

Manchester City Council Report for Information

Report to: Neighbourhoods and Environment Scrutiny Committee – 5
February 2020

Subject: Climate Change

Report of: The Deputy Chief Executive and City Treasurer

Summary

In November 2018, the Council's Executive agreed to establish a science-based carbon reduction target for Manchester, which required the city as a whole to adopt a carbon budget of 15 million tonnes of CO₂ between 2018 and 2100. This would require a year-on-year reduction of at least 13%, emissions to be halved within five years, and lead to the city becoming zero carbon by 2038 at the latest.

As such, the Manchester Climate Change Board (MCCB), with the support of Anthesis, developed a guide to support organisations in Manchester to play their full part in achieving this commitment alongside a draft zero carbon framework. The Board also worked with partner organisations, including the Council, to develop a draft zero carbon action plan, which was approved by the Council's Executive in March 2019.

The Manchester Climate Change Framework 2020-25 is scheduled for publication on 28th February 2020. The City Council will be asked to formally adopt the target and endorse the framework on behalf of the City during March 2020. The City Council has also committed to producing its own Action Plan during March 2020.

This report provides the Committee with a series of documents that provide an update on progress to develop the city-wide and Council plans. These are:

1. An outline of the draft city-wide Manchester Climate Change Framework 2020-25, progress update on Manchester Climate Change Partnership Action Plans and Tyndall Centre review of targets; and
2. The draft Manchester City Council Climate Change Action Plan 2020-25.

Recommendations

It is recommended that the Committee:

1. Consider the progress that has been made to develop a city-wide Manchester Climate Change Framework 2020-25 and comment on the Tyndall Centre for Climate Research analysis; and
 2. Note and comment on the content of the draft Manchester City Council Climate Change Action Plan 2020-25.
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Wards Affected: All

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

Developing a citywide climate change framework is fundamental to ensuring that everyone in the city plays their full part in addressing climate change. The Council is one of the key stakeholders who have committed to producing an action plan by March 2020 which sets out the Council's role in tackling our own emissions and influencing and supporting a reduction across the whole city. Delivering the draft 5 year plan will require a significant level of new revenue and capital investment to build on the existing resources which are already committed to improving the city's environment.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The transition to a zero carbon city will help the city's economy become more sustainable and will generate jobs within the low carbon energy and goods sector. This will support the implementation of the Our Manchester Industrial Strategy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Manchester is one a small number of UK cities that have agreed a science based target and is leading the way in transitioning to a zero carbon city. It is envisaged that this may give the city opportunities in the green technology and services sector.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Transitioning to a zero carbon city can help to tackle fuel poverty by reducing energy bills. Health outcomes will also be improved through the promotion of more sustainable modes of transport and improved air quality.
A liveable and low carbon city: a destination of choice to live, visit, work	Becoming a zero carbon city can help to make the city a more attractive place for people to live, work, visit and study.
A connected city: world class infrastructure and connectivity to drive growth	A zero carbon transport system would create a world class business environment to drive sustainable economic growth.

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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.

Playing Our Full Part: How Manchester's Residents and Businesses can benefit from Ambitious Action on Climate Change 2018
Manchester Climate Change Strategy 2017-50
Manchester Climate Change Strategy Implementation Plan 2017-22
Manchester: A Certain Future Annual Report 2018
Manchester City Council Climate Change Action Plan 2016-20
Manchester Zero Carbon 2038, Manchester City Council's Commitment, March 2019

1.0 Introduction

1.1 This report provides the committee with a series of documents relating to Manchester's progress to meet the science based targets that it has adopted and to be zero carbon by 2038 at the latest. These are:

- An outline of the draft Manchester Climate Change Framework 2020-25, progress update on Manchester Climate Change Partnership Action Plans and Tyndall Centre review of targets; and
- The draft Manchester City Council Climate Change Action Plan 2020-25.

2.0 Background

2.1 In November 2018, following analysis by the Tyndall Centre for Climate Change Research, the Council adopted a science-based carbon budget of 15 million tonnes of CO₂ between 2018 and 2100, and committed the city to becoming zero carbon by 2038 at the latest.

2.2 In March 2019, the Council endorsed the draft Manchester Zero Carbon Framework as the city's overarching approach to meeting science-based targets on tackling climate change, as part of the wider Our Manchester Strategy. This report included draft action plans from a range of organisations who are members of the Manchester Climate Change Partnership and are collectively responsible for 20% of the city's emissions.

2.3 In July 2019, Manchester City Council declared a climate emergency. This declaration recognises the need for the Council, and the city as a whole, to do more to reduce its carbon emissions and mitigate the negative impacts of climate change. It also demonstrated the Council's commitment to be at the forefront of the global response to climate change and to lead by example.

SECTION 1: Draft city-wide Manchester Climate Change Framework 2020-25

3.0 Update on production of the draft framework and progress update on Manchester Climate Change Partnership Action Plans and Tyndall Centre review of targets.

3.1 In July 2018, Manchester Climate Change Agency (MCCA) commissioned the Tyndall Centre to produce the report, 'Quantifying the implications of the Paris Agreement for the city of Manchester', setting out the science-based targets that Manchester should adopt to be in line with the Paris Agreement.

3.2 The proposed targets were presented to Manchester City Council in October in 2018, as part of the 'Playing Our Full Part' proposal, produced by the Manchester Climate Change Agency and Partnership. The targets were then formally adopted by the City Council, on behalf of the city, in November 2018. In February 2019, MCCA and MCCB published the 'Draft Manchester Zero

Carbon Framework 2020-25 to begin to set out what Manchester needs to do to meet its targets.

- 3.3 As part of the climate emergency declared in July 2019, the council committed to review the feasibility of bringing forward the year of the zero carbon target. The Tyndall Centre were commissioned to undertake this review and a copy of the brief for this commission can be found on the Climate Change Agency's website (<http://www.manchesterclimate.com/targets-2020>). The Tyndall Centre review will conclude at the end of February. The initial findings from this work were presented to the Climate Change sub group on 23 January 2020.
- 3.4 The Climate Change Agency is focussed on achieving at least a 50% reduction in carbon dioxide emissions over the next five years, and staying within the science-based budget for the city. The current target year for becoming zero carbon is 2038 at the latest.
- 3.5 A draft version of the citywide framework is attached to this paper as Appendix 1. This sets out how the city as a whole needs to play its full part in tackling climate change, to ensure that Manchester stays within its carbon budget of 15 MtCO₂. It also provides a summary of the progress of those members of the Climate Change Partnership that are producing their own organisational climate change plans.
- 3.6 The Manchester Climate Change Framework 2020-25 is scheduled for publication on 28th February 2020. The City Council will be asked to formally adopt the target and endorse the framework on behalf of the City during March 2020. The City Council has also committed to producing its own Action Plan during March 2020.

SECTION 2: Draft Manchester City Council Climate Change Action Plan 2020-25

4.0 Update on production of the draft Council plan

- 4.1 In 2009/10, the Council made a commitment to reduce its direct carbon emissions by 41% by 2019/2020. Following this, the Council produced a series of action plans which detailed the activities that would be undertaken in order to ensure that our commitments were met. Data for 2018/19 (published in July 2019) showed that the Council's direct emissions had reduced by 48.1% since the 2009/10 baseline; meaning that the 41% target was achieved, being surpassed a year ahead of schedule.
- 4.2 The Manchester City Council Climate Change Action Plan 2020-25 will be developed for March 2020. An initial version of the MCC Action Plan is included as Appendix 2. This sets out the Council's commitments to tackle climate change over the next five years, building on and scaling up activity from previous action plans over the last decade. It summarises the specific actions which are required to ensure that the Council reduces its direct

emissions by at least 50% by 2025, whilst also playing our full part in supporting and influencing the city to do the same.

- 4.3 The Council and a number of other strategic partners in the city have produced plans to support the delivery of the citywide draft Climate Change Strategy and Framework, which has been produced by the Manchester Climate Change Partnership (appendix 1).
- 4.4 Although there are many challenges to delivering these ambitions, the plan also recognises the enormous opportunities of transitioning to a zero carbon city and the importance of Manchester being a national and global leader in this area.

5.0 Financial and resource commitments

- 5.1 The Council has already committed significant investment and resources to tackle climate change. Examples include investments totalling £69 million for the Street Lighting LED replacement programme, Carbon Reduction Plan for the Council's operational estate and the Civic Quarter Heat Network.
- 5.2 The Street Lighting (PFI) project (£32.8m) involves procurement and installation of state-of-the-art, low energy, light emitting diode (LED) street lighting technology. The three-year installation programme started in September 2017 and it is intended that over 57,000 lights will be replaced by the end of contract in 2020. The scheme is funded via prudential borrowing, with the savings in energy costs being used to fund the capital financing costs. The Council has worked with Salix Finance to fund this scheme, who provide loans to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills. When completed, this will reduce carbon emissions by around 8,400 tonnes per year and save the Council £2 million.
- 5.3 The buildings in the Council's operational estate represented 68.9% of the Council's direct carbon dioxide emissions in 2018/19. The Carbon Reduction Programme (£10.2m) will invest in schemes such as combined heat and power, solar photovoltaic panels, and the use of LED lighting within the Council's estate. The first phase of delivery is due to complete by the end of Quarter 2 2020/21. This will involve around £2.6 million invested in energy conservation measures and around £4.3 million invested in energy generation technology at 13 buildings in the Council's operational estate. The investment will generate financial savings of around £716,000 per annum and reduce carbon emissions by circa 1,600 tonnes per annum. The remaining funding has been earmarked to support energy conservation or production measures at buildings where wider refurbishments are being designed. The programme is funded through prudential borrowing on an invest-to-save basis, using the savings on energy costs to fund the capital financing costs.
- 5.4 The Civic Quarter Heat Network project (£26.0m) will connect the Town Hall, Town Hall Extension and Central Library, Manchester Central Convention Centre, The Bridgewater Hall and Heron House. The project is expected to reduce the Council's direct carbon emissions by approximately 1,600 tonnes

of CO₂ from 2020/21. The network has been designed to enable future expansion, with efficiency and carbon savings increasing as more buildings join. The scheme has attracted some Government grant relating to heat networks, but is predominantly funded from prudential borrowing. The intention is that the capital financing costs will be funded from the energy savings.

- 5.5 At a neighbourhood level, the Neighbourhood Investment Fund (NIF) is available to support local priorities including environmental projects in wards and also improvements to green and blue infrastructure.
- 5.6 A range of Council teams and services also provide day-to-day resource to deliver the ambitions of the climate change agenda. These are summarised below:
- Neighbourhood Teams - engaging with residents to develop climate change action in ward plans, deliver events, build capacity and listen to residents;
 - Waste and Recycling - reduction in waste to landfill across the city and increase in recycling rates.
 - Parks - adaptation, sequestration and storage benefits. Contribution to the cities green and blue objectives including improved biodiversity.
 - Corporate Estates - delivering the Carbon Reduction Plan and embedding low carbon and energy efficiency measures within the Council's annual maintenance programme and general estates management.
 - Planning - support for development which meets the city's planning framework
 - City Policy - develop climate change action plans, monitor progress, coordinate council activity, and oversee the Green and Blue infrastructure strategy
 - European funded projects - Triangulum, C-Change, Grow Green, Zero Carbon Cities deliver climate change benefits for the city.
- 5.7 As part of the 2020/21 budget process, the requirement for further investment has been recognised in order to deliver the carbon reductions for the Council. Climate change has been included as an additional priority in the Council's updated Business Plan for 2020/21. The Zero Carbon Coordination Group is embedding climate change considerations into decisions and practices across the Council, including the updated Capital Strategy, HR policies such as a revised staff travel policy, and procurement decisions by including carbon considerations in the formal evaluation criteria. A further item on the implications for planning and building standards is due to come back to this Committee. The carbon action plan will also be fully costed for March 2020 but the priority actions and investments will be progressed in parallel in the short term.
- 5.8 In addition, a series of specific additional commitments have been made. As part of the 2019/20 budget process, funding of £120k was made available for two additional posts within City Policy to coordinate and project manage this work. A further £300k has been earmarked as part of the 2020/21 budget process, which will be used to:

- Underwrite the Chief Executive post within the Climate Change Agency for one year, subject to unlocking financial contributions from other partners in the city;
- Further strengthen the internal climate change team within the Council;
- Provide carbon literacy training to all Council staff by the end of 2020. Training is already being rolled out across staff in services including Neighbourhoods and Customer Services; and
- Procure additional technical expertise and research as required.

5.9 The Council is updating its Capital Strategy and this will focus more on prioritising investment in areas that will support delivery of the zero carbon ambitions. This is expected to include:

- Retrofit of the Council's operational estate;
- Energy generation and charging infrastructure, including Solar PV on suitable buildings and sites, batteries, EV charging infrastructure and heat pumps;
- Zero carbon commitments within delivery of the Northern and Eastern Gateway projects;
- Retrofit projects within the council housing stock managed by Northwards
- Purchase of electric vehicles for the waste and recycling fleet and the Council fleet;
- Commit to reducing carbon emissions within the delivery of highways projects; and
- Investment in public transport and active travel infrastructure such as cycling and walking.

5.10 The Council will use its limited capital and revenue resources to drive this agenda, while continuing to seek and lobby for additional external funding in order to do more, and to work with its partner organisations to assist with this work. It is recognised that delivery of this agenda is essential and the overall costs of inaction are far greater than the costs of acting now. There are also significant opportunities to benefit from becoming a zero carbon city and these are set out in the *Delivering a More Inclusive Economy, Our Manchester Industrial Strategy* and the mission-based approach within the *Greater Manchester Local Industrial Strategy*.

6.0 Recommendations

6.1 It is recommended that the Committee:

1. Consider the progress that has been made to develop a city-wide Manchester Climate Change Framework 2020-25 and comment on the Tyndall Centre for Climate Research analysis; and
2. Note and comment on the content of the draft Manchester City Council Climate Change Action Plan 2020-25.