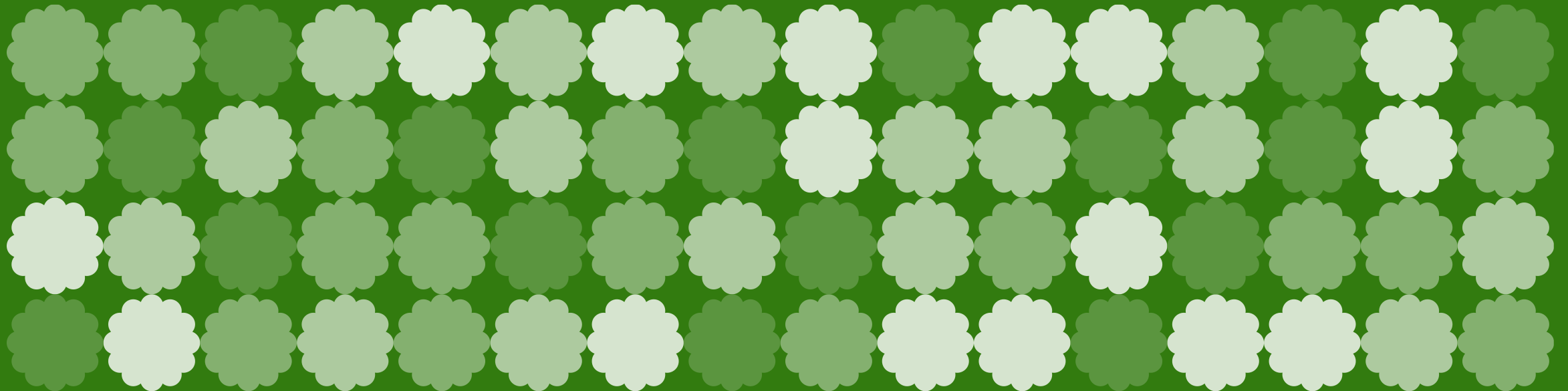


NET ZERO ACCELERATOR & DEVOLUTION DEAL UPDATE

Green City Region Partnership – January 2025

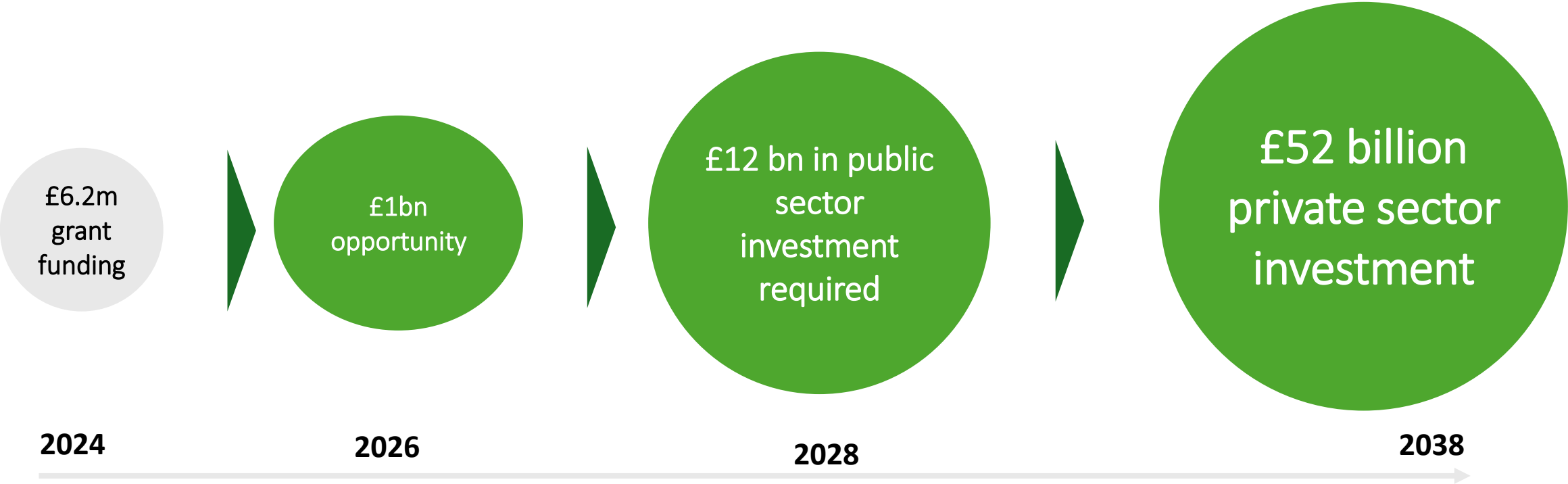


NZ Accelerator Objectives

Overview and Objectives

- The NZ Accelerator is a DESNZ funded programme (£6.2m April 2024-March 2026) designed to accelerate and scale delivery of Net Zero plans and specifically whether we can develop an aggregated bundle of projects and successfully seek investment for the bundle as a whole, rather than just for individual projects.

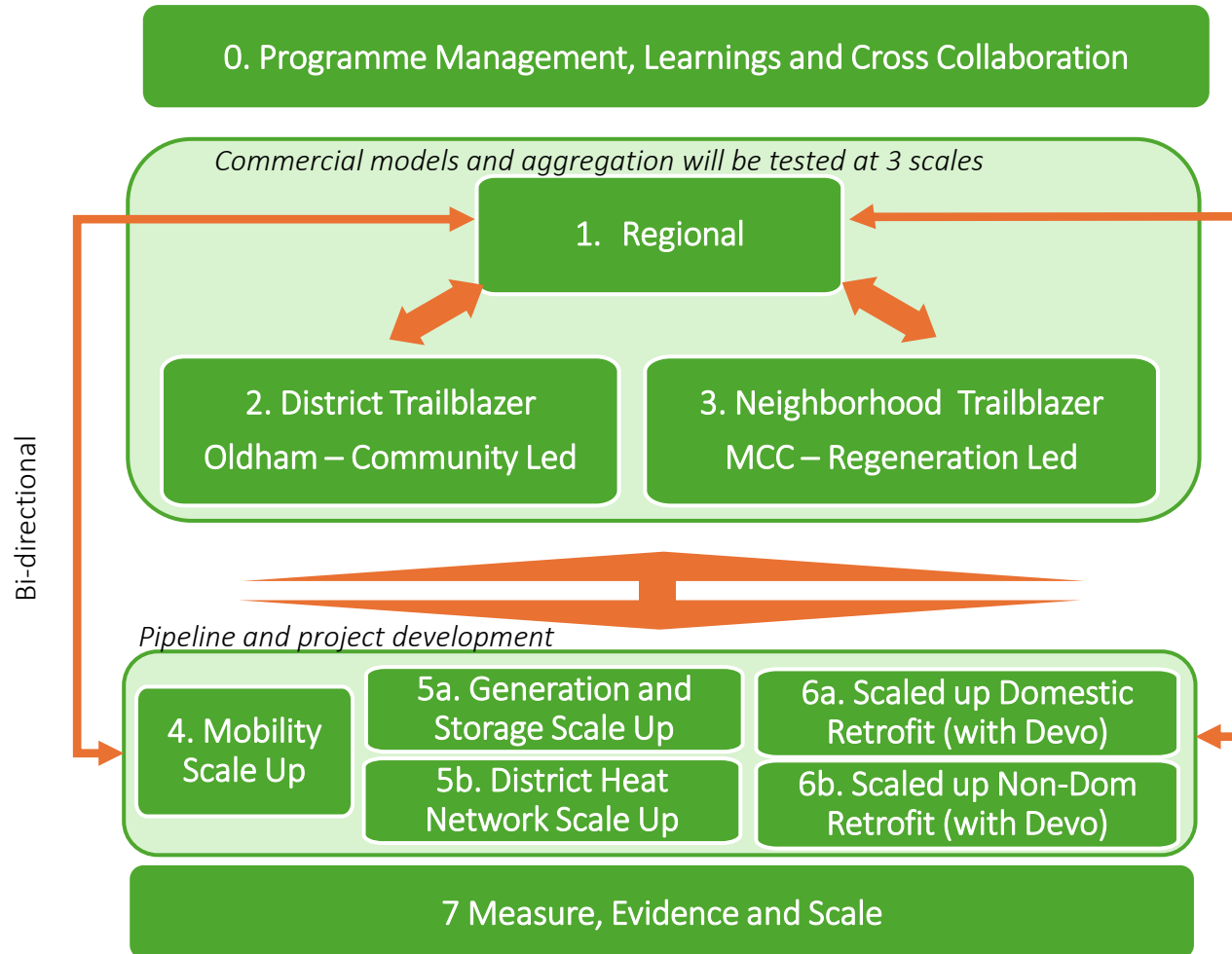
This programme will aim to unlock private sector investment...



Ambition for **£64 billion** (as specified in the LAEPs) to reach **GM's 2038 Carbon Neutral Targets**

DESNZ Accelerator Overview: testing 3 scales of aggregation to develop new investment and delivery models

Programme Workpackages



Workstream Outcomes

1. Regional Investment and Delivery Vehicle(s)
2. Secured JV Partner and Delivery of Oldham Green New Deal
3. Mapped pipeline to feed into regional investment programme
4. Integrated low carbon transport models
5. Expanded Heat, Electricity Generation, and Storage Delivery Model
6. Optimised Retrofit Programme
7. Evidence base to expand, replicate and scale

The DESNZ Accelerator programme will create the trajectory for Carbon Neutrality in GMCA

WP1 will establish regional investment opportunities

The workstream will set the course for investment and delivery to achieve carbon neutrality by 2038

Work package 1 will progress the GMCA approved Strategic Outline Business Case (SOBC) (which followed on from development of the Local Area Energy Plans) towards full commercial business cases and commercial model(s) with support from financial advisors. The asset-based business cases will be used as anchors to support **place-based investments to determine how to best aggregate projects** to ensure that both **commercial-ready and projects requiring public top up** are considered. The work package will work with Oldham, MCC and all GM districts to establish the investment fund models, governance, processes and tools to develop investible and deliverable pipelines of assets working with place-based and asset-based delivery streams.

Key Workstreams

- Progress business cases from SOBC to full business case and place-based commercial models
- Develop Templates, tools and processes to feed pipeline for each of 10 districts + TFGM
- Develop innovative structures for investment/fund/model(s) and investor engagement plan

Workstream	RAG	Completed Actions / Status	Priorities going forward
WP1: Regional		<ul style="list-style-type: none"> Financial advisors (KPMG) appointed to deliver Initial investment pipeline developed to inform blending options. Investment options appraised against asset classes. 	<ul style="list-style-type: none"> Market testing of investment/blending options. Clarification of tools and templates required to support investment stack. Finalising the investment stack with other work-packages

WP2 will demonstrate a model using Community Led Energy Planning (CLEP) and “anchor” projects to de-risk investment & deliver

The workstream will ensure a just energy transition, de-risking the delivery of the anchor projects & co-producing the ongoing LAEP project pipeline with end users and unlock replicability across the region

Work package 2 will establish a commercial public-private joint venture to deliver the Oldham pipeline. The model will demonstrate how a community led energy planning approach can enable grass-roots co-production of schemes with a commercial provider to de-risk investment and accelerate delivery. The Oldham workpackage aggregates asset at a district level.

Workstreams

Design and Implementation of the 2.0 Community Led Planning (CLEP)

Confirmation of project pipeline for procurement of strategic partner

Procurement

Establishment of OGND DP governance and initial operations

Workstream	RAG	Completed Actions / Status	Priorities for Upcoming Period
WP2: Local (Oldham MBC)		<ul style="list-style-type: none"> •Advisors appointed •Timeline identified for procurement of the Oldham Green New Deal Delivery Partner •Electric Vehicle Charging Infrastructure (EVCI) Strategy underway. •Partnership with NWF being progressed on area based retrofit. 	<ul style="list-style-type: none"> •Further work to conclude contract discussions with Womble Bond Dickinson & Carbon Co-op. •OGND: Market Engagement and Procurement •Heat network/project pipeline: Scope agreed for FCHO consultancy piece and procurement set in motion. •EVCI strategy: Finalisation of list of sites to be included in the OGND Delivery Partner procurement.

WP3: Pipeline development including civic centre regeneration as a catalyst for Net Zero

Workpackage 3 will demonstrate how to develop, investible projects to feed into the regional approach

Work package 3 will develop an investible pipeline of low carbon projects across Manchester. Collaborating with GMCA, a Manchester-based pipeline and projects will provide the evidence, investment and delivery model testing opportunities to drive the regional investment programme. WP3 will explore a place-based approach, building a bottom-up pipeline for regeneration of an urban neighbourhood including heat, power, retrofit and transport exploring the opportunities to aggregate projects at a neighbourhood level.

Workstream
Investment Strategy and Plan
Capability and Capacity
Pipeline Development
Design, Test and Embed Regional Approach

Workstream	RAG	Completed Actions / Status	Priorities for Upcoming Period
WP3: Neighbourhood (MCC)		<ul style="list-style-type: none"> •New Programme Lead appointed •Wythenshawe JV partner(Muse) appointed •Roles and responsibilities of the new delivery team, plan and governance established •Additional HNDU funding awarded for heat network feasibility. 	<ul style="list-style-type: none"> •Engage Wythenshawe partners to build on pipeline •Develop pipeline for heat network, social housing, and non-domestic public sector buildings

WP4: will drive low carbon transport with innovative business models

Workpackage 4 will focus on developing the infrastructure and demand and accessibility for low carbon transport

Working in partnership with Transport for Greater Manchester (TfGM) and commercial partners, work package 4 will prioritise, develop, trial and demonstrate opportunities for driving demand and stimulating greater access for low carbon transport. This programme will focus on an integrated approach considering opportunities to support and leverage energy infrastructure while optimising energy use.

Workstream

EVCI Site Selection and Optimisation

Energy Demand Planning

Demand Responsive Transit Digital Platform and Electrification

Social Tariff and Community Engagement

Workstream	RAG	Completed Actions / Status	Priorities for Upcoming Period
WP4: Mobility		<ul style="list-style-type: none">•The team is now fully resourced and in the process of completing inductions and getting familiar with the programme.•Initial research work being commissioned	<ul style="list-style-type: none">•EGS scopes to be developed - Projects scoped, PIDs signed off.•LAEP action plan produced and delivery underway.•Social housing retrofit - Consultants to be briefed, kick off meeting taken place and work underway•Wythenshawe heat network study progressed•Wythenshawe blueprint scope outlined and underway.•Develop and complete EV Work Programme and Delivery Plan

WP5a: Energy Generation and Storage

Workpackage 5a will deliver the energy generation and storage pipeline and delivery vehicles across districts.

Building on the GO Neutral’s delivery programme, workpackage 5 will enable scale by developing: a) demand, b) delivery capacity across energy asset types. This workpackage will work with the districts to develop project pipelines, the OBC workstream to ensure the development supports investment opportunities and the place-based approaches to ensure an integrated approach to delivery of energy generation and storage.

Workstream

Scaled up Delivery

Mapping of potential sites & owners w/ energy demand and generation

Development of collaborative procurement approaches

Feasibility and techno-economic studies (energy inc wind and geothermal)

Heat Network Procurement

Optimise energy use and value

Workstream	RAG	Completed Actions / Status	Priorities for Upcoming Period
WP5a: Smart Energy & Storage		<ul style="list-style-type: none"> •P-005 Rochdale solar study complete •P-006 (LCOE GM study) -initial screening complete •P-009 (Community Energy study) evaluating tender •Overhaul of building asset pipeline, and development of new land asset pipeline – started to engage districts •Powering Our Schools– Installation surveys started – quotes received are good value 	<ul style="list-style-type: none"> •P-008 (Energy Procurement & Generation Mix) and P-010 (Energy Storage & Flex study) developed •Develop commercial building solar programme – commission new study into solar capacity potential •Continue to build land asset pipeline and maintain building asset pipeline •Awaiting ESC work on building database to complete the building asset pipeline refresh •WS3: Powering Our Schools – Continue with surveys

WP5b: Heat

Workpackage 5a will deliver the heat network pipeline and delivery vehicles across districts.

Building on the GO Neutral's delivery programme, workpackage 5 will enable scale by developing: a) demand, b) delivery capacity across energy asset types. This workpackage will work with the districts to develop project pipelines, the OBC workstream to ensure the development supports investment opportunities and the place-based approaches to ensure an integrated approach to delivery of heat.

Workstream

Scaled up Delivery

Mapping of potential sites & owners w/ energy demand and generation

Development of collaborative procurement approaches

Feasibility and techno-economic studies (energy inc wind and geothermal)

Heat Network Procurement

Optimise energy use and value

Workstream	RAG	Completed Actions / Status	Priorities for Upcoming Period
WP5b: Heat Networks		<ul style="list-style-type: none"> • Prepare for future heat zoning policy. Commenced LA 121s • Develop and commercialise priority DHN schemes - Support to Trafford in developing procurement approach. •AZP support for de-risking activities confirmed with LAs. •Paper on connection charges finalised and issued. •KPMG DD review completed & report shared with Bolton. •GHNF feedback received for Trafford and Stockport 	<ul style="list-style-type: none"> • Finalise first draft of DHN vision statement, governance structure and Zoning Coordinator model. •Discuss zoning coordinator approach with DESNZ. •Support unsuccessful HNDU applicants.

WP6a: Domestic Retrofit Scale Up with Devolution

Workpackage 6 will build the demand and demonstrate quality, scaled retrofit delivery

Building on ECO learnings from previous years, programmes such as Your Home Better, and Local Energy Advice Demonstrator, GMCA will design a comprehensive retrofit service. This will include the development of new propositions to drive demand for retrofit whilst increasing capacity and developing the structures and processes to deliver through the single settlement devolution deal.

Workstream

Prepare for capability capacity, processes and systems for single settlement/devolution

Develop public backed loan scheme and/or group buy offers

Expand Retrofit Advice and Expertise

Develop propositions to drive demand (solar PV, fabric installation, whole house retrofit)

Workstream	RAG	Completed Actions / Status	Priorities for Upcoming Period
WP6a: Domestic Retrofit		<ul style="list-style-type: none"> •Deliver ECO and SHDF until 31 March 2025 and capture lessons learnt. •Consult RPs on WH:SHF and LAs on WH:LG. •Resume negotiations with the Department for Energy on the inclusion of WH:SHF and WH:LG funding in an Integrated Settlement under the Trailblazer Devolution Deal. •Develop options for public backed loan scheme (working with KPMG). 	<ul style="list-style-type: none"> •Deliver ECO and SHDF until 31 March 2025 and capture lessons learnt. •Draft scheme guidance for WH:SHF and WH:LG and consult RPs, LAs, and Department for Energy. •Evaluate bids for Net Zero Housing Retrofit Framework Agreement.

WP6b: Public Sector Retrofit Scale Up with Devolution

Workpackage 6 will build the demand and demonstrate quality, scaled retrofit delivery

GMCA will design a comprehensive public sector retrofit service. This will include the development of new propositions to drive demand for retrofit whilst increasing capacity and developing the structures and processes to deliver through the single settlement devolution deal.

Workstream

Prepare for capability capacity, processes and systems for single settlement/devolution

The creation of building energy tool to support decisions on how we target the deployment of future funding

Investment ready PSDS pipeline

Accelerated Delivery

Workstream	RAG	Completed Actions / Status	Priorities for Upcoming Period
WP6b: Public Buildings Retrofit		<ul style="list-style-type: none">•Preparing for the trailblazer single settlement - 1-2-1's supporting positive interaction and discussion with partners.•Public estate and decarbonisation roadmap - ESC data received and in review•Determining route(s) to market – kick off discussion.•Business case for building decarb and finance - Development of PID and strategy for KPMG engagement. DESNZ engagement in January.	<ul style="list-style-type: none">•Agree outcomes and targets for Devo fund allocations•Present at DoPE and look for partner support in validation of data•Understand scope for development of 'phase 1' works•Confirm output requirement/conditions of funds with partners

WP7 will measure, evidence and scale the approach and programme interventions

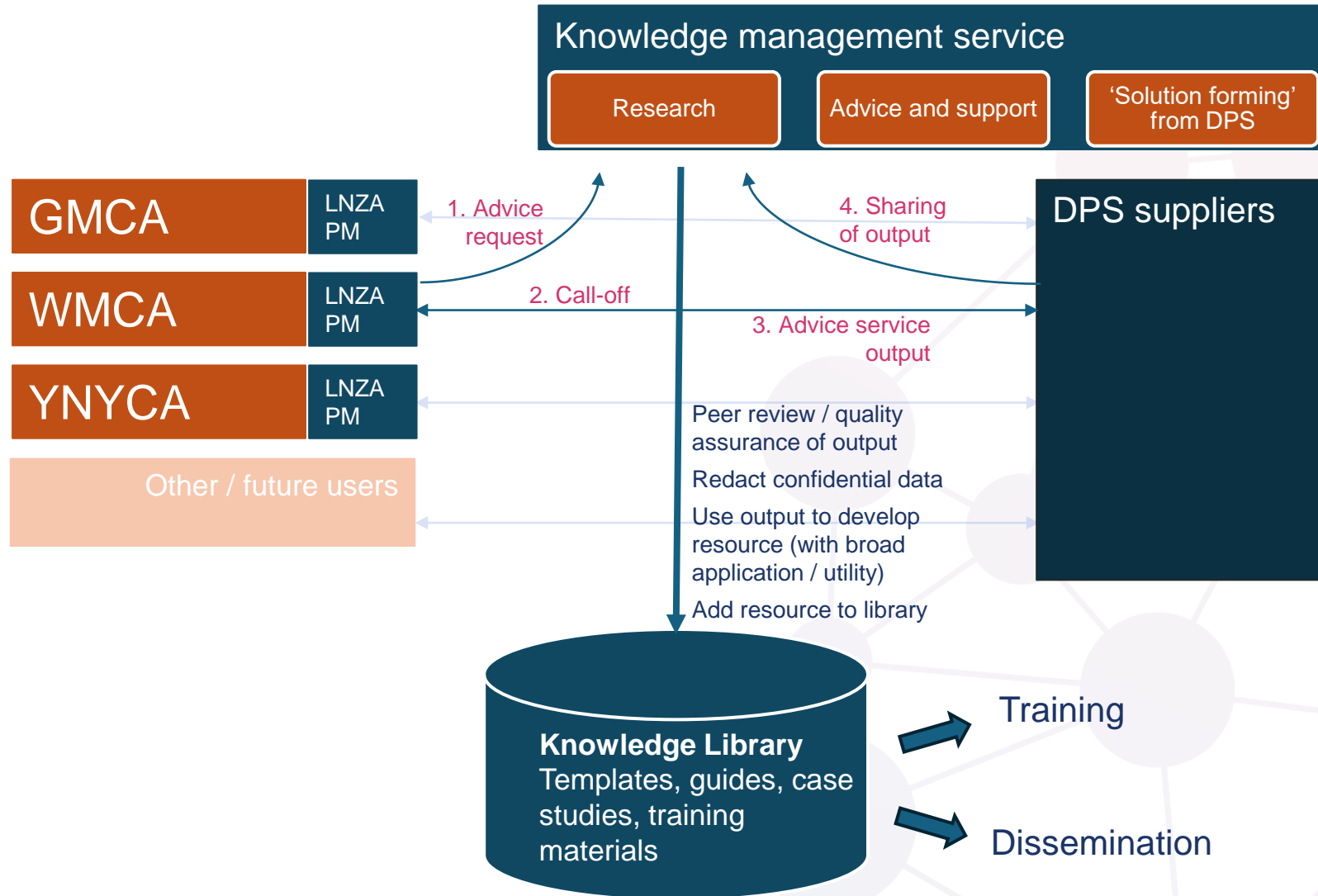
Workpackage 7 will enable the learnings from the DESNZ Accelerator programme to have impact in GM and across the UK

Workpackage 7 will consolidate learnings from the programme to provide evidence in terms of scale of intervention and how carbon impact can be effectively measured. These findings will be disseminated across the UK. Lastly the workpackage will take a holistic view to devolution opportunities ensuring the findings from individual workstreams are integrated and synergies are created.

Workstream
Compare and Contrast: appropriate scales
Carbon and Broader Measurement
Dissemination
Devolution preparation

Workstream	RAG	Completed Actions / Status	Priorities for Upcoming Period
WP7: Consolidation and Dissemination		<ul style="list-style-type: none"> •Appointment of Knowledge Transfer Officer for GMCA – employed by GSEZHZ. •Contribution to national knowledge transfer product on conditions for acceleration. •Engagement of local stakeholders. 	<ul style="list-style-type: none"> •Integration of KT Officer into Low Carbon Team •Continued contribution to national knowledge transfer •Continued engagement of local stakeholders.

Structure of the Support Programme for the Pilots



Integrated Settlement Update – WH: & PSDS

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**GREATER
MANCHESTER**
DOING THINGS DIFFERENTLY

Current Situation

- Not agreed
 - Integrated Settlement overall.
 - Outcomes and targets almost agreed.
- Agreed
 - Scope of the funds to be devolved – WH: SH&LG + PSDS
 - Allocation Methodology and quantum of devolved funding.
- Potential to move quicker with DESNZ given advanced discussions
- Complicated by launch of national WH: and PSDS schemes.
- Worked with DESNZ & Salix to provide clear guidance for GM applicants

Public Sector Decarbonisation Scheme – GM Approach

- Organisations **within scope** of the deal are:
 - GM Local Authorities, Emergency Services, Mental Health NHS Trusts, all schools in the state education system (i.e. maintained schools, academies, multi-academy trusts and free schools) and further education institutions and colleges
- Organisation **out of scope** are:
 - Central Government departments and their arm's length bodies, acute and cancer NHS trusts and foundation trusts, higher education institutions
- GMCA **allocation** expected to be circa 3.1% of the national funding pot. Allocation to be provided under Section 31 with a three-year defrayal period (FYs 25/26, 26/27, 27/28).
- **Conditions** of funding (outcomes and outputs) are subject to ongoing negotiation with DESNZ.
- **Timescale** for concluding negotiations is unknown but expected to be early 2025, and then subject full CA approval. GMCA's devolved model is expected to take up to 6 months to be operational following CA approval.
- GMCA is exploring an **interim solution** to ensure priority projects have a route to receive funding and commence delivery in FY 25/26 in advance of an operational devolved model. Potentially 2 stage approach – EOI/Strategic Gateway + initial Technical Review, then Full Assessment.

GMCA Warm Homes: Local Grant

Scheme Criteria:

- Owner-occupied or Private Rent
- Low-income Households
- Improve EPC from D-G to C
- Up to £15k Insulation
- Up to £15k Low Carbon Heating
- 15% Admin and Ancillary Costs
- PAS 2035 and PAS 2030 or MCS
- TrustMark

Options for consideration:

- GM Allocation – 6% TBC
- Scheme delivery by GMCA or LAs
- Grant or Interest Free Loan
- Area Based Approach
- Focus on Solid Wall Insulation

GMCA Warm Homes: Social Housing Fund

Scheme Criteria:

- Social Housing
- Improve EPC from D-G to C
- Up to £7.5k Insulation
- Up to £7.5k Low Carbon Heating
- 50% Match Funding
- 15% Admin and Ancillary Costs
- PAS 2035 and PAS 2030 or MCS
- TrustMark

Options for consideration:

- GM Allocation – 5.7% TBC
- Bidding window every 6 months
- Grant or Interest Free Loan

Recommendations.

To provide feedback on progress with the Net Zero Accelerator.

To provide feedback on the GM approach to PSDS and WH: and promote when launched.

Questions?

