

## **Greater Manchester**

### **A Low Carbon Economic Area for the Built Environment**

It was once said that Manchester had the capacity to make all other cities look old fashioned, if not obsolete; the heat and intensity of our entrepreneurship – our radicalism – helped to shape the modern world, as we know it.

Following years of post-industrial decline, Greater Manchester is now emerging again as a powerhouse for new economic growth. Its size and potential makes it pre-eminent amongst the city regions of the North. Outside London, it is the economic area best placed to take advantage of the benefits of agglomeration and increase its growth. The Manchester Independent Economic Review concluded, *“Manchester already has a scale of activity in several sectors which generate significant clustering and agglomerative benefits. Investment into Manchester can build on this strength, adding value and making use of the existing offer, and move the city region towards a “tipping point” where a critical mass of innovative activity creates self-sustaining agglomeration impacts to the benefit of the city regional (and national) economy”*.

It is therefore fitting that Greater Manchester has been chosen as the UK’s first Low Carbon Economic Area for the Built Environment. The designation will help;

- Address carbon abatement on an unprecedented scale through the deployment of existing technologies and accelerated investment in science, technology and innovation to bring new products to the market;
- Raise employment and productivity levels by investing in the provision of appropriate low carbon high and low level skills; and
- Increase investment in the Manchester city region and the UK in low carbon industries and their supply chains.

The selection of Greater Manchester as a Low Carbon Economic Area for the Built Environment is based upon our unique strengths, namely:

- An unrivalled evidence base in relation to supply chain, jobs and skills providing the basis for robust policy and delivery interventions in a targeted and focussed way.
- A strong knowledge pool combining the resources of both academic and professional institutions, including the highest rated research department on the built environment in the UK.
- An enviable track record of delivering high profile international projects, including the Commonwealth Games and Media City.

Our programme will deliver a new industrial revolution, one based around a low carbon economy helping other cities and regions in the UK compete more effectively. We will achieve this through innovation, leadership, investment, and upskilling creating a blueprint for mass low carbon retrofit.

At the heart of our work will be two programmes; the first of these will be within the *commercial* sector. With a spatial focus on the city region's financial core, we will accelerate the energy efficiency of premises and maximise the deployment of micro renewables within existing office and large organisations. This will be achieved by building on our own research, that undertaken elsewhere and using existing iconic examples to create "the largest low carbon business district in the UK" overcoming the physical and financial constraints that have plagued progress in this sector.

Secondly, we will undertake a number of retrofit pilots across the *domestic* sector. We have some of the most affluent and deprived areas in the UK and this is reflected in the energy standards of our domestic sector presenting both technical and financial challenges. However, utilising both our strong science base and supply chains we will accelerate the pace of innovation and brigade public and private sector funding to transform our domestic sector into one of the most energy efficient in the world. We will deploy market-leading technologies relating to energy efficiency and micro-renewables financed through new innovative financing schemes that remove the currently inhibitive long payback periods.

In addition, we will create a *Low Carbon Laboratory* where we will develop and test a range of low carbon solutions relating to the built environment including energy supply, infrastructure and adaptation creating a working vision of what a retrofitted low carbon city would look like.

Finally, and most importantly we know that if we are to achieve systemic change then we need to address much more important and underlying issues, which are critical to economic success. We recognise the need to work within the framework set out in the new National Skills Strategy; this means an emphasis around creating the right skills provision and ensuring our working population is suitable equipped. We will therefore need to work closely with newly emerging skills agencies as well as local providers. This is linked to wage progression and the role this plays in increasing productivity. We will also work with the higher end providers of skills such as the universities to attract and retain graduates, particularly those in related science and engineering subjects. Finally, we must build on analysis we have undertaken on our building technologies and low carbon supply chains. As well as creating new businesses and supporting existing ones, we will need to work with key agencies and local organisations to enable others to move into this new market and attract inward investment. A starting point for this stimulus will be to create market confidence through widespread public and private sector commitment for the retrofit programme, which the LCEA designation is a critical first step.

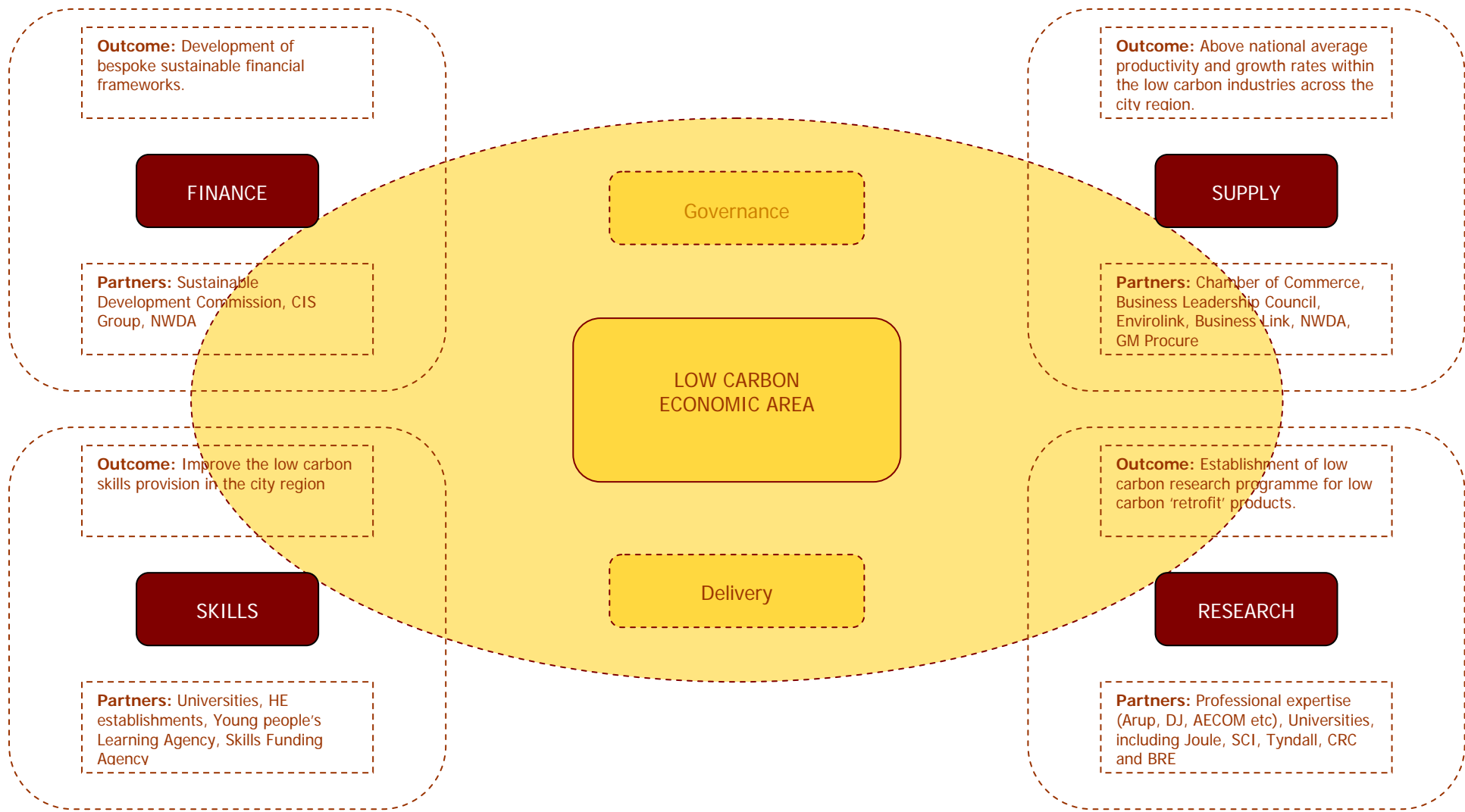
The UK Low Carbon Transition Plan is capital intensive and requires large scale capital over long timescales. Given the constraint on public sector finances over the next few years it is clear that the bulk of the investment in Manchester will need to be delivered by the private sector. This means we will need to work in conjunction with Government and its agencies to use the available public funds in a way that effects the mobilisation of private sector capital at a scale that ensures value for money. A key component of our programme is to develop new financing schemes that reduce some of the inhibitive payback periods associated with many low carbon technologies. We are already actively participating in a national research project on this very issue being managed by the Sustainable Development Commission. At its most ambitious level the domestic retrofit investment based upon Energy Savings Trust figures could range between £1.7bn - £2.9bn dependent upon the scale and type of technology applied. This would fund whole house improvements on 12.5% of housing stock, 75% installation of smart meters and loft insulation and cavity wall insulation on 1.2m residential properties over a 5 year period.

In return for the public and private investment we will:

- Save 6 million tonnes CO<sub>2</sub>
- Deliver up to £650m additional Gross Value Add (GVA)
- Support 34,800 jobs in total (including 18,000 in the supply chain) and contribute approximately £1.4 billion GVA in the built environment in total
- Benefit the North West and UK through developing and sharing best practice, as well as economic spill-over benefits.

In delivering our ambitions we will use our designation to bring to the table our partners and maximise funding opportunities, this will be set out in detail by April 2010 within a Joint Delivery Plan shared by Government, its key agencies and NWDA. At a local level this includes the local authorities, registered social landlords, private sector landlords, universities and further education establishments as well as new skills and training organisations.

In conclusion, this status will enable the Manchester city region to roll out an accelerated carbon abatement programme, thus stimulating the economy, increasing employment and enhancing its hard and soft infrastructure, something hitherto unseen on such a scale by any other world city.



**Outcome:** Development of bespoke sustainable financial frameworks.

**FINANCE**

**Partners:** Sustainable Development Commission, CIS Group, NWDA

**Outcome:** Improve the low carbon skills provision in the city region

**SKILLS**

**Partners:** Universities, HE establishments, Young people's Learning Agency, Skills Funding Agency

Governance

LOW CARBON ECONOMIC AREA

Delivery

**Outcome:** Above national average productivity and growth rates within the low carbon industries across the city region.

**SUPPLY**

**Partners:** Chamber of Commerce, Business Leadership Council, Envirolink, Business Link, NWDA, GM Procure

**Outcome:** Establishment of low carbon research programme for low carbon 'retrofit' products.

**RESEARCH**

**Partners:** Professional expertise (Arup, DJ, AECOM etc), Universities, including Joule, SCI, Tyndall, CRC and BRE