

The Business Case Phil Jones

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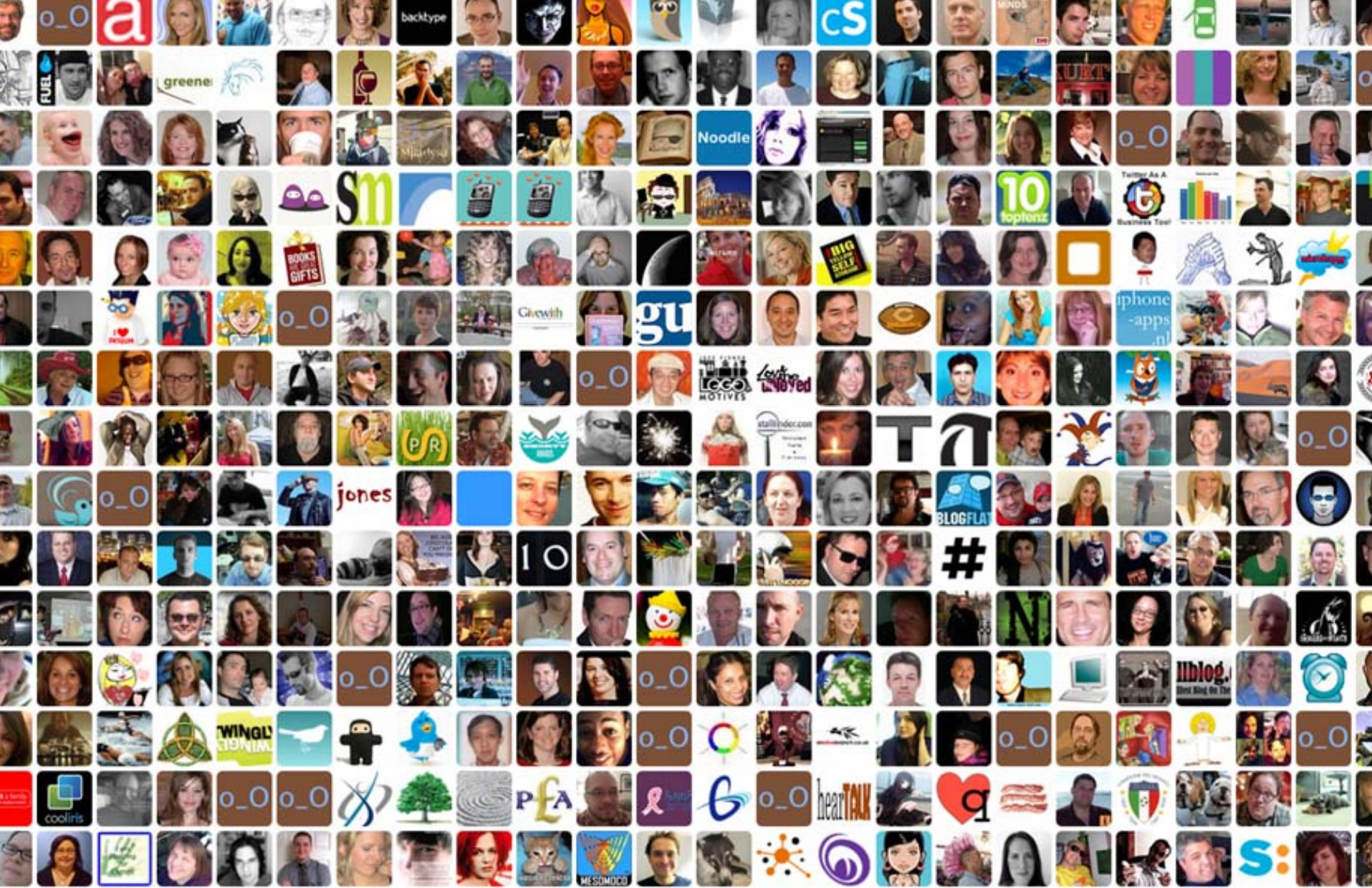


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Economic

Environmental



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The Golden Egg?



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**Thanks for
listening**

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Low Carbon Economic Area for the Built Environment



Keith Davidson
Environment Commissioner



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Next 5 years crucial



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Delivery programme

The UK retrofit hub

- Residential
- Non-domestic
- Energy infrastructure
- Low carbon laboratory
- Financing frameworks
- Supply chain initiatives



Accelerated carbon abatement

HESS Goal	UK HESS timescale	GM LCEA timescale
All lofts and cavity walls insulated	2015	2013
34% of all homes with whole house changes	2020	2015
All homes to have smart meters	2020	2015



Accelerated economic growth

- Create an additional £650m to the GM economy
- Support 34,800 jobs
- Create the conditions for private investment
- Innovas study – GM low carbon sector growing at 4%



Enhanced international brand



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City region strengths



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Steve Turner – LCEA delivery and co-ordination

Jon Lovell – Commercial opportunity

Michael O'Doherty – Residential opportunity

Annie Smith – Employment and growth opportunities

Cat Watkins – Private Sector Financing



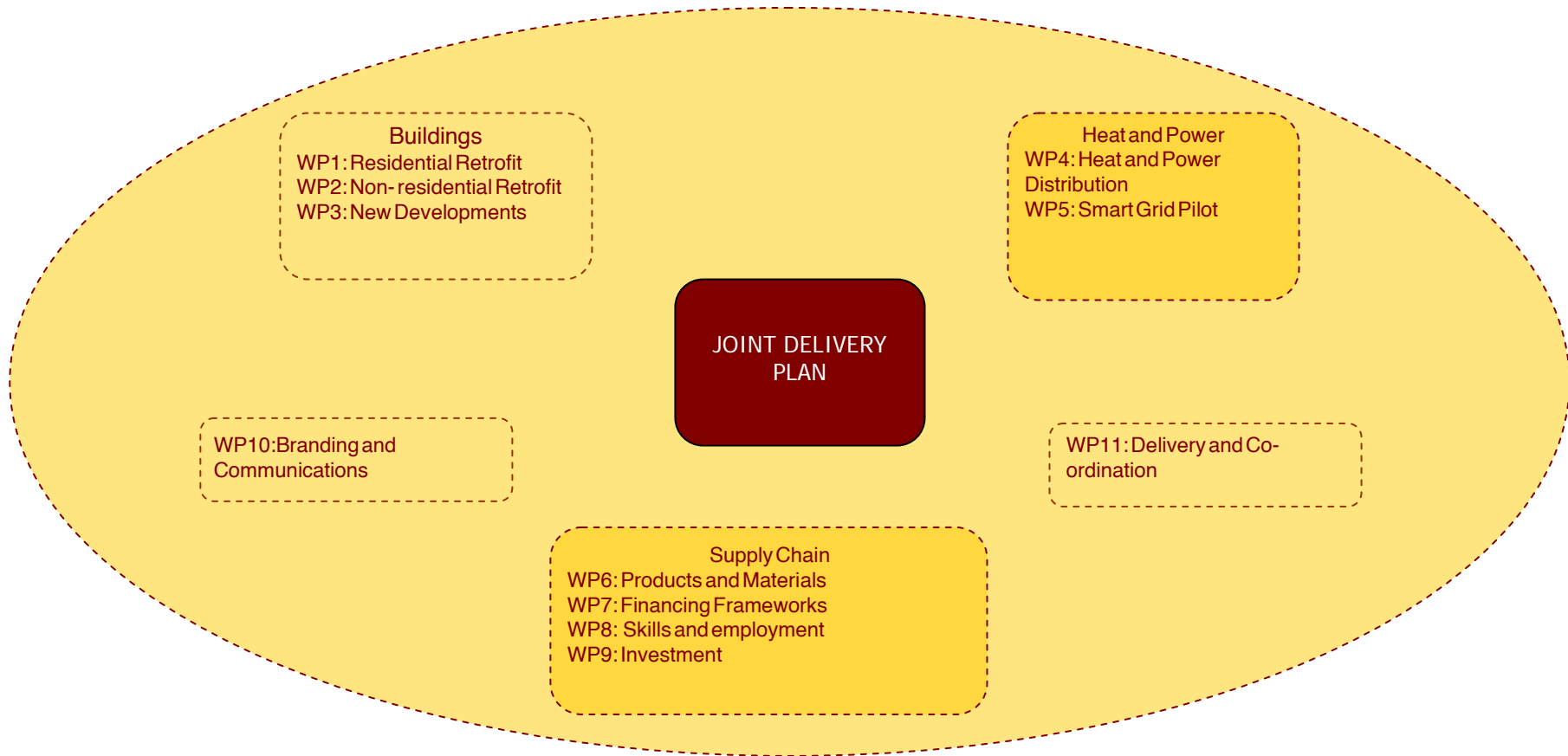
Overview

Steve Turner
Programme Manager



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Overview and Process





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The Commercial Opportunity

Jon Lovell
Head of Sustainability
Drivers Jonas LLP



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Commercial drivers for low carbon property

1. FINANCIAL

Reducing costs, cash flow stability and optimising profits

2. REPUTATIONAL

Differentiation and protection of brand integrity

3. LEGAL

Ensuring statutory compliance and minimising negative exposure to environmental regulation

4. PHYSICAL

Managing and abating environmental (climate) risk

5. ETHICAL

Promotion of social and intergenerational equity

6. MARKET

Mitigating against the risk of tenant migration and investment depreciation



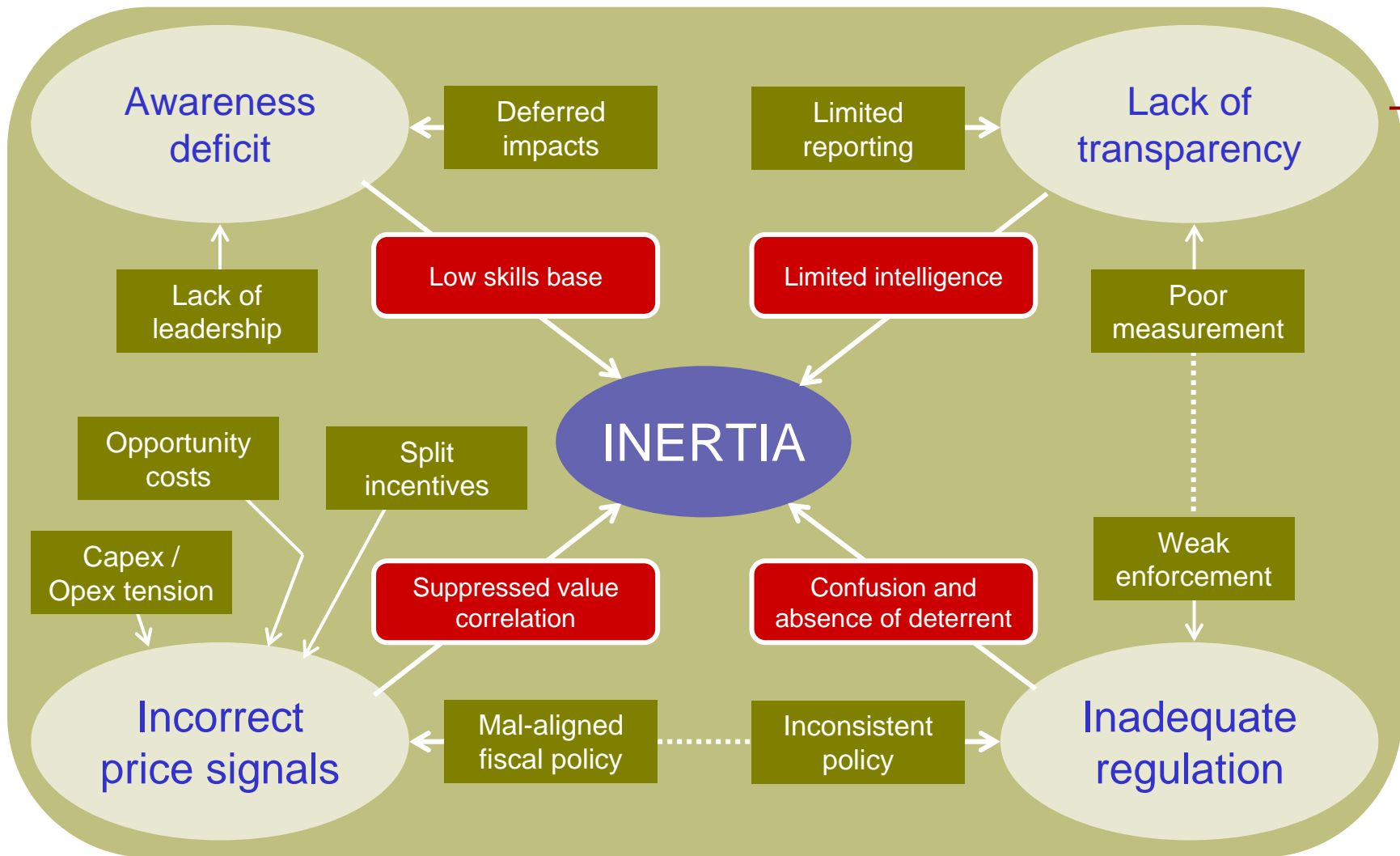
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RESILIENCE

GREATER
COMPETITIVENESS

VALUE
DIFFERENTIAL



Reality check – reasons for inertia



ECONOMIC PARADIGM OF GROWTH AT ALL COSTS



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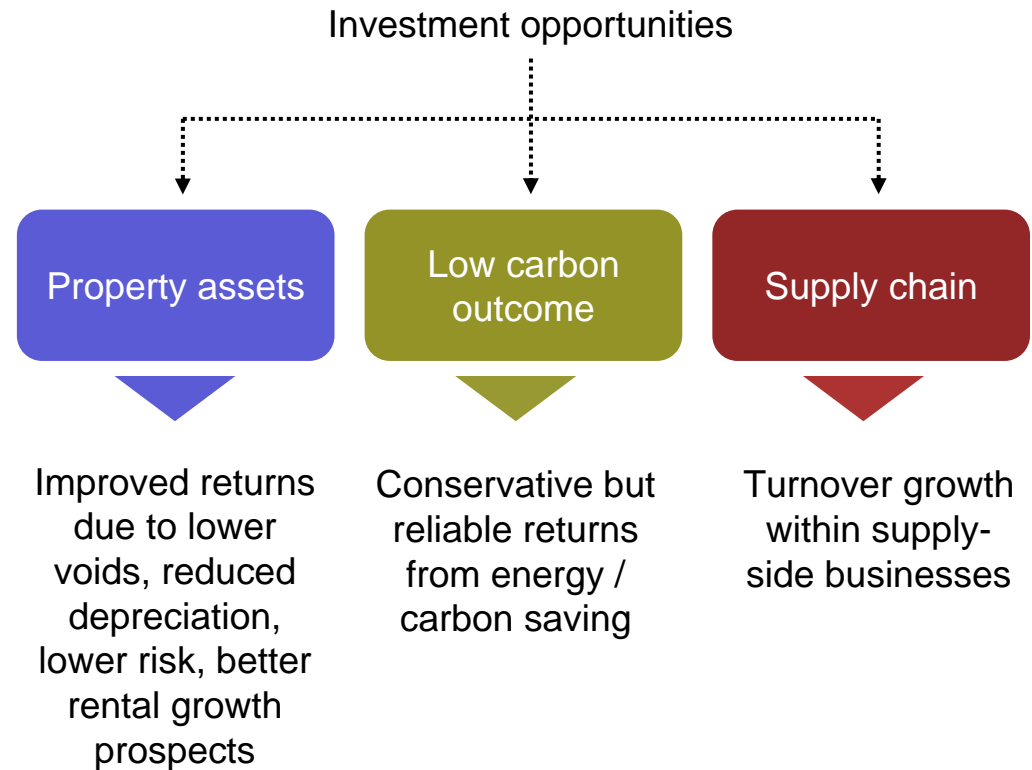
Unlocking barriers to transformational change

Aim

To conceptualise and deliver a transformational low-carbon retrofit programme for public and commercial buildings (excluding domestic) across Greater Manchester

Strategic Objectives

- calculate the 'scale of opportunity'
- establish robust quality criteria for LCEA retrofit projects;
- create the financial conditions and supply chain capacity;
- identify a number of early wins and exemplar opportunities;
- establish the public funding and commercial investment frameworks for delivery at scale;
- improve the market appeal of non-domestic property in GM



Residential Opportunity

**Michael O'Doherty,
Assistant Director of
Housing, Manchester City
Council**



WP1 Housing Retrofit - Headlines

- To reduce CO2 emissions from the existing domestic sector by 26% by 2015 (currently 6.1M tonnes pa)
- Get a better understanding and scope GM's housing stock, to enable targeted interventions
- Roll out delivery of basic energy efficiency measures to homes— e.g. loft and cavity wall insulation to 75% of all remaining homes by 2013.
- Develop programme of advanced interventions to homes to a new 'GM Retrofit' standard i.e. SWI and renewable energy
- Energy aware households: Roll out programme of Smart Meters and make in-depth behavioural change energy advice available to all households by 2015.



Partners and governance

- **Local Authorities – Housing and Energy**
 - **Energy Savings Trust**
 - **Utility and Energy companies**
 - **Social Housing Providers/ GM Procure**
 - **Construction and design sector**
 - **Jobs, & Skills sector**
 - **Fuel Poverty Sector**
 - **Public Agencies; HCA; TSA; NWDA**
 - **Public and private investment organisations**
 - **.... Households and communities**
-



Challenges

- High Capital Costs
- Supply Chain bottlenecks
- Quality Assurance
- First mover risks
- Realising benefits of scale: procurement
- Market segmentation – targeted and timed incentives
- Households' investment and lifestyle decisions



Opportunities

- Scale – 1.1M GM homes; 262,000 in the social sector;
- Utility/Supplier obligations; CESP; CERT
- ERDF - Manchester City Region
- HCA investment in existing social stock
- ‘Pay as you save’ schemes
- ‘Feed in tariffs’ from renewable energy
- Institutional Investment models
- LA and other public sector grants and loans
- Economic benefits – new and retained jobs; local labour
- Health and Fuel Poverty drivers



Employment and growth opportunities

Annie Smith

Head of Employment, Commission
for the New Economy



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Skills and Employment - Headlines

Purpose is to ensure that

- GM has the workforce to deliver the rest of the LCEA work programmes
- We maximise opportunities for local people to secure the jobs created through the LCEA

This will require us to

- Support local companies to secure LCEA contracts by making them competitive for capital and other works
- Ensure any company winning LCEA work is supported to employ local people
- Developing specific employment / training programmes to upskill existing workers and allow unemployed residents to compete for low carbon jobs



Key areas of work (1)

First challenge is to understand: -

- The likely type, scale and phasing of work to be undertaken through the LCEA (e.g. advice, insulation, installation, engineering construction)
- The likely type, scale and phasing of the jobs created for each contract
- The qualifications / accreditation companies need to be competitive for contracts (e.g. MCS for microgeneration)
- The skills / qualifications residents will need to be competitive for jobs
- How many and which providers have the skills to support companies and individuals to the required level



Key areas of work (2)

Securing funding for and delivering the following: -

- Business support to help local companies meet the required accreditation standards and to complete the paperwork for bidding
- Engage with those businesses to support the recruitment of local labour into any new jobs
- Work with local skills / employability providers to train local people for the jobs created – both those currently in and out of work
- Ensure providers have sufficient capacity and the most appropriate infrastructure to deliver our required training pathways
- Support development of training programmes / national specialisms in particular niche areas



Key funding and delivery partners

- Jobcentre Plus / DWP and their providers
- Skills Funding Agency and colleges / training providers
- Sector Skills Councils
- Business Link
- North West Development Agency
- Local Authorities – Economic Development staff



Opportunities

- Increase bidding opportunities for local companies in a range of areas, including those in declining sectors to diversify their business base
- Increase competitiveness of GM companies for similar work outside of the conurbation
- Increase the proportion of local labour in key capital schemes
- Use the skills and business base to attract further inward investment in the Low Carbon sector
- Upskill the existing workforce
- Increase the volume of people moving off benefit and into newly created jobs
- Maximise public funding available for GM companies and individuals



Private Sector financing

Cat Watkins

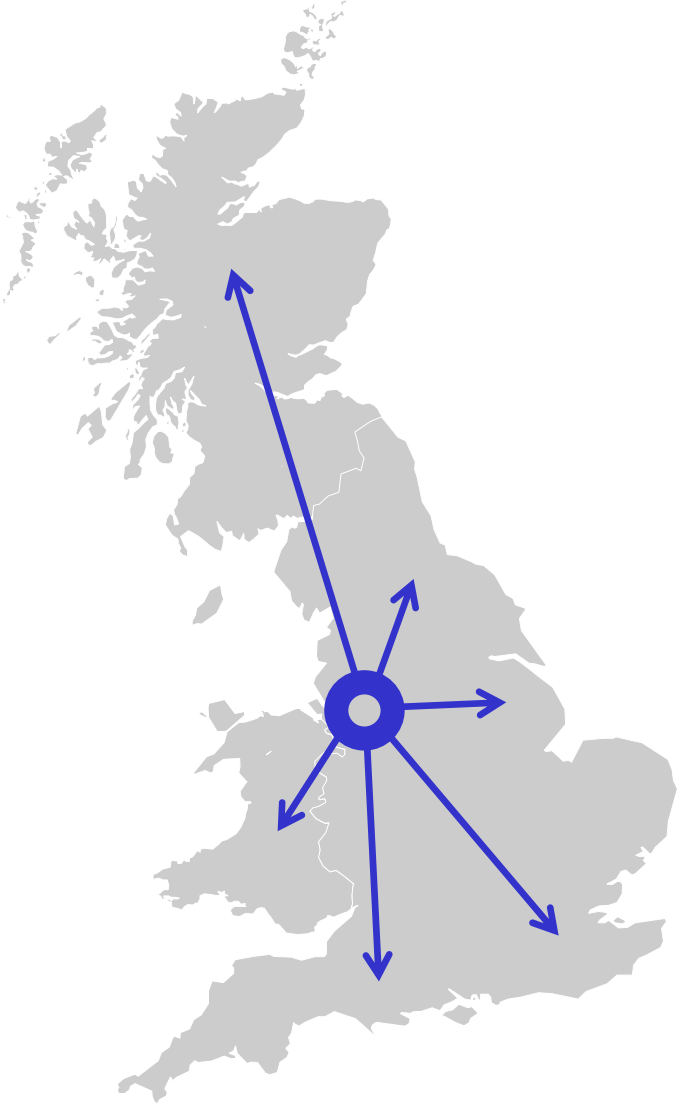
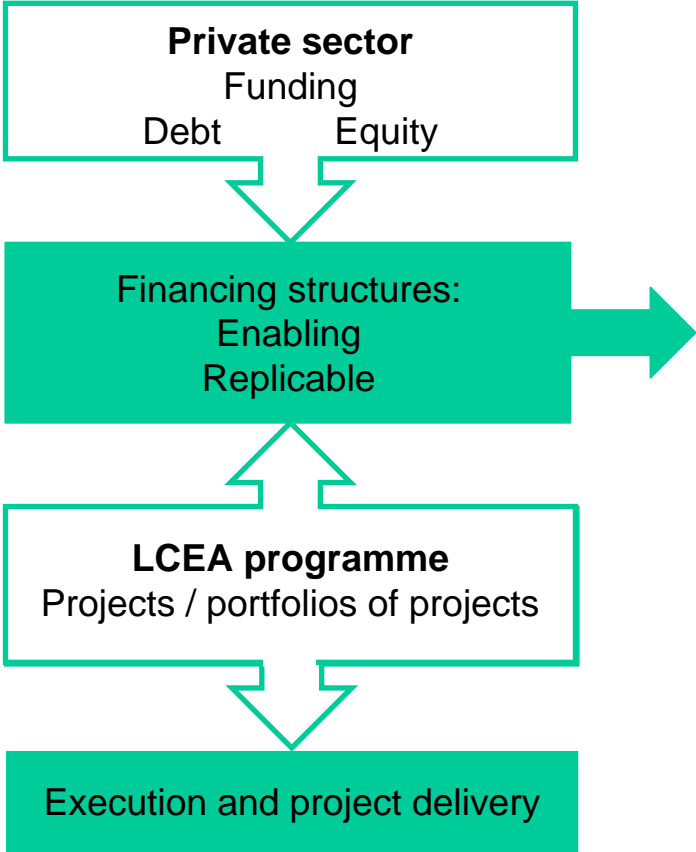
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Quality In Everything We Do

What does success look like?



How are we going to achieve this?

