

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

Overview

Connected Places Catapult (CPC), in collaboration with UK Core Cities, and London Councils, has commissioned this piece of work to assess the Net Zero investment opportunity in UK Cities.

Eunomia Research and Consulting, and Bankers without Boundaries (BwB), have collaborated to deliver this assessment.

These Stage 1 findings are intended to present the scale of investment required to achieve Net Zero across these cities. Stage 2 of this research will assess the associated opportunities for return on investment, and necessary actions to enable finance to flow into Net Zero infrastructure.

More information on the national scale of requirements to meet Net Zero can be found in the Climate Change Committee's Sixth Carbon Budget report, which can be found here: <https://www.theccc.org.uk/publication/sixth-carbon-budget/>

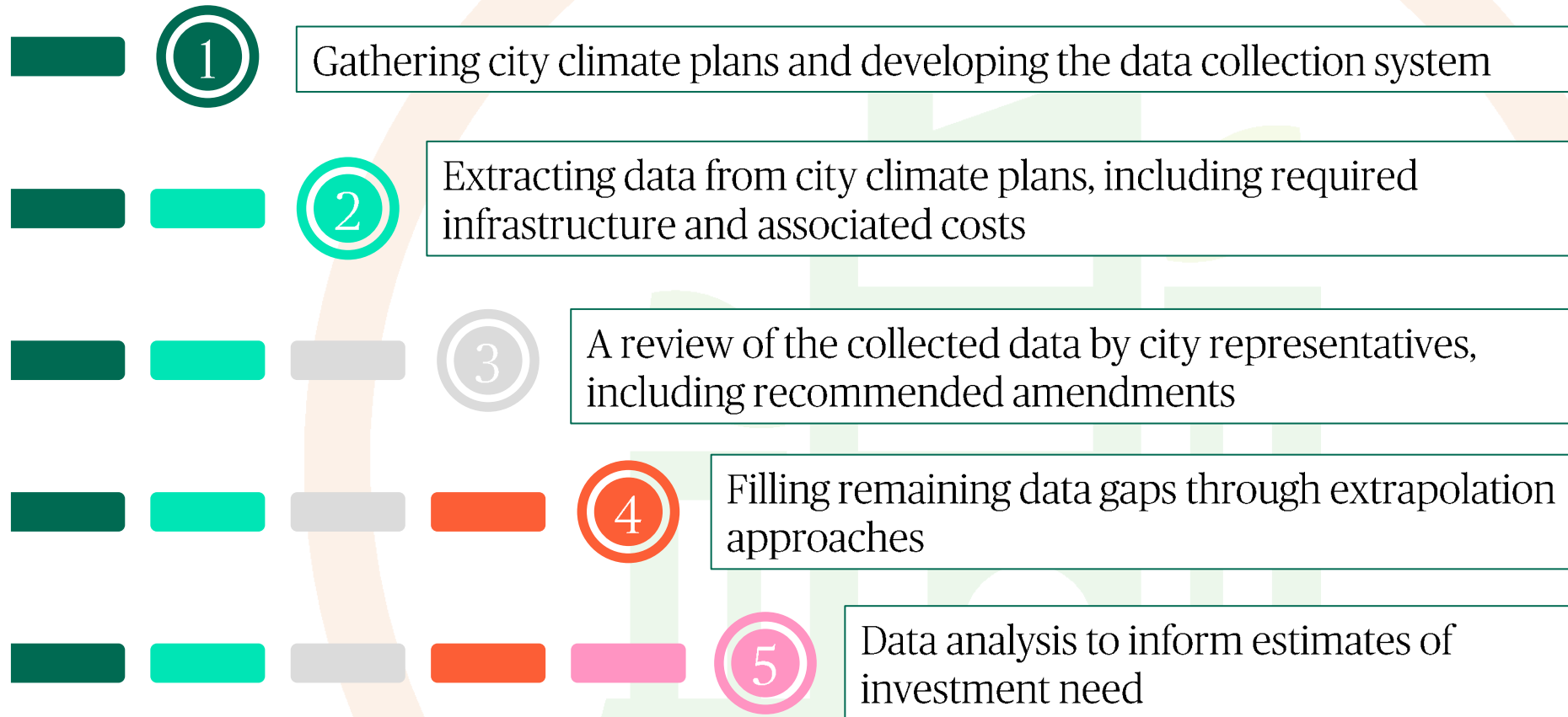
Overview

These slides present the Stage 1 findings of this work. They include the estimated cost of achieving Net Zero across the UK cities listed below, **which contribute 15% of the UK's CO₂ footprint**. Their populations are given to contextualise the scale of the investment need.

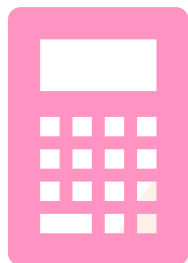
Belfast	344,000	London	8,962,000
Birmingham	1,142,000	Liverpool	498,000
Bristol	463,000	Manchester	553,000
Cardiff	367,000	Newcastle	303,000
Glasgow	633,000	Nottingham	333,000
Leeds	793,000	Sheffield	585,000

Method

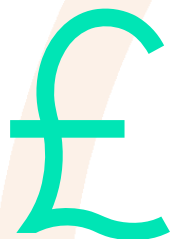
Delivering this estimate of total investment need for Net Zero has involved the following method steps:



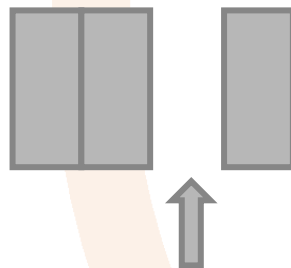
Method Notes



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.

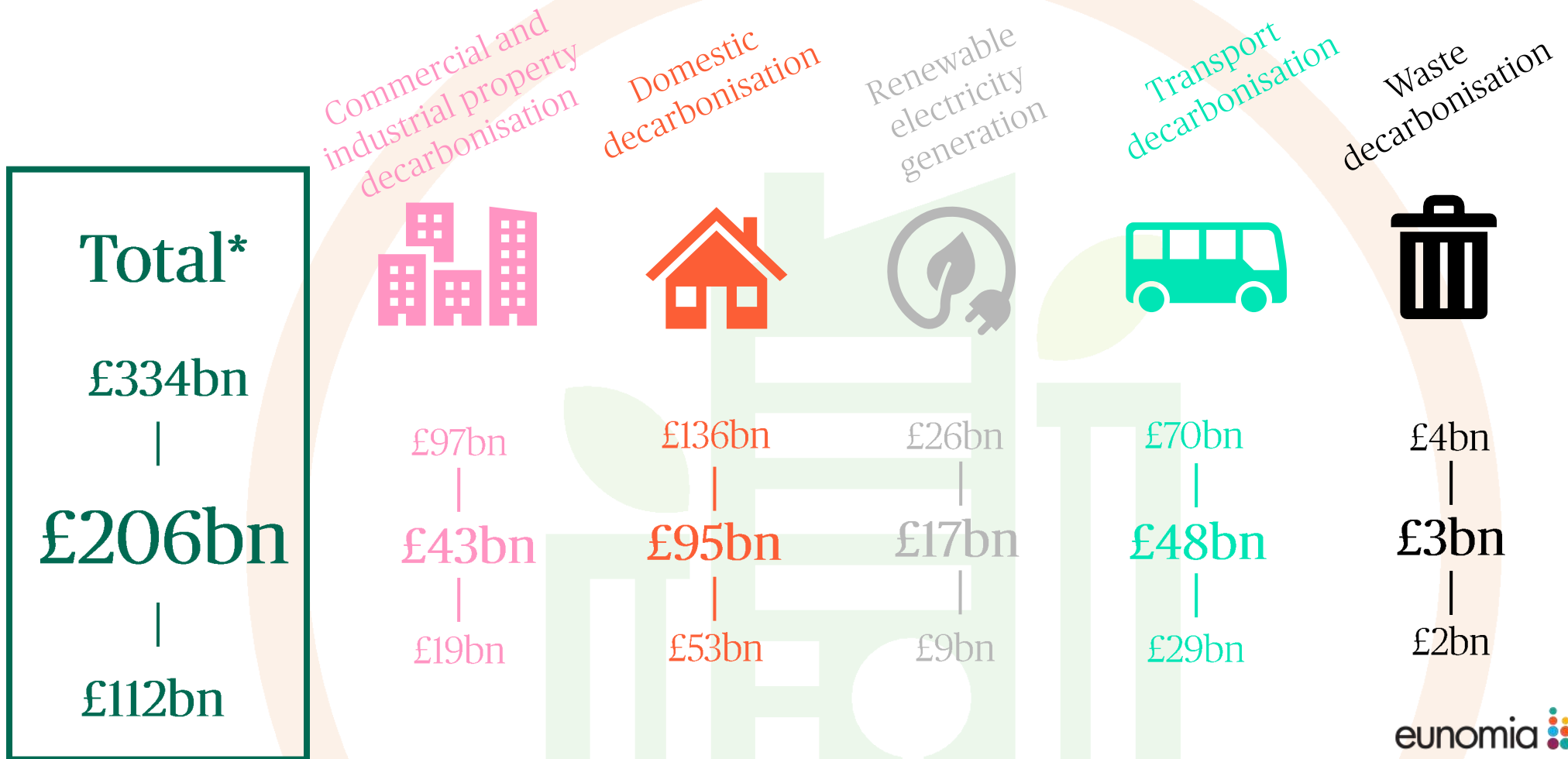


The costs presented are **capital costs**. This means the upfront cost of paying for new infrastructure. Other considerations, such as potential savings, or the cost of borrowing, are not included.



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.

Findings – Total UK City Investment Need



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

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

The following funding sources were identified by public bodies throughout their climate strategies. Those in **bold** were most commonly considered. Stage 2 of the research will explore various funding avenues in more detail to develop recommendations for enhancing finance flows into Net Zero infrastructure.

General

- Municipal community investment bonds
- **Council backed carbon offsetting scheme for local residents and businesses**
- Value on internal unavoidable carbon emissions to seed fund projects
- **Council Carbon Management Fund - cost savings from invest-to-save projects are reinvested**
- **Grant funding**
- **Private finance**

Commercial and Domestic Decarbonisation

- Encourage local big emitters to fund local carbon offsetting of their emissions
- Carbon Offset Fund - any development site that fails to achieve on-site net zero contributes to the fund
- Redesign of national fuel cost subsidies
- **Heat or Energy as a 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 cost investment between public sector and EV charger companies
- Shared cost initiative between the local authority and participating local businesses for consolidation centres
- Fixed penalties from idling cars outside schools
- **Workplace Parking Levies**
- Income generated from EV charging ring-fenced for sustainable transport initiatives
- Banded parking permit charges (by emissions)

Waste Decarbonisation

- Pay as you Throw schemes
- Opportunities with social enterprises to tap into funding to deliver fuel from waste

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. A comprehensive governance structure is one that represents different stakeholders' needs across the cities. 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

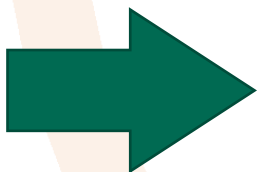
Delivering Net Zero will require substantial quantities of finance. Stage 2 of this work will explore financing opportunities in more detail.



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



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.