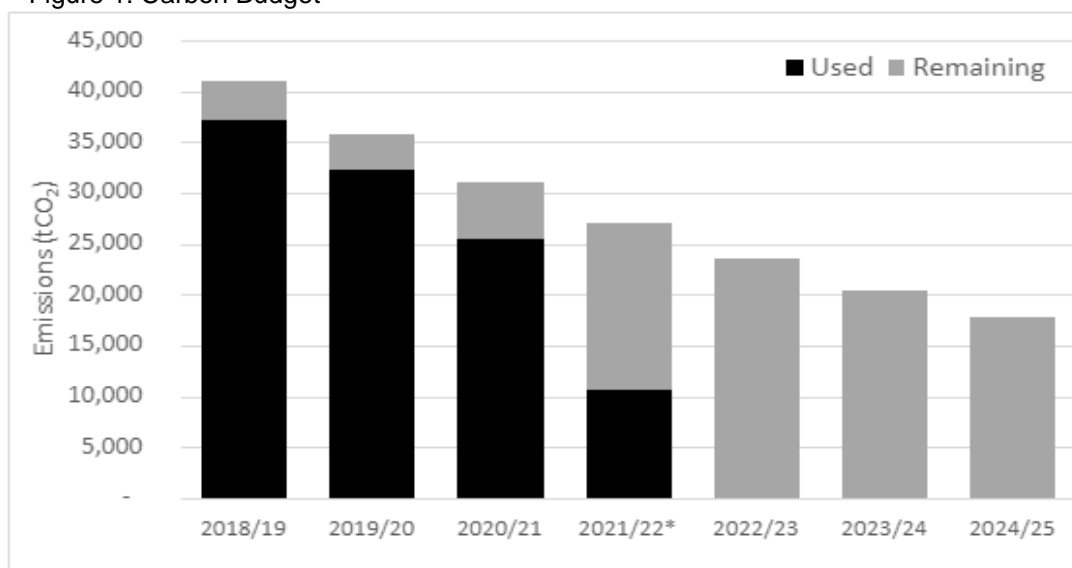
Delivering the Manchester Climate Change Action Plan 2020-25

The [Manchester Climate Change Action Plan](#) sets out the actions the council will take. To achieve the 50% carbon reduction target over the five-year period 2020-25, the council has a target to reduce its emissions by 13% every year, for five years. The CCAP also sets a carbon budget of 119,988 tonnes of CO₂ for the five-year period of 2020-25, calculated using science-based targets.

Figure 1 shows the CO₂ emissions for each year of the CCAP 2020-25, against the annual emissions budget.

The graph commences from the baseline year, 2018/19 to highlight the year-on-year budget reduction. From 2018/19 until the current year, the Council has remained within the emissions budget.

Figure 1: Carbon Budget



*Includes emissions up to Q2 April – September 2021

The carbon budget for 2021-22 is 27,056 tonnes.



27,056 tonnes CO₂ – Emissions Budget 2021-22

10,657 tonnes CO₂ – Emissions released to date 2021-22*

*Emissions to date include best estimates due to billing timelines; the annual report qualifies actual emissions

In 2022/23 the council will continue our focus on reducing its own emissions and to lead by example in its commitment to acting on climate change and in showing leadership across the city with residents and external partners.

The Council has emitted 10,657 tonnes of CO₂ between April and September 2021; 39% of the available budget – these are the most up to date figures for the year. The emissions relate to Council buildings, streetlights, waste collection and operational fleet, and business travel. The chart below shows a quarter-by-quarter view of emissions from April 2019 for the total Council direct CO₂ emissions. Seasonal differences are shown, e.g., energy consumption and emissions peak in winter, the impact of COVID-19 and overall trends.

Note: where emissions data for the latest quarter has to include some element of a best estimate, for example where accurate billing or monitoring data will become available in future periods, figures are marked as (p) for provisional; where emissions data for the past quarter is revised, on the basis of more accurate data becoming available, figures are marked as (r) for revised. As data is being verified for the whole year at the time of writing this report, figures are marked as (r) for multiple quarters.

Data from two years is included since COVID-19 has meant that emissions in 2020-21 were unusual and in some instances, it is more meaningful to compare Q2 in 2021-22 to Q2 in 2019-20 than to the previous year.

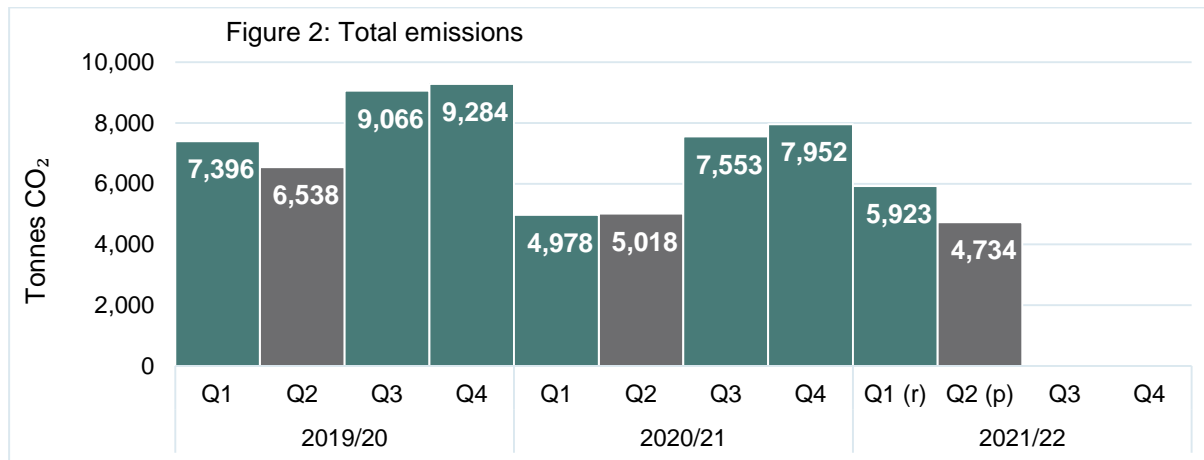


Figure 2 shows the Council's total emissions and reflects the overall downward trend seen across the level of emissions generated from Council buildings, streetlights, waste collection and operational fleet, and business travel, alongside expected seasonal trends. Total emissions in Q2 2021-22 are 6% lower than Q2 in the previous year and 28% lower than Q2 in 2019-20 (pre COVID-19).

As well as reducing our own emissions, the CCAP also requires us to play our full part in supporting the city to meet its science-based carbon budget including ensuring a just transition for residents. The CCAP has five key themes which are summarised below.

Climate Change Action Plan progress and upcoming priorities for 2022/23

Buildings and Energy

Progress to date

- Completed a feasibility study and obtained delegation from Executive to enter into negotiations for the purchase of a Large-Scale Energy Generation project for the Council to save 7,000 tonnes of CO₂ per annum. The options for delivering this are a Power Purchase Agreement or the purchase of a solar farm.
- Delivering Phase 1 and Phase 2 of the Carbon Reduction Plan to decarbonise the Council's operational estate.
- The Leisure schemes above included upgrading eight sites with energy conservation measures last financial year: Wythenshawe Forum; East Manchester Leisure Centre; Hough End Leisure Centre; Arcadia Sports Centre; Moss Side Leisure Centre; North City Family and Fitness Centre; Belle Vue Sports Centre; and Manchester Tennis and Football Centre. The improvements included a range of measures such as upgrading to LED lighting, improving lighting controls, upgrading Building Management Systems, and installing variable speed drives, as well as solar panel installations at seven of the sites, and an energy efficient combined heat and power plant at the Wythenshawe Forum.
- Spending £19million allocated to the Council through the government's Public Sector Decarbonisation Scheme, which focuses on the decarbonisation of heat including improvements to Council buildings across the city.
- Completion and connection of the Civic Quarter Heat Network to save 1,600 tonnes of CO₂ per annum
- Adopting the Manchester Build Standard within the Council's Capital Programmes.

2022/23 Priorities

- Progress the Large-Scale Renewable Energy Generation project for the development or purchase of a suitable solar farm and / or direct renewable energy Power Purchase Agreement (PPA).
- Explore funding opportunities to deliver Phase 3 of the Estates Carbon Reduction Programme.
- Deliver an approach to housing retrofit with housing partners and progress work on plan for MCC Northwards housing stock
- Continue to develop a new Local Plan for the city

Transport and Travel

Progress to date

- Decarbonised the first 50% of the Council's Refuse Collection Vehicles (through purchasing 27 electric alternatives)
- Developed a Staff Business Travel Policy, which was approved at Personnel Committee in December 2021
- Developed the City Centre Transport Strategy

- Working with TfGM on strategic transport projects (including preparation for High Speed 2 and Northern Powerhouse Rail, Metrolink expansion and tram-train options, bus reform and the Clean Air Zone).

2022/23 Priorities

- Implement and embed the Staff Travel Policy across the Council and monitor progress
- Continue to decarbonise the Council's fleet, including the remaining Refuse Collection Vehicles.
- Delivering the City Centre Transport Strategy.
- Continuing work with TfGM to deliver strategic transport projects (including preparation for High Speed 2 and Northern Powerhouse Rail, Metrolink expansion and tram-train options, bus reform and the Clean Air Zone).

Consumption based emissions and suppliers

Progress to date

- Implemented an additional 10% environmental weighting for social value and adopted this as standard in all tenders to influence suppliers
- Developed a plan to reduce single use plastics across the Council and at events, to become a single use plastic free organisation by 2024.

2022/23 Priorities

- Ensure the 10% environmental weighting within the social value element of the tendering process is delivered effectively and results are tracked, in order to influence suppliers
- Implement the plan to eradicate single use plastics across the Council and at events, working towards being single use plastic free by 2024

Climate Adaptation and Sequestration

Progress to date

- Delivering the Tree Action Plan (Year 2 complete), including a £1m contribution by MCC for the tree planting programme
- Shared the learning from West Gorton Park into new developments including Victoria North and Mayfield
- Implementation of the Tree Opportunity Mapping study to identify sites for new tree planting and better management of existing trees.

2022/23 Priorities

- Continue delivery of the Tree Action Plan and identify funding opportunities
- Delivery of the Green & Blue Strategy and revised Implementation Plan

Influencing behaviour and being a catalyst for change

Progress to date

- Worked across all the city's neighbourhoods to embed climate action into place ward plans with the support of the three Climate Change Neighbourhood Officers.
- Supported the delivery of the 'In Our Nature' programme with Manchester Climate Change Agency and other partners.
- Started to embed zero carbon ambitions into our decision-making processes including capital gateway decisions.
- Worked with and influenced Greater Manchester and the UK government to attract funding for projects and to participate in international networks.
- Provided funding for the Manchester Climate Change Agency to ensure that it is sufficiently resourced and to grow the Partnership to have more direct influence over the city's CO₂ emissions.
- Worked with the Manchester Climate Change Partnership to produce a revised Manchester Climate Change Framework.

2022/23 Priorities

- For MCC to continue to lead by example in its commitment to acting on climate change across all areas of the Council and in showing leadership across the city with residents and external partners.
- Develop and deliver a programme of work to achieve Gold Carbon Literacy Accreditation by March 2025 and develop a wider training programme to fully embed the Council's Zero Carbon ambition across services.
- Work closely with Manchester Climate Change Partnership and Agency to communicate effectively and proactively about climate change action to the city's residents and businesses.
- Actively engage residents and communities in the work they can do to tackle climate change, including continuing to work with Manchester Climate Change Agency and other partners to deliver the 'In Our Nature' programme
- Continue to embed zero carbon ambitions into all decision-making
- Continue working with and influencing Greater Manchester and the UK government to attract funding for projects
- Work with Manchester Climate Change Partnership to deliver the revised Manchester Climate Change Framework which includes a detailed implementation plan setting out actions required to remain within the city's carbon budget.
- Deliver a Schools Conference with a key focus on climate change, to support schools to decarbonise.
- Support the development of green skills in the city's workforce through the refreshed Work & Skills Strategy

The updated Climate Change Action Plan is due to go to Environment and Climate Change Scrutiny and Executive September 2022.

Investment Strategy

Revenue Budget

When the Climate Emergency was declared, additional funding was identified to fund:

- Two additional posts within City Policy – these have been established as part of the Zero carbon team in the policy unit.
- A time-limited full-time post to deliver carbon literacy training – the post has been established in HROD.
- Funding a further £300k was included in the 2020/21 Revenue Budget which includes:
 - Funding for the Climate Change Agency and new Chief Executive position – the Chief Executive and chair are now in post and the council has supported further additional capacity within the Agency.
 - Additional programme management resources in City Policy – this is in place as part of the Zero Carbon team.
 - Additional external expertise as required
 - Tree Opportunity Mapping commission and resource to manage – commission to be completed by March 2022. The additional resource was a time-limited part-time post.
 - Development of a supplier toolkit for the city to inform procurement and commissioning activity – completed

All of the above remain in place and the associated work has been delivered or is in the progress.

In order to deliver the commitments within the Estates Carbon Reduction Action Plan further funding of £1m was made available via the Capital Fund to:

- Deliver large scale remote Renewable Energy e.g. Solar PV generation projects which is progressing with delegation granted by Executive in January 2022.
- Deliver a Zero Carbon whole building retrofit pilot.
- Develop the next / ongoing pipeline of investments through a series of building audits focusing on the deployment of proven energy efficiency measures.
- Embed the Manchester Build Standard / Standards within the decision making processes which include consideration of Net Present Value and Asset Management Plan; Whole Life Costing, Internal Carbon Costing, and Energy Intensity Measures.
- Support awareness raising and behaviour change across residents, partners and council staff, by utilising the three Climate Change Neighbourhood Officers across the wards, continuing to rollout carbon literacy training to all staff and members, and officers and members continuing to engage with partners regionally, across GM and the city.
- Provide additional capacity within the Strategic Housing Team to support the work outlined in the Action Plan including to develop the segmentation approach to considering carbon reduction across the domestic house estate which is outlined in the appended action plan.

- Additional capacity to support the development and funding of neighbourhood schemes and priorities as the schemes are developed.

£4m revenue will be spent in supporting the delivery of the zero carbon action plan by 2025.

To support the continued delivery of our zero carbon ambition, this includes an additional £0.7m of revenue per year to support for the 6 key areas outlined here has been recommended. This includes additional capacity to develop a funded programme for housing investment and retrofit, a city-wide energy and infrastructure plan, embed awareness and behaviour change across the council and to maximise the benefits from the 10% procurement weighting for low carbon measures. All making direct contribution to the Climate Change Action Plan 2020-25.

Focus	Description
Housing Investment & Retrofit	Developing new retrofitting programmes across social and private sectors
Energy & Infrastructure Support	Supporting zero carbon energy planning & infrastructure and Green & Blue Infrastructure delivery
Procurement	Supporting effective delivery of our 10% procurement uplift across MCC
City Policy Zero Carbon Team	New capacity to meet our commitment to be Single Use Plastic free by 2024 and to provide added capacity across the whole CCAP
Sustainable Staff Travel	Delivery of the new Staff Travel Policy and supporting staff to make sustainable travel choices
Carbon Literacy	Delivering a comprehensive Carbon Literacy programme which secures our target Gold standard by 2025
Total	£700k p.a.

A further £100k is available to support the delivery of priorities not listed in the table above. This could include work with the food system, or support to schools, where a small amount of funding could enable greater progress. Proposals for the use of this funding will be brought back to this Committee along with the updated climate change action plan in June.

Capital Strategy and Investment

Reducing carbon emissions is included within the Capital Strategy as one of the key priorities for capital investment. The development of all capital schemes and associated investment must consider the effect on carbon and work is taking place to understand how investment can be classified in terms of carbon impact as well as financial. The

costs of new build programmes to higher environmental standards and meeting the needs of the Local Plan and planning requirements will also be considered, running alongside investment in green spaces and places including trees and green walls which will require revenue resources for ongoing maintenance. As schemes are developed the higher cost to meet environmental standards will be included.

The previous Capital Budget priorities included

- Retrofit of the Council's operational estate. Energy generation and charging infrastructure including Solar PVs on suitable buildings and sites, Batteries, EV Charging Infrastructure and Heat Pumps. Phase 2 of the Carbon Reduction Plan will require an additional £15m investment.
- Funding for a large scale energy generation scheme dependent on the outcome of the feasibility study. Funding for the feasibility study is included within the revenue funding requirements above. This work is now progressing and the latest update presented to January 2021 Executive.
- Northwards managed Council housing stock retrofit and energy generation. Specific schemes will be developed with Northwards through the capital funding available in the Housing Revenue Account capital programme. Funds are required to maintain the Decent Homes Standard within Manchester's housing stock and, in addition, will support innovative climate change investment; essential health and safety works including the installation of sprinklers in multi storey blocks; and public realm environmental works. There is limited funding within the HRA to cover all of these priorities and further work will be carried out to identify options to deliver more extensive carbon reduction measures given the constraints in place.
- Supported the purchase of 27 electric waste vehicles.
- Investment in planting of beacon trees, mature trees, street trees and hedgerows informed by the Tree Opportunity Mapping exercise. Work will also continue to deliver the carbon reduction priorities within:
 - Delivery of Northern and Eastern Gateway projects
 - Changes to the way Highways projects are designed and delivered
 - Investment in public transport and active travel infrastructure such as cycling and walking. This will include progressing the pipeline of schemes for funding via the Greater Manchester Mayor's Challenge Fund.
 - Work with the Department for Education on how carbon efficient schools can be delivered given the constraints with the current levels of Department for Education funding and unit cost.

As a result, the Council has already put in place investment of approximately **£192m** to deliver the 5-year Plan. The breakdown of this funding by source is as follows:

- **£76.4m** via the Council (including investment in LED streetlighting replacing lights with LED lights with lower emissions, the completion of the Civic Quarter Heat Network powering council buildings with cleaner energy, Estates Carbon Reduction, purchase of Electric Refuse Collection Vehicles, Tree Planting, and new climate change posts)

- **£65m** from UK Government (including funding for Mayfield Park, Public Sector Decarbonisation Scheme which has funded part of the Council's carbon reduction programme to reduce the carbon output of our operational estate, Active Travel, Social Housing Development Fund, HNIP grant contribution to Civic Quarter Heat Network)
- **£41m** from the GMCA (including Active Travel, GM Mayors Challenge Fund)
- **£4.3m** from the European Union (including ERDF funded Unlocking Clean Energy, Horizon 2020 funding for West Gorton Park, URBACT C-Change and Zero Carbon Cities projects and e-cargo bikes).
- **£4.3m** from partners (including One Manchester contribution to the Social Housing Decarbonisation Fund)
- **£1.1m** from the Manchester Climate Change Agency (including Zero Carbon Communities and Climate Resilience)

In order to reduce its direct carbon emissions by at least 50% by 2025 will require significant additional investment.

The Council has an important leadership role working alongside the Manchester Climate Change Partnership and GMCA. This includes the development of the Local Plan and the implementation of the Manchester Low Carbon build standard for new developments planned for 2023, the delivery of the Green and Blue infrastructure plan and related pieces of work. Our direct investment will includes work such as delivering the Tree Action Plan (year 2 complete including a £1m contribution from MCC for tree planting programme) and rolling out the learning from West Gorton Park into new developments including Victoria North and Mayfield.

Last year the Council formally adopted the Manchester Low Carbon Build Standard for all new developments directly delivered by the council, following its endorsement by the Manchester Climate Change Agency. The Standard sets minimum expectations which should be followed by all Council schemes, with zero carbon exemplar schemes actively encouraged.

A significant challenge remains the retrofit of the city's housing stock. The Council has worked with Greater Manchester on the recently approved *retrofitGM: Accelerating the Renovation of Greater Manchester's Building* to reduce carbon emissions from how buildings are heated. The strategy has the three aims of boosting skills, improving access to funding and investment and speeding up delivery, and the work is led by the GM Decarbonisation Taskforce which includes our Registered Providers. The council is holding a Low Carbon Homes event in March designed to be a call for action for this work.

As the majority of the Council's carbon emissions are from its existing corporate estate and the Council has a responsibility to reduce emissions across the Northwards and partner managed housing stock, significant investment will be required to bring these buildings up to carbon efficient standards. This represents a major opportunity to both establish Manchester as a centre for green technology and services, and to work with

local skills providers to ensure that the city's residents are given the best possible opportunities to access these new careers.

There will also be specific investment required with the forecast additional projects identified in this report including:

- moving to a sustainable transport system across the City, including investment in cycle lanes and electric charging points;
- continued investment in the Corporate Estate to improve energy efficiency given the estate accounts for roughly 70% of the Council's carbon emissions;
- investment in a solar farm (directly or via a PPA) to provide electricity to the Council's estate;
- retrofit works to the Council's housing stock to move towards it being carbon neutral; and
- further investment in green energy solutions.

Capital investment aimed at reducing carbon must focus on projects which will make the biggest difference in order to make the most effective use of our resources.

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