



Item 10

Greater Manchester Heat Networks

Advanced Zoning Programme Update

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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

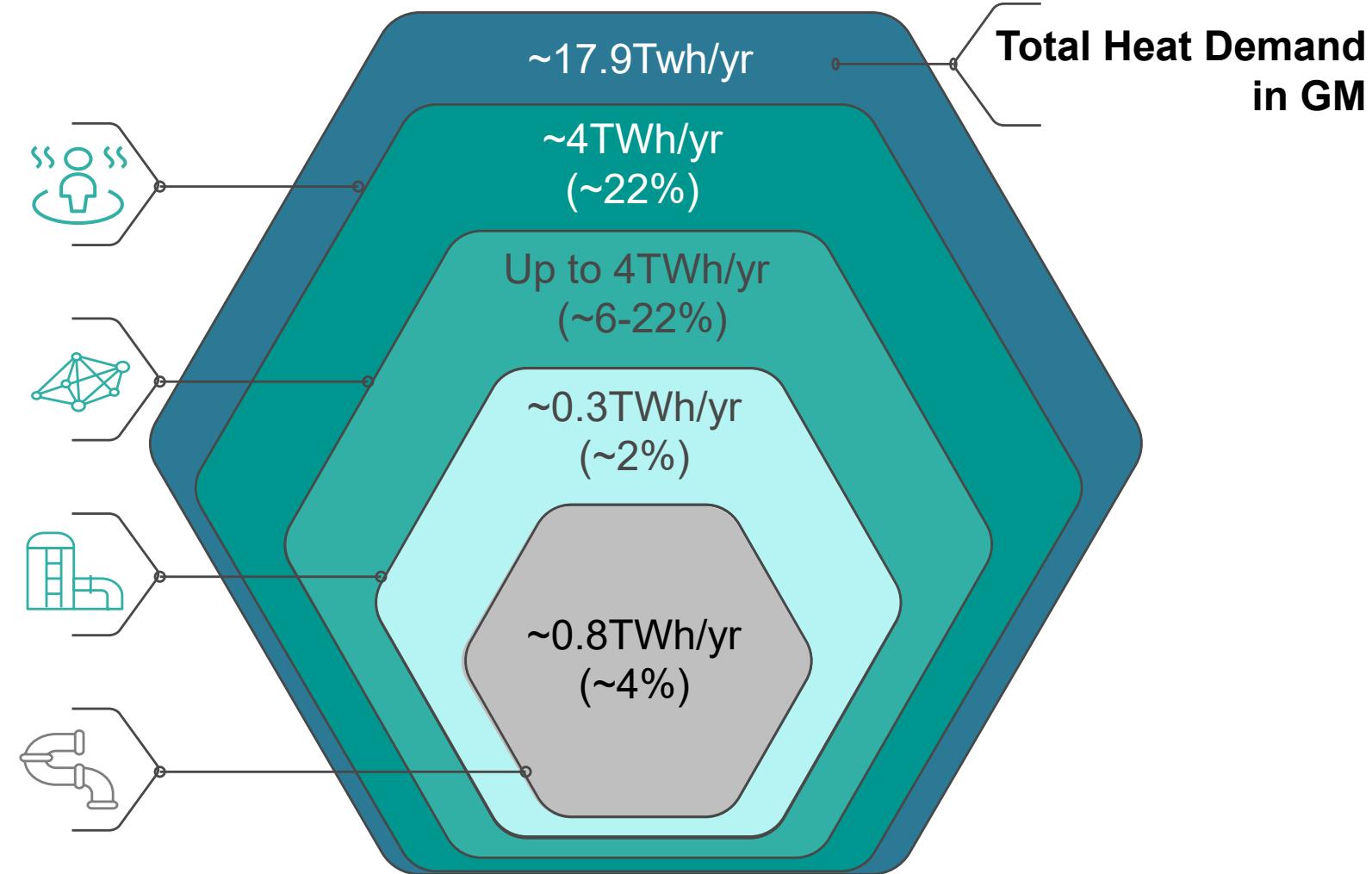
£400m+

Planned Networks

Local authority-led projects in development

Existing Networks

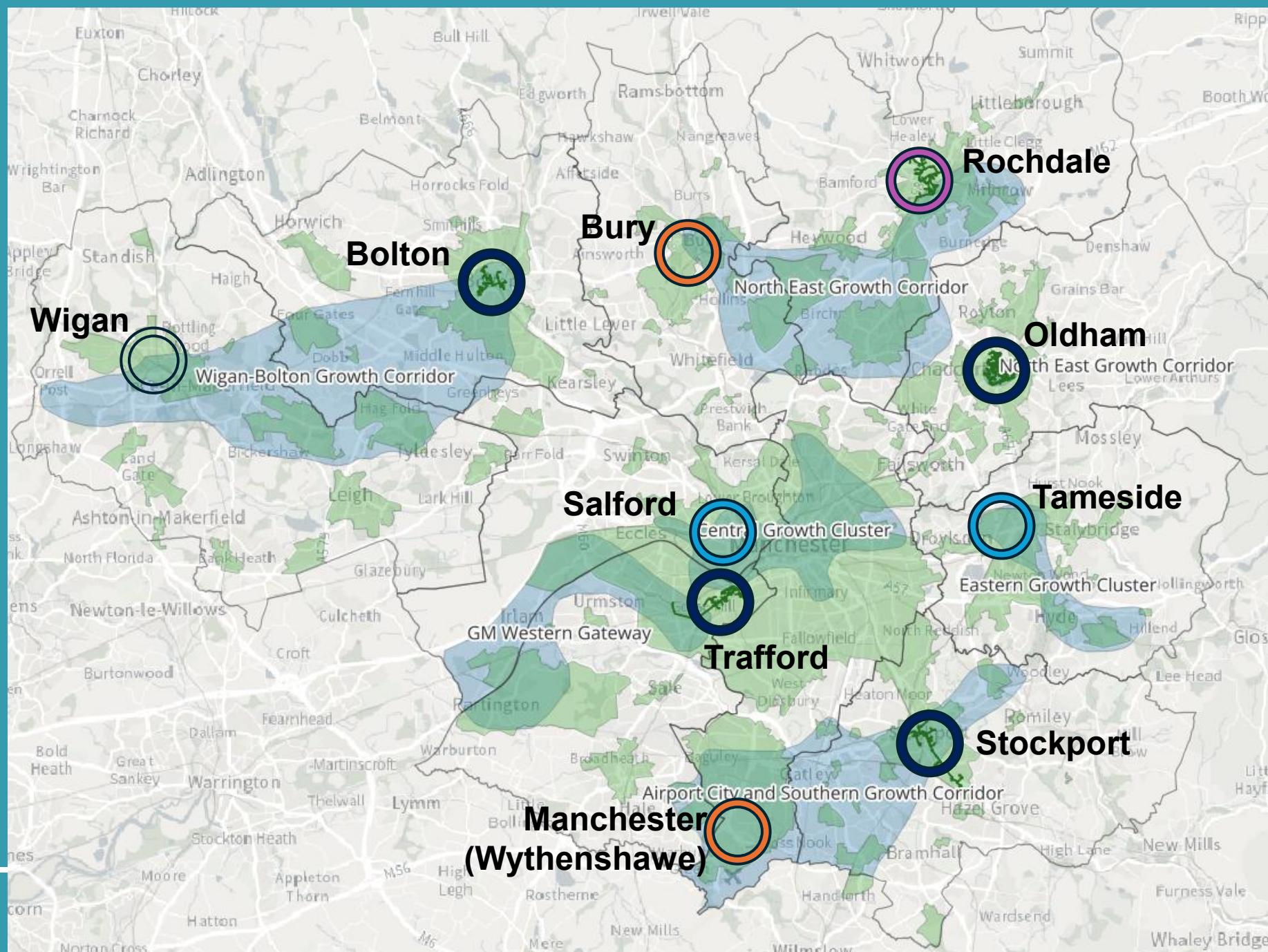
Communal gas and campus systems



£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

2.

Safe and strong communities

3.

A transport system for a global city region

4.

A clear line of sight to high-quality jobs

5.

Everyday support in every neighbourhood

6.

A great place to do business:

7.

Digitally connected places and people

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

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

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

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

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

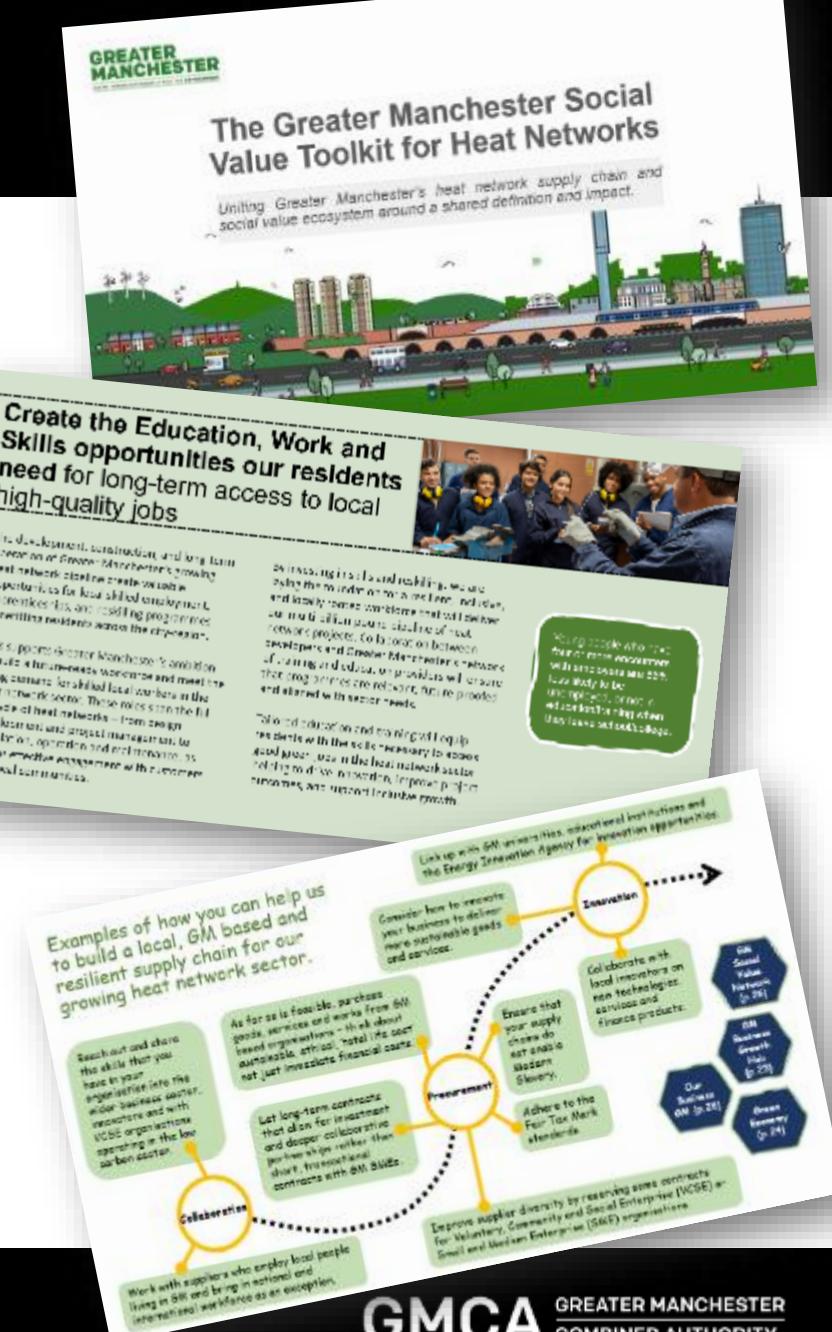
Providing the platform for developers to get involved in local initiatives that support local needs

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

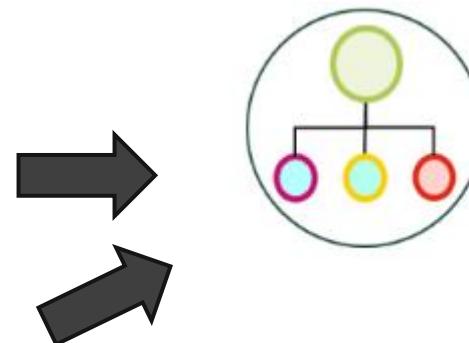
Commercial & supply chain management

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

