

## LOW CARBON HUB BOARD

Date: **22nd January 2016**

Subject: **GM Devolution – Energy Update**

Report of: **Mark Atherton, GM Director Environment**

### 1. PURPOSE OF REPORT

This report provides an update on the development and timetable for the ongoing devolution opportunities for Greater Manchester as they pertain to the energy and low carbon agenda.

### 2. RECOMMENDATIONS

It is recommended that the Board:

- i) Review the report and share their views
- ii) Consider the opportunities presented, and provide feedback either during, or following the meeting

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### BACKGROUND PAPERS:

ANNEX 1 Final Text of GM Devolution Ask and Energy

|   |       |                                |
|---|-------|--------------------------------|
| <b>TRACKING/PROCESS</b>   |       | [All sections to be completed] |
| Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board                     |       | No                             |
| <b>EXEMPTION FROM CALL IN</b>   |       |                                |
| Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency? |       | No                             |
| AGMA Commission   | TfGMC | Scrutiny Pool                  |
| Low Carbon Hub 22/01/16   |       |                                |

### **3 OVERVIEW**

As part of devolution opportunities for Greater Manchester, the latest round of devolution negotiations has resulted in the following energy – related agreement with government. The full document is provided at Annex 1 and the section on energy is highlighted below:

#### **Energy Section:**

32. Government is committed to reducing UK emissions in line with carbon budgets and tackling the impacts of unavoidable climate change. Government recognises that integrating national and local measures can help to support the low carbon transition. Greater Manchester's Integrated Climate Change and Low Emissions Implementation Plan describes how national and local objectives and targets can be delivered together.

33. In recognition of this, Government commits to working with Greater Manchester to consider how the design and delivery of national policies and programmes can be better aligned and integrated to support delivery of Greater Manchester's priorities.

34. In addition Department of Energy and Climate Change official[s] will sit on the Greater Manchester Low Carbon Hub Board, attend quarterly Board meetings to review progress, unblock barriers, identify future opportunities and enhance cooperation between national and local government.

35. The Department of Energy and Climate Change and Greater Manchester will discuss opportunities for cooperation in more detail following the Spending Review, with a view to concluding a more detailed agreement in the new year. Subject to the outcomes of the Spending Review, this will include discussion of areas such as energy efficiency, community energy and business energy tax reform.

#### **Timetable**

As a first step, Patrick Allcorn, Head of Local Energy at DECC has been appointed to the LCH Board and will attend the January 2016 meeting.

Greater Manchester will work closely with DECC and government departments between now and the end of February to turn the above themes into workable initiatives and proposals in readiness for the Chancellor's next Budget Statement.

### **5 POLICY AND PROGRAMME REFORM**

Alongside and related to the above negotiations, Government launched a consultation on the Business Energy Efficiency Taxation Review. Greater Manchester submitted a response to this consultation and will continue to feed in to discussions on business energy tax reform over the coming months.

Although Energy Company Obligation (ECO) levy is unlikely to change significantly in the near future, GM will also support DECC to design the next iteration of the levy (ECO3).

## **6 CONCLUSION**

Greater Manchester has a significant opportunity over the coming weeks to provide evidence and help to shape Government policy. We will be meeting directly with Government and will also participate in city engagement events in order to develop and implement the above agreements. This includes workshops with DECC and meetings with Treasury.

Board members views are sought on this, as it provides a helpful channel of communication to raise issues and evidence with Government, with a view to creating sensible solutions for the UK's energy challenges. We are interested in your views, case studies and evidence to support key features of future policy development.