

Launch Event

Thursday 1st July – 3.30pm-5.30pm

UK Cities Climate Investment Commission Launch

CATAPULT
Connected Places

UK CITIES 
Climate Investment Commission

A partnership between

CATAPULT  **LONDON COUNCILS**
Connected Places CORECITIESUK

Welcome

Andrew Carter

Chief Executive, Centre for Cities

Greg Clark CBE

Chair, Connected Places Catapult

Presentation of the UK CCIC and what it aims to achieve

Cllr Susan Aitken

Leader, Glasgow City Council
and UK CCIC Board member

Presentation of Stage One Report Results

Niall Bolger

Chief Executive, London Borough of Hounslow
and UK CCIC Steering Group member

The Context

- UK Government has set ambitious, **world-leading targets** to tackle the climate emergency:
 - 68% emissions reductions by 2030
 - 78% emissions reductions by 2035
 - Net zero emissions by 2050
- Forthcoming government strategies on Net Zero, Heat and Buildings and Transport Decarbonisation will **require local action**
- Around **230 councils** have declared a climate emergency, and are taking leadership in their local areas
- Cities and London boroughs have also **risen to the climate emergency**, with many setting ambitious targets for achieving Net Zero ahead of 2050

The Challenge and Opportunity

- The **green investment potential** across UK cities is huge
 - Together, London and the UK's 11 Core Cities urban areas produce more than 50% of the UK economy, and are home to almost 30 million people and large numbers of businesses
- The barrier isn't the availability of finance; it's our ability to create robust business cases and investment models that address **issues of scale, longevity and confidence** – creating a more attractive and substantial proposition for investors
- **There is the opportunity**; how do we create a different sense of scale and scope, above and beyond what has been done before?
- First, we need to understand **the scale of the challenge and the opportunity...**

Overview

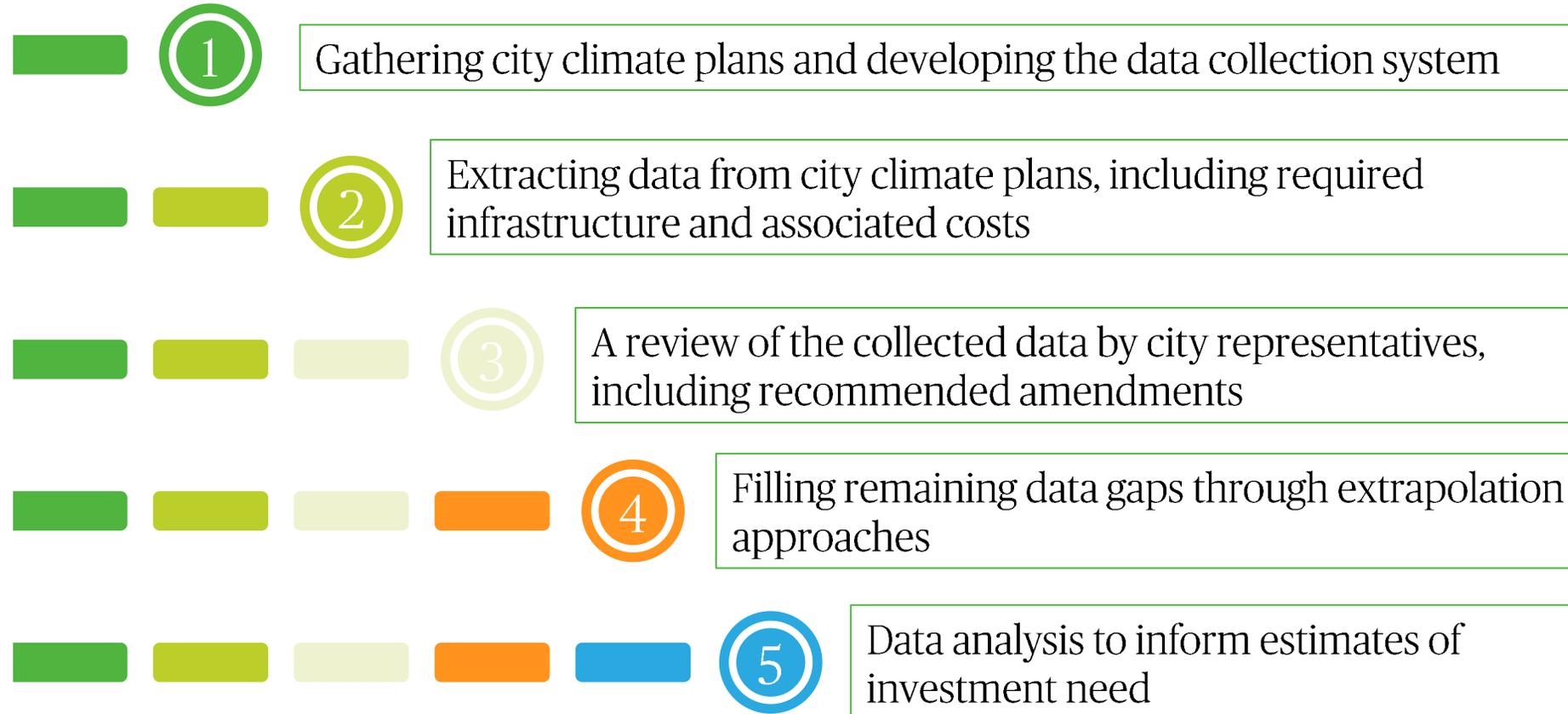
Connected Places Catapult (CPC), UK Core Cities, and London Councils, commissioned Enomia Research and Consulting, and Bankers without Boundaries (BwB) to assess **the Net Zero investment opportunity in UK Cities** (listed below).

Combined these 12 cities contribute 15% of the UK's CO₂ footprint.

Belfast	344,000	London	8,962,000
Birmingham	1,142,000	Liverpool	498,000
Bristol	463,000	Manchester	553,000
Cardiff	367,000	Newcastle	303,000
Glasgow	633,000	Nottingham	333,000
Leeds	793,000	Sheffield	585,000

Method

Delivering this estimate of total investment need for Net Zero has involved the following steps:



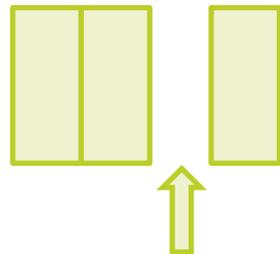


The calculated cost figures are **estimates**. They are derived from city climate plans, and include extrapolations to address data gaps. City plans are under development, so this research is based on the currently available information.

Method Notes



The costs presented are **capital costs**. This means the upfront cost of paying for new infrastructure. Other considerations, such as potential savings, or the cost of borrowing, are not included.



There are some **evidence gaps**. Green infrastructure plans were less extensive across cities, so have not been included in the total cost figures. Also, adaptation measures were not the core focus of this research, and are not explicitly presented within the following costs.

Total UK City Investment Need



Commercial and industrial property decarbonisation



£97bn

£43bn

£19bn

Domestic decarbonisation



£136bn

£95bn

£53bn

Renewable electricity generation



£26bn

£17bn

£9bn

Transport decarbonisation



£70bn

£48bn

£29bn

Waste decarbonisation



£4bn

£3bn

£2bn

*Rounding may mean that the figures do not exactly add up

Interventions

Commercial and industrial property decarbonisation



Building energy efficiency, low carbon heat sources, decarbonising industrial processes

Domestic decarbonisation



Building energy efficiency, low carbon heat sources

Renewable electricity generation



Rooftop solar PV, some wind generation

Transport decarbonisation



Variety of measures, such as EV bus roll-outs and creation of cycling infrastructure

Waste decarbonisation



Variety of measures, e.g., improving recycling rates and removing plastic from residual waste

Current and Future Funding Sources

General

- Municipal community investment bonds
- **Council backed carbon offsetting schemes**
- **Council Carbon Management Fund** – savings from invest-to-save projects are reinvested
- **Grant funding**

Commercial and Domestic Decarbonisation

- Local carbon offsetting by big emitters
- Carbon Offset Fund – development sites that fail to achieve on-site net zero contribute
- Redesign of national fuel cost subsidies
- **Heat or Energy as service models**
- Energy efficiency linked Council tax bandings

Renewable Electricity Generation

- Green Bonds
- **Crowdfunding**
- **Community energy schemes and grants**
- Co-operative purchasing club

Transport Decarbonisation

- Shared investment with EV charger companies
- Costs shared with local businesses for consolidation centres
- Fixed penalties from idling cars outside schools
- **Workplace Parking Levy**
- Income generated from EV charging
- Banded parking permit charges (by emissions)

Waste Decarbonisation

- Pay as you Throw schemes
- Funding to deliver fuel from waste
- Collection charge for contaminated recycling

Governance of Net Zero

Governance structures underpin the delivery of Net Zero. Governance bodies are responsible for creating plans, deciding on infrastructure needs, and in some instances obtaining and allocating investment. Many cities opt for a mixture of stakeholder and citizen representation, and internal authority bodies.

Type of Governance Body	Proportion of Cities
Authority-only group	9%
Authority-commissioned group of cross-city public and private stakeholders	18%
Combined convention of multiple bodies	73%

The highly collaborative nature of city's governance structures will enable the right stakeholders to be involved in delivering Net Zero.

Summary

£206bn

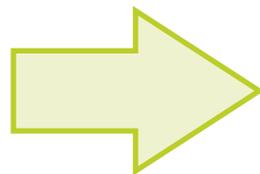
Delivering Net Zero will require substantial finance. Stage 2 will explore financing opportunities in more detail.



Domestic retrofit presents the greatest investment need, warranting particular focus.



Cities would benefit from further support to address gaps in decarbonisation plans, focusing on the type and scale of interventions required to meet Net Zero, and the specific costs that will be relevant in their areas.



Next Steps: Investigating financing solutions to deliver these investment needs.

Road to Glasgow

1. Showcase **shared investment opportunities** to a global investment market (the Investment Portfolio)
2. Promote the **financing mechanisms** that can drive Net Zero, Adaptation and Green Growth in the UK
3. Create a political platform to **position cities as delivery agents of Net Zero**

Media

Blogs &
Interviews

Events

COP 26

Next steps

- We need to **shape the opportunity**, working with investors in the run up to COP26 and beyond
- Then we **must deliver, and have the means to do so** – if the local state is to be effective in reaching Net Zero, we need to equip it properly
- We have ambitious climate plans, but we also face a funding emergency, and **require the tools and resources** to deliver Net Zero
- Drive a **new, green industrial revolution** and form a critical part of the UK's industrial and growth strategies; help deliver Government's Levelling Up agenda, benefitting many other cities and towns

Panel Discussion

Andrew Carter, Chief Executive, Centre for Cities
Rachel Dickie, Executive Director, Grosvenor
Shuen Chan, Head of ESG, Real Assets, Legal
and General Investment Management

Thank you

Greg Clark CBE

Chair, Connected Places Catapult

Networking

*Please join us for 3 minute 1:1 speed networking until
17.15pm*



Reception



Stage



Networking