10. An energy spatial plan for the City Region

In this section we set out a vision for an energy spatial plan for the City Region, bringing together our analysis to describe the different elements of the plan, which could include:

- Strategic aims: Strategic aims and priorities for low and zero carbon infrastructure across the City Region;
- Overall approach: How the spatial plan would assume legal status as a planning policy for the districts;
- Spatial focus: Character areas of change that will form the basis for energy planning across the City Region;
- Strategic projects: Identification of a series of strategic projects as priority investments for the City Region;
- Enabling mechanisms: Key mechanisms that will be required to underwrite and secure infrastructure investment;

We conclude the vision with a proposed timeline for putting in place the plan, based on the premise that it would take the form of an energy DPD for the City Region.

10.1 Strategic aims of the plan

Based on the national, regional and sub-regional priorities identified by this study it is proposed that the strategic aims of the spatial plan would be to:

- Decouple the City Regions economic growth and development from CO_2 emissions between 2009 and 2028;
- Decouple energy prices across the City Region from rising oil, natural gas and carbon prices;
- Decarbonise the City Region's energy supply in line with national policy objectives;
- Use strategic infrastructure investment to achieve greater CO_2 reductions, earlier and at lower cost;
- Use strategic infrastructure investment to provide additionality, to the benefit of adjacent businesses and communities;
- Utilise the City Region's resources and assets in order to meet its energy needs, now and into the future;

10.2 The overall approach

The spatial plan would be taken forward by the ten districts with the co-ordination of AGMA, the new governance structures for the City Region and the Climate Change Agency. Whilst the ten Districts would remain responsible for co-ordinating and directing investment in each LDF area, the energy spatial plan would set out and co-ordinate the overall strategy, bringing Districts together to take forward major strategic projects, as well as supporting the Districts to give a statutory basis to their energy plans.

Central Government now expects energy planning priorities to be reflected in Local Development Documents. The aim should therefore be for the ten districts to adopt a strong set of energy planning policies as part of their Core Strategies. To ensure that the City Region energy spatial plan has a basis in planning policy we therefore propose that the spatial plan is eventually adopted as a joint DPD by the ten Districts, with an SPD to provide consistent guidance on the preparation of proposals plans. In the interim, broad provision for the spatial approach could be incorporated into Core Strategies (as outlined in section 7).

10.3 The spatial focus

The spatial focus of the plan would be a series of broad character areas of change across the City Region, each of which are likely to incorporate public sector buildings – which can form anchor loads for energy projects – and development proposals with distinct energy demands:

- **The regional centres**, Manchester and Salford, including major public sector precincts and masterplans;
- **Regional centre inner areas**, representing formally designated regeneration and Housing Market Renewal areas;
- **Sub-regional town centres**, represented by Altrincham, Ashton, Bolton, Bury, Oldham, Rochdale, Stockport and Wigan;
- **Local towns and centres**, represented by the hierarchy of 'towns under urban influence or in a local network' and local centres;
- **Growth Point sites**, as identified in the proposed programme as the basis for uplifted housing numbers;
- **Strategic employment sites**, allocated in Employment Land Studies in each district, including regionally significant sites;
- **Strategic housing sites**, allocated in Strategic Housing Land Assessment studies in each district;

The spatial plan would prioritise the preparation of energy proposals plans for every masterplan, area framework and Area Action Plan within these broad areas. Furthermore, the spatial plan would promote consideration of the links between spatial planning for housing and commercial development, energy generation and waste treatment.

10.4 Identifying strategic projects

The spatial plan would identify a number of strategic projects, which would become priority investments for the City Region:

- **Ship Canal growth corridor:** Development of a heat pipeline from the consented 860 MWe Carrington natural gas-fired power station to supply a corridor extending to the City Region's centre;
- **Manchester City Centre heating network:** Organic growth of a district heating network around the City Region's centre, catalysed by at least six major development sites and existing clusters of heat loads, supplied by around 30 MWe CHP capacity coupled with the development of a 20 MWth deep geothermal resource;
- **Eight sub-regional centres:** Development of strategic heating network projects in and around the eight centres, including 5-10 MWe CHP capacity at Bolton (heat from Raikes Lane Energy from Waste), Bury (heat from Pilsworth landfill gas) and Oldham (heat from biogas PFI plant);
- **Thirty four local centres:** Development of strategic heating network projects in and around thirty four local centres, anchored by public buildings, and based on 1-5 MWe scale natural gas or biofuel CHP technology;
- **Micro-generation opportunity areas:** Within appropriately designated planning areas a requirement to deploy at least one micro-generation technology on all new developments – including solar thermal on houses - guided by market development objectives, and provision of clear guidance to existing home owners on Permitted Development Rights;
- **Biofuel supply chain:** Strategic development of the supply chain, with a focus on the potential for processing and storage sites, where possible around rail freight termini in order to bring fuel from regional sources;
- **Wind power opportunity areas:** Identification and site allocation for smaller 5-10 MWe wind 'cluster' sites – divided between the districts with a viable wind resource;

10.5 Underpinning the approach

The spatial plan would be complemented and underpinned by three key enabling mechanisms that will be fundamental in facilitating and securing the necessary investment:

- **Public sector alignment:** The commitment and alignment of corporate climate change strategies and investment programmes such as Building Schools for the Future and Decent Homes, and district's responses to National Indicator 185 and the forthcoming Carbon Reduction Commitment, will be essential in order to anchor strategic projects identified in the energy masterplan;
- **City Region investment fund:** Establishment of an infrastructure fund to pool tariff contributions from the public sector and developers, which will be used to invest in specific planned energy projects – particularly those that have cross boundary significance and are sub-regional allowable solutions;
- **City Region ESCo framework agreement:** Establishment of a preferred supplier arrangement or a special purpose vehicle to co-ordinate and lead investment in major infrastructure projects

identified in the energy masterplan, supported by framework agreements with the districts to provide key engineering and business planning services.

In addition there may be additional scope to establish joint procurement and supply chain development programmes for micro-generation technologies, for example by encouraging joint procurement by Council's, ALMO's and RSL's.

10.6 Timeline for implementation

In order to make progress the spatial plan will need to taken forward as part of a possible timeline for implementation:

Step One

Securing City Regional buy-in

Alignment of the sub-regional energy spatial plan and the associated spatial approach with policies of the ten districts, AGMA and the emerging governance of the City Region – potentially in the form of a statement of intent by the districts. This would set the scene for the adoption of the spatial plan as agreed policy.

Step two

Creating an interim policy basis

Use of the existing provisions within PPS1 and the initial evidence base provided by this study to ensure alignment of Core Strategies with the energy spatial plan. This would need to be supported by standardisation and quality assurance of the new requirement for and zero carbon strategies for frameworks, masterplans and applications.

Step three

Adoption of Core Strategy energy policies

Adaptation and subsequent adoption of the sub-regional spatial plan priorities into each districts' Core Strategy, to include overall infrastructure deployment targets and carbon budget provisions generated at a City Region level.

Step four

Capacity building to support early progress

Interim progress would be supported by capacity building and networking of the ten districts, focussing on engagement with planners and regeneration teams to ensure progress using agreed methodologies on live projects – including business planning to inform infrastructure projects and developer contributions. The aim would also be to encourage ongoing communication and dialogue between the districts.

Step five

City Region carbon emission projections

Modelling of the first budget for growth and development across the City Region, potentially using tools such as GRIP or REAP. The projections would be aligned with the remit of the new Planning and Housing Commission and used to refine the strategic targets set out in the energy spatial plan.

Step six

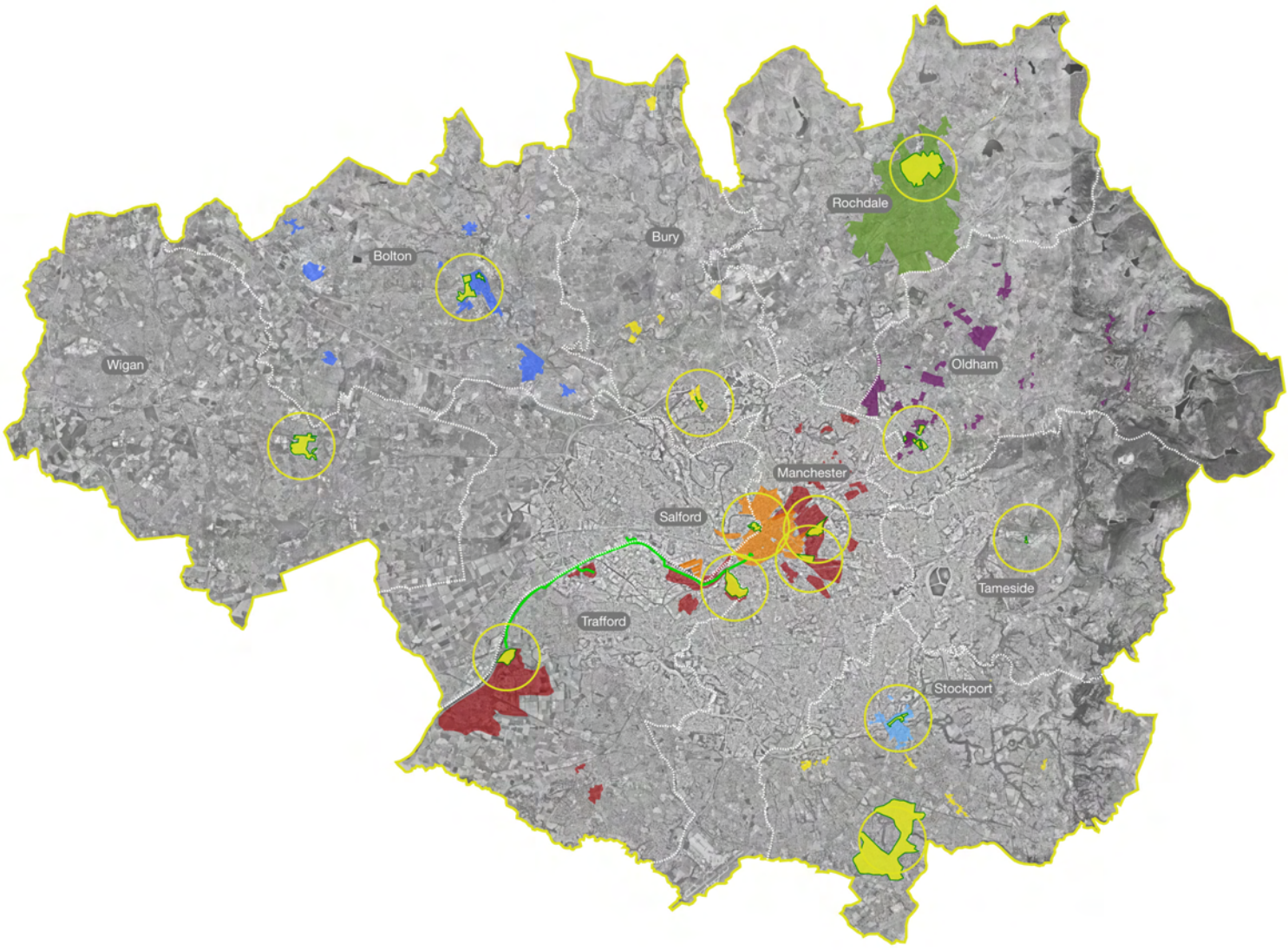
Formation of support mechanisms

Development and formation of the two key support mechanisms – the City Regional ESCo framework and a complementary investment fund – informed by a business plan to support delivery of the strategic projects identified in the spatial plan. Partner procurement would be initiated in order to provide ESCo services through a framework agreement.

Step seven

Adoption of joint energy spatial plan DPD and SPD

Formal adoption of the City Region's energy masterplan as a DPD by each of ten districts, together with a supporting SPD setting out the methodology for preparing energy plans to be incorporated into all AAP's and area frameworks.



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