

**Manchester City Council
Report for Information**

Report to: Environment and Climate Change Scrutiny Committee – 9
February 2023
Executive – 15 February 2023

Subject: Zero Carbon 2023/24 Budget Report

Report of: Deputy Chief Executive and City Treasurer

Summary

The purpose of the report is to provide an overview of the funding secured and invested to date to enable delivery of Manchester City Council's Climate Change Action Plan (CCAP) 2020-2025.

The report also sets out what has been delivered as a result of the additional revenue funding provided from the Council's budget for 2022/23 and highlights the priority actions to be delivered between 2023-25.

Recommendations

The Committee is recommended to note and comment on the content of the report and progress that has been made on delivering the Council's Climate Change Action Plan during 2022 as a result of the investments made.

The Executive is recommended to note the progress that has been made on delivering the Council's Climate Change Action Plan during 2022 and endorse the priorities for 2023/24

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 Council's Climate Change Action Plan 2020-25 sets out the actions that will be delivered to ensure that the Council plays its full part in delivering the city's Climate Change Framework 2020-25

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments
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Actions set out in the Climate Change Action Plan 2020-25 recognise the need for just and equal delivery of climate action across the city, focusing on the areas such as community engagement, accessible transport, access to green spaces and tackling fuel poverty.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Manchester's reputation as a leader in delivering on climate change will help to attract investment and businesses to the city. This will contribute towards helping the transition to a zero carbon city, which in turn will help the city's economy become more sustainable and will generate jobs within the low carbon energy and goods sector.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Work underway in the Council supporting schools and the wider education sector will help develop a future well equipped workforce, whilst work underway under the Green Skills Action Plan is helping support industry be prepared for the demand that is being created within the zero carbon sector.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	There is a targeted focus on retrofitting homes across the city to help tackle fuel poverty and the cost-of-living crisis by reducing energy bills and this is a key part of the transition to a zero-carbon city. Health outcomes will also be improved through healthier homes as well as other areas, such as the promotion of more sustainable and active modes of transport, improved air quality and easy access to green spaces.
A liveable and zero carbon city: a destination of choice to live, visit, work	Work underway on Neighbourhood Ward Plans and Green and Blue Infrastructure, Open Spaces and Parks (helping to adapt and increase resilience) are key areas of Manchester becoming a zero carbon city will help the city to be a more attractive place for people to live, work, visit and study.
A connected city: world class infrastructure and connectivity to drive growth	Our investment in active and sustainable travel is helping Manchester to have a fully zero carbon transport system, which will create a world class business environment to drive sustainable economic growth.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

It is not expected that there will be any financial consequences to the Revenue budget that should arise from the content of this report.

Financial Consequences – Capital

It is not expected that there will be any financial consequences to the Capital budget that should arise from the content of this report.

Contact Officers:

Name: Paul Hindle
Position: Head of Finance
E-mail: paul.hindle@manchester.gov.uk

Name: Mark Duncan
Position: Strategic Lead – Resources & Programmes
Email: mark.duncan@manchester.gov.uk

Name: Sarah Henshall
Position: Zero Carbon Manager
E-mail: sarah.henshall@manchester.gov.uk

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.

- *Manchester City Council Climate Change Action Plan 2020-25 Updated 2022*
- *Manchester City Council Climate Emergency Declaration July 2019*
- *Manchester Climate Change Framework 2020-25 Updated 2022*
- *Neighbourhoods Directorate 2023/24 Budget – Environment and Climate Change Scrutiny Committee*
- *Neighbourhoods Directorate Budget 2022/23 – Environment and Climate Change Scrutiny Committee*

1.0 Introduction

- 1.1 The purpose of the report is to provide an overview of the funding secured and invested to date to enable delivery of Manchester City Council's Climate Change Action Plan (CCAP) 2020-2025.
- 1.2 The report sets out what has been delivered as a result of the additional revenue funding provided from the Council's budget for 2022/23 and highlights the priority actions to be delivered between 2023-25 and that although investment has been secured to enable delivery to date, there is still more to be done to ensure MCC remains on track in meeting its targets.

2.0 Background

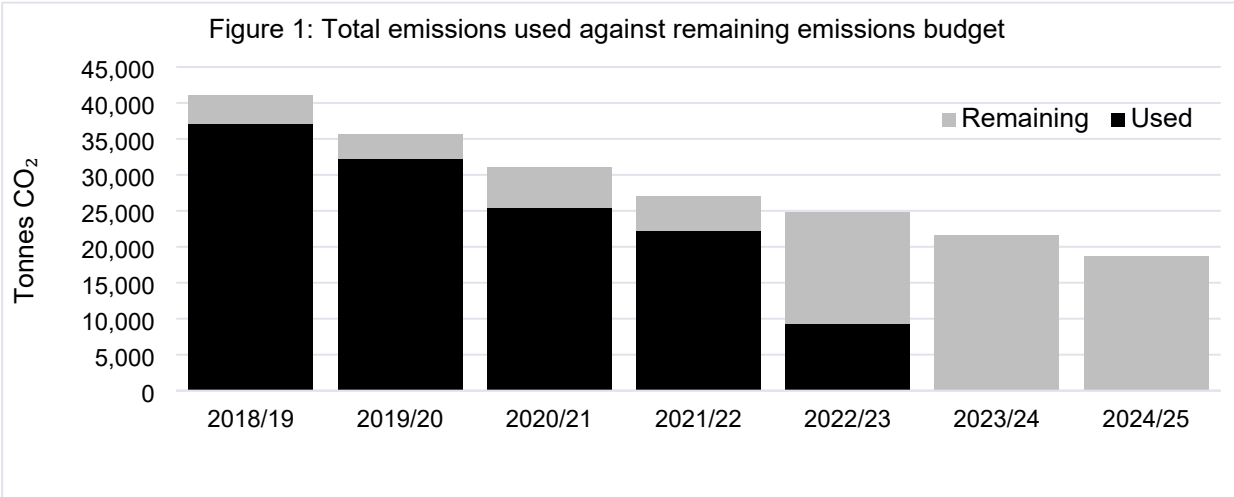
- 2.1 A five-year Manchester City Council Climate Change Action Plan (CCAP) 2020-25 went live following approval at Executive Committee in March 2020.
- 2.2 The MCC CCAP sets a target for the Council to reduce its direct CO₂ emissions by 50% between 2020 and 2025 based on a 13% year on year reduction to reach zero carbon by 2038. The CCAP also recognises the Council's unique leadership role in supporting and influencing the city to reduce its emissions and in ensuring that the city's residents are protected from the impacts of climate change.
- 2.3 The actions are structured across five workstreams as follows:
 - 1. Buildings and energy
 - 2. Transport and travel
 - 3. Reducing consumption based emissions and influencing suppliers
 - 4. Climate adaptation, carbon storage and carbon sequestration
 - 5. Influencing behaviour and being a catalyst for change.
- 2.1 Following the establishment of the Environment and Climate Change Scrutiny Committee, regular updates on delivery of the CCAP have been provided via the Quarterly Progress Reports, which have also been scheduled into the Committee's future work programme. Previous quarterly progress reports are available on [the Council's website](#).
- 2.2 A refreshed Manchester City Council CCAP 2020-25 was endorsed by the Environment & Climate Change Scrutiny Committee and approved by the Council's Executive Committee in September 2022. The refreshed CCAP sets out the Council's commitment to continue working to reduce MCC's own direct CO₂ emissions alongside a strong focus on our city-wide leadership role and work across Greater Manchester in support of wider climate change objectives.
- 2.3 The refreshed Climate Change Action Plan sets out new actions, building on existing ambitions, for example, looking at ways to accelerate reaching zero carbon sooner than 2038, identifying opportunities to be bolder and avoiding any risk of complacency.

3.0 Funding the delivery of Manchester City Council’s Climate Change Action Plan 2020-25

3.1 In September 2022, the City Council’s Executive Committee approved a refresh of the [Manchester Climate Change Action Plan](#) (CCAP), which has a target to reduce the Council’s direct CO₂ emissions by 50% over the five-year period of 2020-25. To achieve this, the Council needs to reduce its emissions by 13% every year, for five years. These emissions relate to Council buildings, streetlights, waste collection, operational fleet, and Council business travel.

3.2 To date, the Council has made good progress, remained within its carbon budget, and has so far achieved nearly 30% of the target to reduce its CO₂ emissions by 50% by 2025. The carbon budget for this five-year period of 2020-25 is 126,336 tonnes of CO₂ calculated using science-based targets¹.

3.3 Figure 1 below shows the CO₂ emissions used each year of the CCAP 2020-25 against the annual emissions budget, commencing from the baseline year, 2018/19 to highlight the year-on-year budget reduction and downward trend.



*2022/23 - includes emissions up to Q2 July – September 2022

3.1 As the Council’s refreshed Climate Change Action Plan sets out, as well as continuing to reduce its own direct CO₂ emissions and take action on climate change across all areas of the Council, going forward there will be more emphasis on our city leadership role. Working in partnership and supporting residents and partners across the city to play their full part in reducing the city’s carbon emissions to meet the science-based target, including ensuring a just transition for residents.

3.2 To enable the delivery of the commitments set out in the Council’s CCAP, further revenue and capital investment from multiple funding sources over multiple financial years is critical and a major challenge. MCC has established a Finance & Investment Sub-group within the CCAP’s governance to support this work by exploring investment opportunities in the zero carbon agenda,

¹ This has slightly increased from the original budget of 119,988 tonnes of CO₂ due to emissions from Northwards Housing being incorporated now it has formally re-joined the Council. This recalculation has been reviewed by the Tyndall Centre for Climate Change Research

developing public/private partnerships and exploring innovative funding models. The Sub-group also has a focus on growing MCC's capacity and knowledge by building on best practice and developing new networks and approaches to delivering climate action.

3.3 To date, the Council has already put in place investment of approximately **£227m** to deliver the 5-year Climate Change Action Plan along with an additional direct revenue investment of **£800k** secured as part of the 2022/23 budget setting. The breakdown of this funding by source is as follows:

- **£109.2m** of capital and revenue investment via the Council (including investment in LED streetlighting, Civic Quarter Heat Network, Estates Carbon Reduction, purchase of Electric Refuse Collection Vehicles, Tree Planting, social housing new low carbon homes & retrofit, education setting summit and £1.5m revenue funding capacity to deliver the climate change action plan in MCC and the development and delivery of the climate change framework within MCCP. This includes the £800k additional revenue secured as part of the 2022/23 budget setting and more details on what this is funding is provided in the table below.
- **£70.1m** from UK Government (including funding for Mayfield Park, Urban Tree Challenge Fund, Public Sector Decarbonisation Scheme, Active Travel, Social Housing Development Fund, HNIP grant contribution to Civic Quarter Heat Network)
- **£35.4m** 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)
- **£3.6m** from the Manchester Climate Change Agency (including In Our Nature funding from the National Lottery).

3.1 The investment outlined above has assisted the Council to make good progress towards achieving its net zero carbon target by helping to reduce its direct emissions and remain within the carbon budget limit.

3.2 The additional revenue investment of £800k which was secured as part of the 2022/23 budget setting is providing important additional capacity, particularly in delivering the city-wide actions, as outlined in the table below. A number of posts have now been filled and recruitment for the remaining posts is currently in process.

Focus	Description
Housing Investment & Retrofit	Develop and deliver a housing retrofit plan for the Council's social housing stock. Work with Manchester Housing Providers Partnership and wider partners to deliver an approach to housing retrofit across social and private sectors.
Energy & Infrastructure Support	Review and respond to the recommendations of the Local Area Energy Plan, working with Greater Manchester partners to deliver energy infrastructure. Supporting delivery of Green & Blue Infrastructure.
Procurement	Supporting effective implementation and monitoring of the 10% environmental weighting across our procurement processes.
City Policy Zero Carbon Team	Develop a plan to eradicate avoidable single use plastics across the Council and at events, working towards being single use plastic free by 2024. Added capacity to support the Finance & Investment work programme alongside CCAP programme management work of the Zero Carbon Team.
Sustainable Staff Travel	Implement the new Staff Travel Policy across the Council and support staff to make sustainable travel choices.
Carbon Literacy	Delivering a comprehensive Carbon Literacy programme which secures our target Gold standard by 2025, while responding to service needs and establishing a mechanism for evaluation.
CCAP Delivery Support	Allocating small amounts of funding to support the delivery of priorities (e.g. support to schools, work with the food sector), which has the potential to enable greater progress.
Total	£800k p.a.

3.1 There is also wider Council investment that is being used to influence the climate agenda across the city, for example;

- Developments within the Council's capital programme, including Victoria North, Mayfield Depot, and North Manchester General Hospital, where climate action will be embedded as part of a wider programme of work.
- Commissioning of new Council contracts will include a 10% environmental weighting increasing the social value weighting to 30%.
- Embedding climate action within the Council's grants programmes, e.g., Culture grants, VCSE (voluntary, community and social enterprise) grants and Neighbourhood Investment Fund.

3.2 Continuing to operate within the remainder of the carbon budget will be challenging and the Council will need to continue to identify and secure investment to deliver on its commitments. Work proposed in the Council's Capital Strategy and budget will support some of the ongoing priorities for delivering the CCAP, for example embedding the Building Standard and ongoing retrofit across the Council's estate, retrofit of the Council's housing

stock as well as delivering the Decent Homes Standard, the potential purchase of a solar farm or power purchase agreement (PPA), providing accessible parks and green spaces and supporting delivery of the Manchester Green & Blue Strategy including the Tree Action Plan, and also providing financial support to underpin delivery of new strategies, such as the Manchester Active Travel Strategy and the Electric Vehicle Charging Infrastructure Strategy.

4.0 Progress during 2022/23

3.4 Outlined below is a summary of the Council's progress made in delivering the CCAP during 2022/23 and where the additional capacity has supported this delivery.

1.1 Buildings and Energy (Workstream 1)

- The Council secured an additional £4.9m of funding from the Public Sector Decarbonisation Scheme, to continue the Estates Retrofit programme, supplementing the £19m secured in 2021-22, contributing towards emissions reductions across 18 Council buildings and reduced energy consumption.
- 69 new low carbon Council properties are being developed by the Council. These properties will include a range of innovative features including solar PV, Electric Vehicle charging, ground source and air source heating, plus living green roofs and walls. The site is on Silk Street, Newton Heath.
- £600,000 funding has been secured as part of the Greater Manchester Warm Homes Fund to install central heating systems in fuel poor homes for up to 50 homes.
- Started to explore possible opportunities for the purchase of a solar farm.
- Completed Civic Quarter Heat Network infrastructure with 6 buildings now connected (£26m), including Central Library and the Town Hall Extension.

1.2 Transport and Travel (Workstream 2)

- A range of walking and cycling improvements have been delivered across the city as part of Greater Manchester's Mayor's Challenge Fund and Active Travel Fund.
- 26 eCargo bikes and 6 eCargo trailers are now being used across Council teams, city partners and a public hire scheme as part of a project launched by the City Council in January 2022 in collaboration with the Energy Savings Trust.
- 27 (50%) of our waste collection fleet plus 39 other MCC vehicles are now electric, helping reduce the use of fossil fuels and helping improve air quality.
- Actively researched and secured incentives to support staff to travel more sustainably to support the implementation of the Sustainable Staff Travel Policy.

1.3 Reducing Consumption Based Emissions and Influencing Suppliers (Workstream 3)

- 10% social value weighting for the environment has been introduced and now being implemented, and we are working with suppliers to reduce their CO₂ emissions.
- Appointed a member of staff to lead on the Council's commitments to reduce the use of avoidable Single Use Plastics and deliver sustainable events.
- The Council has launched a "Reusable Cups Guide". This adds to the range of sustainable events guides, which are being rolled out across Manchester events.

1.4 Climate Adaptation, Carbon Storage and Sequestration (Workstream 4)

- Built a 'sponge' park in West Gorton, helping reduce surface water flooding and reduce excess water entering the water network whilst improving the quality of green space in the neighbourhood – which won two awards: a 'Golden Pineapple' Award from the Festival of Place, the Excellence in Flood and Water Management award at the Landscape Institute Awards. The Park was highly commended in the Environment Agency's Flood and Coastal Resilience Awards.
- Planted over 7,000 trees and hedge trees, helping to absorb carbon, improve health and wellbeing and support biodiversity and 5 community orchards across the city.
- Commissioned a Tree Opportunity Map for Manchester (£50k), to inform future tree planting programmes.

1.5 Influencing Behaviour and Being a Catalyst for Change (Workstream 5)

- Achieved Silver Carbon Literacy Accreditation and working towards Gold, having trained over 1,700 members of staff and 92 elected members.
- All Wards have developed Climate Change Action Plans which contain localised positive climate action.
- A behaviour change communications campaign delivered during summer 2022 to promote positive action (£50k).
- Delivered the Council's first Schools Bee Green Conference held at Connell Co-Op College in June 2022 (£13.7k MCC revenue 22/23), encouraging education settings to take action to decarbonise.
- Developed a proposition to UK Government in relation to COP26 being held in Glasgow in November 2021, which led to engagement in UK Cities Climate Investment Commission (UK3Ci) and developing a pipeline of investable projects.
- Manchester Work & Skills Strategy 2022-27 featuring Green Skills was adopted by Executive Committee on in June 2022.
- Neighbourhood Climate Change Officers continued to engage and support communities to further develop climate change action plans for their Wards.

4.0 Priorities for 2023/24

4.1 Outlined below is a summary of the Council's CCAP priorities for 2023/24 and showing where the additional capacity will help to drive these actions forward.

4.2 Buildings and Energy (Workstream 1)

Council actions

- 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).
- Continue to deliver the Estates Carbon Reduction Programme using funding secured from MCC's own resources and UK Government (Public Sector Decarbonisation Scheme and Unlocking Clean Energy).

City actions

- Continue to progress the development of the Local Plan.
- Deliver an approach to housing retrofit with Manchester Housing Providers Partnership. Develop and deliver a housing retrofit plan for the Council's social housing stock. (Report to E&CC Scrutiny, September 2022).
 - 2 new posts created within Strategic Housing - to support the development and delivery of the housing retrofit plan and explore funding opportunities to support this work
- Review and respond to the recommendations in the Local Area Energy Plan (LAEP) and coordinate LAEP work with wider Greater Manchester authorities and partners (Report to E&CC Scrutiny, December 2022).
 - 2 new posts created within Growth & Development - to provide additional resource to focus on this priority area, linking with wider infrastructure work

4.3 Transport and Travel (Workstream 2)

Council actions

- Continue to decarbonise the Council's fleet, including the development of a business case for the remaining 50% of the refuse collection vehicles.
- Identify and implement sustainable actions across Highways focusing on the use of resilient and sustainable materials.
- Implement the Staff Travel Policy across the Council and monitor progress (Report to E&CC Scrutiny, January 2023).
 - 2 new posts created in Human Resources and Organisational Development (HROD) - to embed the new Staff Sustainable Travel Policy across the Council, develop and implement incentives and support to encourage staff to sustainably commute.

City actions

- Continue delivery of the Transport Strategies across Greater Manchester and the City Centre, working with GMCA, TfGM, other Local Authorities and Government on projects (including preparations for High Speed 2 and Northern Powerhouse Rail, Metrolink expansion and tram-train options, bus reform, the Clean Air Zone and Active Travel).

- Develop and deliver the Electric Vehicle Charging Infrastructure Strategy and assess investment requirements, link with the Local Area Energy Plan and Local Plan (Report to E&CC Scrutiny, January 2023).

4.4 Reducing Consumption Based Emissions and Influencing Suppliers (Workstream 3)

Council actions

- Continue to implement the 10% environmental weighting within the social value element of the tendering process to influence suppliers.
 - 2 new posts created with Integrated Commissioning & Procurement to support with monitoring of CO₂ emissions in contracts and to challenge specifications to ensure that low carbon options are fully considered.
- Implement the plan to eradicate avoidable single use plastics across the Council and at events, working towards being single use plastic free by 2024 and support delivery of sustainable events (Report to E&CC Scrutiny, December 2022).
 - 1 new post created within City Policy to develop and deliver a plan getting us to Single Use Plastic Free and exploring opportunities for sustainable events

City actions

- Develop and implement the plan for sustainable events (including a reduction in SUPs) across the City, through the use of the Sustainable Events Guides.
 - Supported by the post created in City Policy
- Work with the Secretariat of the Manchester Food Board to deliver the climate change priorities of the Manchester Food Board, including producing and implementing a Sustainable Food Policy.

4.5 Climate Adaptation, Carbon Storage and Sequestration (Workstream 4)

Council actions

- Continue delivery of the Tree Action Plan and identify funding opportunities.
- Produce and deliver a Parks specific Climate Change Action Plan.
- Explore increasing nature-based solutions (NBS) across the city by using learnings from NBS projects.
- Delivery of the Green & Blue Infrastructure Strategy and revised Implementation Plan and the Biodiversity Strategy (Reports to E&CC Scrutiny, March 2023).

City actions

- Increase quantity of trees and hedgerows by using the Tree Opportunity Mapping assessment.

4.6 Influencing Behaviour and Being a Catalyst for Change (Workstream 5)

Council actions

- 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. (Report to E&CC Scrutiny, November 2022)
 - 1 post created and 1 post extended within HROD to continue to rollout the training programme across the Council, respond to service needs and establish a mechanism for evaluation
- Continue to embed zero carbon ambitions into Council decision-making.
- Continue delivery of the Finance and Investment work programme, to identify financial models for investing in decarbonisation projects across the city
 - 1 new post created within City Policy to support this priority, along with the programme management work of the Zero Carbon team.

City actions

- MCC to continue to lead by example in its commitment to taking action on climate change across all areas of the Council and showing leadership across the city with residents and external partners.
- Continue to actively engage residents and communities to tackle climate change, including implementing ward action plans (report to E&CC Scrutiny, November 2022) and continuing to work with Manchester Climate Change Agency and other partners to deliver the ‘In Our Nature’ programme.
- Tell the Council’s story of positive climate action through website content, social media and the press, and align the Zero Carbon Communications work with wider communications across the council e.g., Waste and Recycling, green and blue infrastructure, active travel, and neighbourhoods.
- Work with Manchester Climate Change Partnership and Agency to deliver the revised Manchester Climate Change Framework and what levers the Council can use to support this and accelerate decarbonisation across the city – support this with a city wide communications campaign focusing on the refreshed Manchester Climate Change Strategy.
- Deliver Education Services Climate Change Strategic Action Plan 2022-2024, to support and engage education providers to embed climate change into their operations and education settings (Report to Children & Young People’s Scrutiny, October 2022).
- Implement the Green Skills Action Plan developed from the refreshed Work & Skills Strategy.

5.0 Recommendations

- 5.1 To note and comment on the content of the report and progress that has been made on delivering the Council’s Climate Change Action Plan during 2022/23 as a result of the investments made.