

An aerial photograph of the Manchester city skyline, showing a dense urban landscape with various buildings, including modern skyscrapers and older structures. The city is set against a backdrop of distant hills under a clear blue sky.

**Item 10**

# Greater Manchester Heat Networks

## *Advanced Zoning Programme Update*

**Sarah Holland**

Greater Manchester Combined Authority

# Up to £5bn+ potential investment opportunity

## £5bn+ Maximum Policy Potential

Max policy potential (all required to connect buildings in zones)

## Likely Scale of Low Carbon Heat Networks in GM

Potential with zoning policy powers

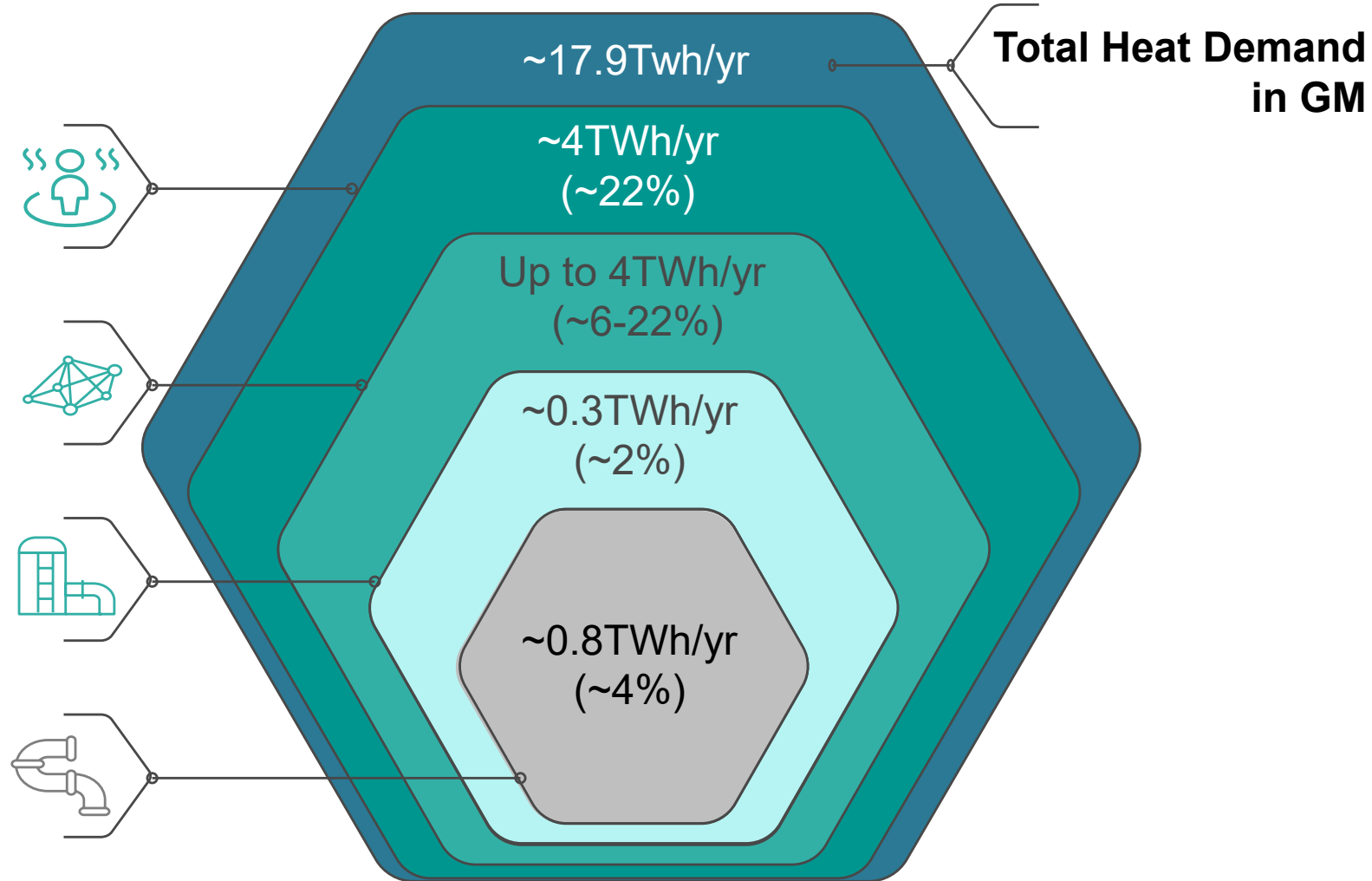
£400m+

## Planned Networks

Local authority-led projects in development

## Existing Networks

Communal gas and campus systems

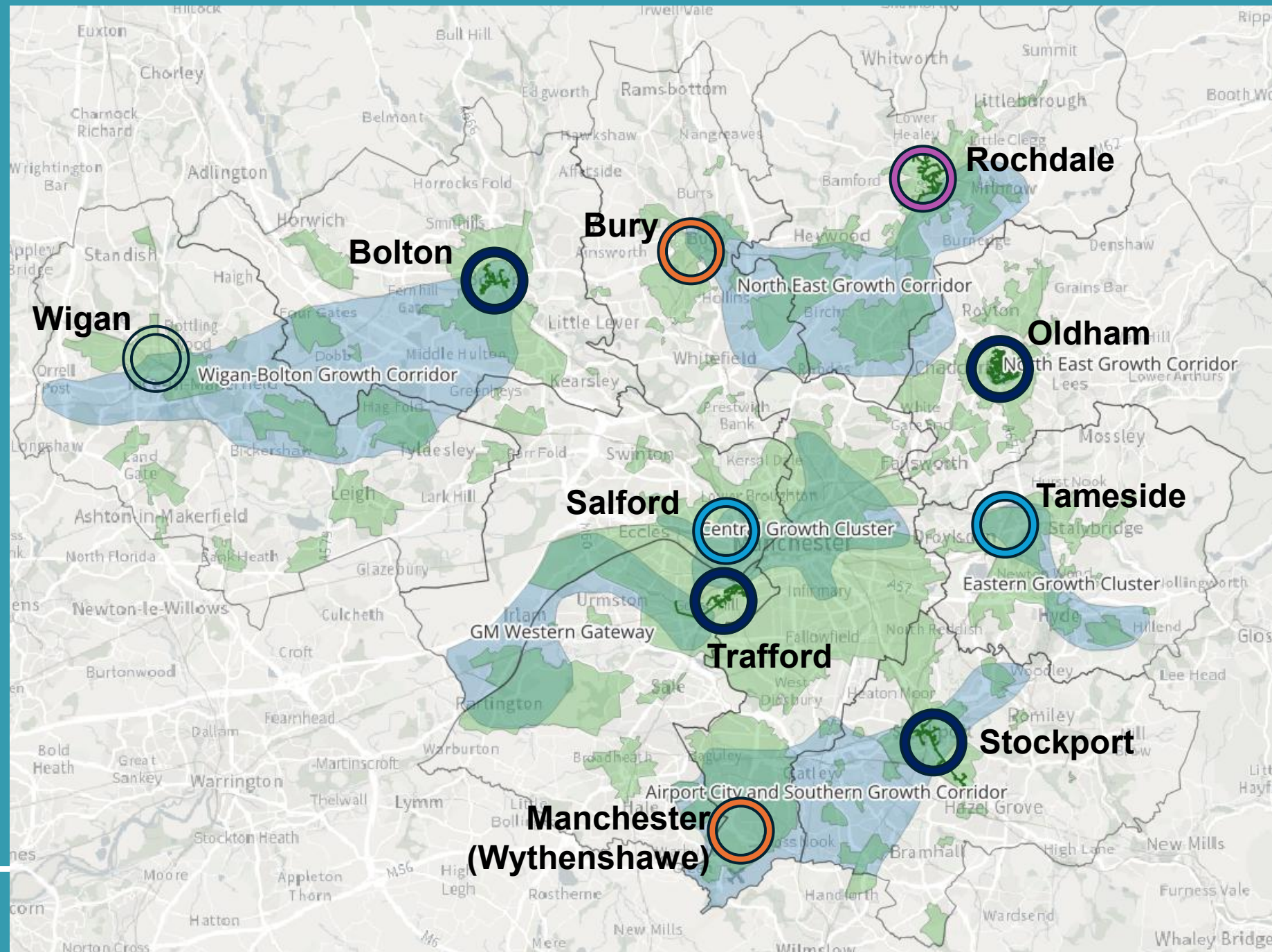




# £400m+ LA-led DHN pipeline

Jan 2025

-  Growth Locations
-  Strategic Zones
-  In or preparing for procurement (Development Agreement) c. £190m
-  DPD complete. Pre-procurement c. £55m
-  Feasibility study complete – moving towards DPD c. £90m
-  Undertaking feasibility studies



# Our seven workstreams

1.

**A healthy  
home for all**

Delivering  
lowest-cost low  
carbon heat to  
domestic and  
commercial  
buildings

2.

**Safe and  
strong  
communities**

Building  
community  
ownership and  
trust and adding  
value to the  
public realm

3.

**A transport  
system for a  
global city  
region**

Encouraging  
the HN supply  
chains to use  
low-emission  
vehicles and  
smarter  
logistics

4.

**A clear line  
of sight to  
high-quality  
jobs**

Creating the  
conditions to  
support well-paid  
secure jobs to  
strengthen  
economic  
resilience

5.

**Everyday  
support in  
every  
neighbourhood**

Creating the  
education and  
skills opportunities  
our residents need  
to access high-  
quality jobs

6.

**A great place  
to do business:**

Providing the  
platform for  
developers to get  
involved in local  
initiatives that  
support local  
needs

7.

**Digitally  
connected  
places and  
people**

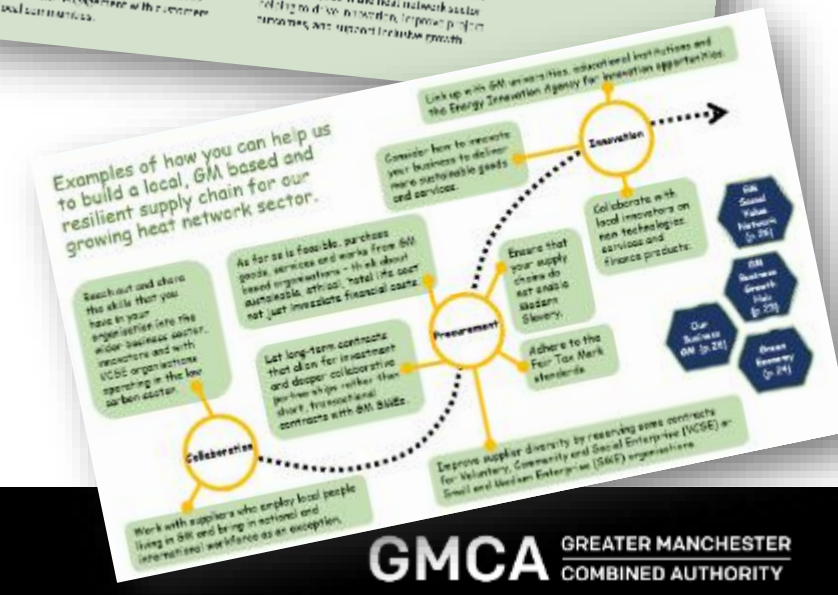
Providing a long-  
term pipeline  
with supporting  
policies for long-  
term sustainable  
growth

Maximising the  
co-benefits of  
digital  
infrastructure,  
including data  
centre heat  
recovery



# Amplifying Social Value Opportunities

- We aim to maximise the opportunity of heat networks to deliver outcomes that go beyond individual contractual obligations.
- The Greater Manchester Social Value Toolkit for Heat Networks supports this by:
  - Communicating our social value aims and aspirations
  - Signposting guidance for developers and supply chains to shape and deliver proposals.
  - Highlighting ideas and partnership opportunities across the wider ecosystem.
- Structured by the Greater Manchester Social Value Framework, the toolkit is aligned with procurement requirements and market transformation commitments.
- [greater-manchester-social-value-toolkit-for-heat-networks-v4.pptx](#)

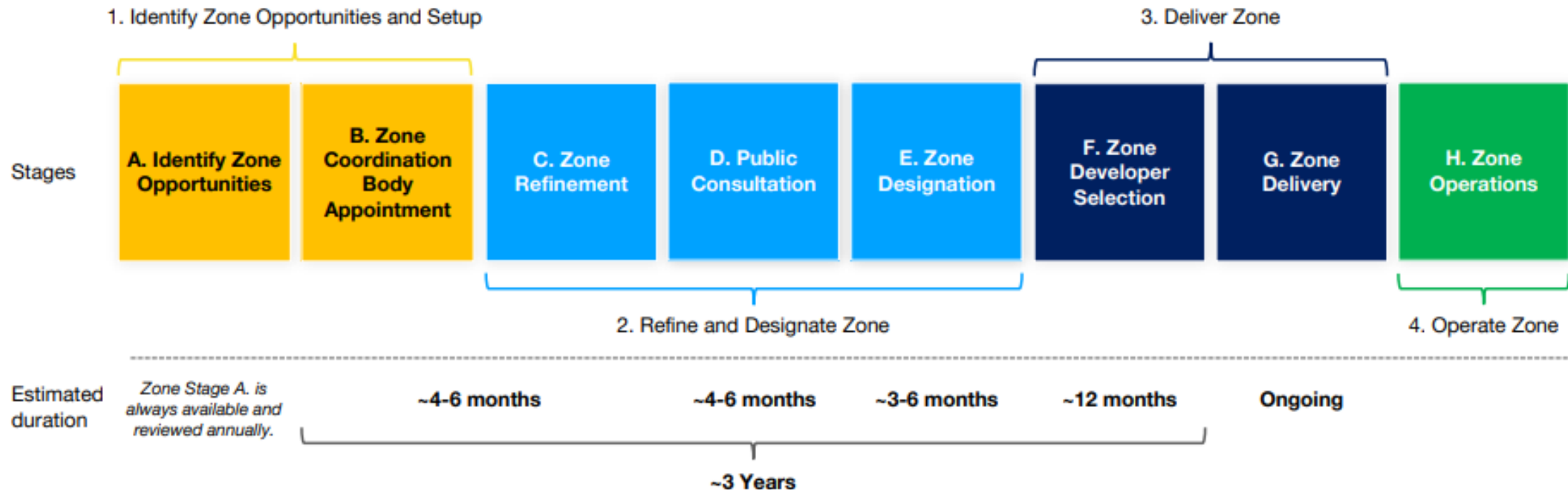


# Overview of Heat Network Zoning

- **Heat Network Zoning** is the process of identifying and designing areas (zone) where heat networks provide the lowest cost of low carbon heating solution.
- Where a zone is designated, **additional rights and powers** for the development of heat networks apply.
- Heat Network Zoning will establish **new, local Zoning Coordination Bodies** and a central Heat Network Zoning Authority, to look after the **long-term planning and coordination**, ensuring faster roll-out of networks, and lower costs.
- The **2023 Energy Act** grants the legal powers for government to implement Heat Network Zoning in England through secondary regulations.
- **Secondary legislation** to designate heat network zones is expected in **2026**.

# What are the Zone Stages?

The Zone Stages describe the **key steps needed to carry out the Heat Network Zoning Programme**. There are **eight Zone Stages**, which are split into **four main sections**.



For certain GM HN zones, zone refinement activities have already commenced to accelerate the zoning process under the Advanced Zoning Programme.

# ZCB Service Components & Co-Design

## Governance service components

Zone governance and decision making

Local stakeholder relationships

## Operations service components

Policy compliance & enforcement

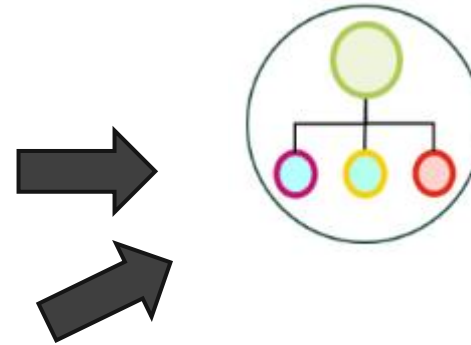
Commercial & supply chain management

Administration

Data management and technical services

Performance monitoring & oversight

Stakeholder engagement



## Two-tier Multi-Party

*A combined/strategic authority forms the ZC but devolves some responsibilities for delivery coordination and decision making to the local authorities that sit within their area of responsibility.*

## Aims of co-design:

1. **Develop knowledge** and understanding of ZCB functions and structure options
2. **Design a ZCB structure** that is right for our organisations, local circumstances and fit for purpose.
3. **Mobilise** role and resources.
4. **Provide a flexible model** for future zones.



# ZCB Co-Design Process



# Recommendations & Next Steps

## Recommendations:

To note the contents of this update.

## Upcoming activity for GM Heat Networks:

- Complete procurements and studies.
- Participate in ZCB co-design activity.
- Ongoing engagement with key stakeholders through a range of forums.

## Contact

- For further information please contact us via [heatnetworks@greatermanchester-ca.gov.uk](mailto:heatnetworks@greatermanchester-ca.gov.uk)

