
Analysis of Sustainable Property Solutions for Manchester

Scoping Report

January 2009

V3

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Version	Date	Amended by	Principal Changes
Version 1	7 August 2008		First draft issued
Version 2	29 August 2008	JL	Proposed timetable and integration with emerging MCC Climate Change Strategy
Version 3	29 January 2009	JL	Updated to reflect new procurement timetable

The logo for Drivers Jonas, featuring the company name in a white serif font inside a dark red square with a white border.

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Background

Drivers Jonas has been instructed by Manchester City Council to prepare a scoping report for a Strategic Analysis of Sustainable Property Solutions for Manchester.

It is anticipated that the broad outcomes of the strategic analysis will be:

- n A visionary definition of what truly sustainable development and property means for Manchester;
- n A concise narrative which sets out the practical steps needed to realise that vision;
- n An assessment of the key challenges that need to be overcome, and the tools available and needed to address them; and
- n A decision-making framework with which to assess future development proposals and property performance.

These will combine to form a roadmap for transformational change across the property sector in the city.

A great deal of work is currently being taken forward at the Manchester and wider city-region level, including in relation to the identification impacts and opportunities associated with a changing climate for the Greater Manchester economy. This provides important context and justification for a workstream on sustainable property; buildings are responsible for around 50% of carbon emissions in the UK and locally.

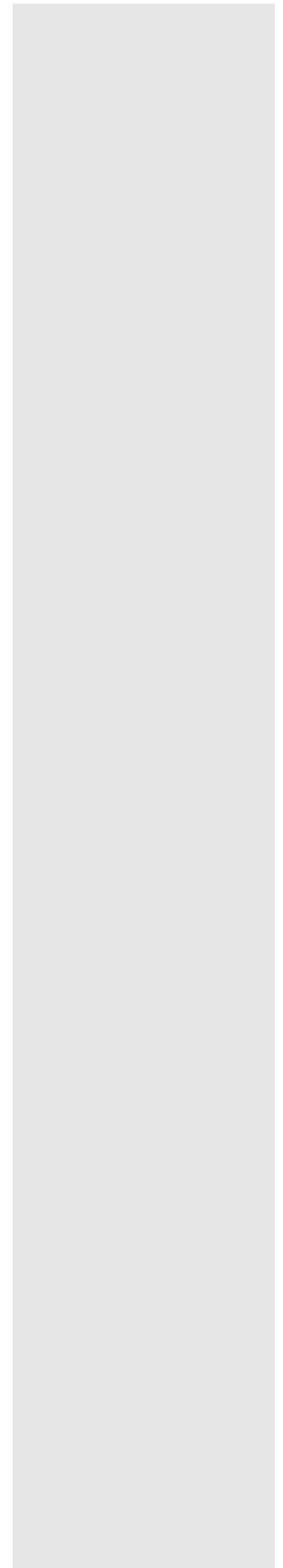
The Manchester Call to Action on Climate Change, which builds on Manchester's agreed Climate Change Principles, is particularly pertinent. The City Council, with the support of Beyond Green, has determined a radical new narrative for climate change action in the City, and a number of big-ticket projects, many of which relate directly to the built environment. The Call to Action commits the City Council to the procurement of a Strategic Analysis of Sustainable Property Solutions as a key vehicle for focused stakeholder engagement to help take forward some of the aspirations and objectives of low-carbon transition on climate adapted inward investment.

This Scoping Report follows from a preliminary assessment of baseline information available to underpin the Strategic Analysis of Sustainable Property Solutions, on the basis of which a range of key questions are set out for the prospective study to address.

The report is organised into the main elements which are expected to be included in the Strategic Analysis. A series of pertinent questions are established under each, together with the suggested means by which the study will seek to answer them.

The report is not exhaustive but seeks to capture the key issues arising from the preliminary baseline assessment. It is possible that additional areas of inquiry will emerge as the Strategic Analysis progresses (subject to approval by Manchester City Council). Moreover, there can be no guarantees that the Strategic Analysis will be able to answer all of the questions set out in this report. There may be unexpected limitations in baseline data as more rigorous analysis is undertaken and it may not be possible to engage with all of target stakeholders identified here during the course of the study.

It is anticipated that the Strategic Analysis will commence in February 2009 and completed by May 2009. This will ensure that any stakeholder engagement is closely aligned with broader discussions on taking forward the Call to Action.



1. Current Property Performance

- 1.1 Measurement of ‘sustainability performance’ at the building, portfolio and geopolitical level remains limited and inconsistent across the UK. This provides weak intelligence on which to base investment and building management decisions, and reduces the potential for market-wide benchmarking through which stock differentiation, competition and risk management can be driven.
- 1.2 Our preliminary assessment of baseline information suggests, unsurprisingly, that data on the current sustainability performance of Buildings (and the wider built environment) is both limited and inconsistent.
- 1.3 Manchester’s pursuit of a sustainable future for the property sector will be a journey for the City Council and its partners, property owners and building occupiers. Understanding the current performance of stock is an important first step in that journey, understanding ‘Point A’ being a prerequisite of envisioning and moving towards ‘Point B’.
- 1.4 Baseline data identified to date portrays the following broad limitations:
- n Lack of robust spatial definition - predominantly national and regional datasets which cannot generally be disaggregated to the local authority level.
 - n Environmental data is largely aggregated to broad sectors (e.g. industrial, transport, residential) so is not related specifically to property/buildings, or indeed categories thereof.
 - n There is a lack of consistency between datasets and sources, raising concerns over comparability and robustness.
- 1.5 This gives rise to the following key questions for the study to address:

Research Questions	Method	Key Sources
What is happening at a national level on the measurement of building performance?	BR	UK Green Building Council (UKGBC) Investor Property Database (IPD) DCLG DEFRA Green Property Alliance RICS Building Research Establishment (BRE) Upstream Stockholm Environment Institute
To what extent could this provide a framework for Manchester to ensure compatibility between national and local activity?	T	
What is already happening in Manchester to measure building performance? - new development - existing stock	BR (SE)	MCC Strategic Development Partners
What can be done to create a standardised and comprehensive approach to measurement in Manchester? - new development - existing stock	T (SE)	MCC Development & Property Partners AGMA Commissions Research Support
What is an appropriate measure of sustainable property in Manchester	T	
How could this be used to determine targets and Key Performance Indicators for measuring progress?	T	

BR = Baseline Review
SE = Stakeholder Engagement
T = Theory

2. Advancing the Policy Framework

- 2.1 The UK policy and regulatory framework pertaining to the built environment is complex, fluid and in some respects inconsistent. It is also focused on new buildings, with regulation controlling the performance of existing stock much less advanced.
- 2.2 In terms of new buildings, navigating this policy framework is a key concern for developers who are currently faced with two major challenges:
- n The fast pace of regulatory change anticipated at the national level, particularly in the drive for zero-carbon new buildings, over the next ten years.
 - n Inconsistent policy requirements (and approaches to enforcement) between one local authority area and another.
- 2.3 Manchester has made considerable progress in factoring sustainability considerations into its LDF. It is now implementing policy which requires higher standards than would otherwise be required through national Building Regulations. Through strong leadership and partnership working with key development partners, it has also been successful in encouraging high standards of development in flagship schemes (e.g. Spinningfields).
- 2.4 However, the context for the Strategic Analysis is influenced by a far-reaching and ongoing programme of work, particularly at the City-region level, including but not limited to:
- n The emergence of new governance arrangements for planning and housing, economic development, environment and climate change, and infrastructure (along with other thematic priorities) at the AGMA level, most notably through the development of a number of Commissions.
 - n The development of a Climate Change Agency under a Low Carbon Work Programme – linked to the new governance arrangements – to deal with a range research, communications and physical delivery projects.
 - n The implementation of the GM MAA alongside the preparation of the GM Strategic Plan (GMSP). Ensuring robust connection between the Strategic Analysis and emerging thinking on low-carbon transition in the GMSP will be curcial.
 - n The Manchester Climate Change Call to Action developed by the City Council with the support of Beyond Green, with a strengthened economic case for action provided by the recent “Mini-Stern Review”.
- 2.5 This gives rise to the need to consider the extent to which the Strategic Analysis should be positioned at the city-region level. In relation to policy in particular, there is an emerging suggestion of the need for better joint-working between the ten GM authorities in negotiating with development partners on building standards. Whilst there would inevitably be political and market nuances associated with this approach, there is merit in opening the question for wider debate as an element of the proposed study.
- 2.6 Preliminary conversations with the Head of Planning at Manchester City Council suggest that intelligence generated through the proposed study could helpfully inform future evolution of sustainable development policy, particularly through the LDF Core Strategy for which Options are due to be published in April 2009, as well as related iterations to the Manchester SPD on Sustainable Design and Construction.
- 2.7 Notwithstanding this potential sub-regional dimension, a number of key issues arise in relation to these broader contextual policy factors:

Research Questions	Method	Key Sources
How is the EU and national policy context shifting and how does this fit with the current local policy position?	BR (SE)	DCLG (DEFRA) UK Green Building Council British Property Federation
How does the pursuit of sustainable property objectives fit into the emerging governance and strategic context across the city-region?	SE	MCC AGMA (SMG)
How have recent additions to the local policy framework been received and delivered by the development community (particularly the Guide to Development in Manchester SPD)?	SE	MCC Strategic development partners Drivers Jonas Planners Design 4 Sustainability Innovation P'ship
Are there any key gaps or inconsistencies in the currently policy framework in relation to sustainable buildings?	T (SE)	Design 4 Sustainability Innovation P'ship AGMA (SMG)
What is a realistic policy roadmap for new and existing buildings in Manchester? Would an early review of the current SPD be justified? How would this feasibly fit into the ongoing programme for LDF progression?	T SE	MCC (Planning) Strategic development partners Design 4 Sustainability Innovation P'ship

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3. Market Opportunities

- 3.1 The fluidity of the property market and the differential land and property values across the City, together with the variable capacity of strategic development partners, landlords and occupiers to deliver sustainable property objectives, are such that a blanket approach is unlikely to be viable across the whole of Manchester. Instead, a robust approach to raising minimum policy/regulatory requirements would need to be complemented by flagship projects which push the vanguard of sustainable development and property practice.
- 3.2 Moreover, the current economic downturn has impacted significantly on property development and investment. However, far from presenting a crisis for environmental policy making, the challenges posed by the recession actually reinforce the urgent need to accelerate the transition to a low-carbon, resource efficient economy, and align economic, environmental and societal benefits.
- 3.3 In particular, there are strong market drivers for greater resource and energy efficiency now, whilst the certainty of ongoing escalations in environmental (and particularly carbon) related regulation are forcing forward-looking property actors to take stock of their business models and factor sustainability into their policy and management decisions more robustly.
- 3.4 Proposals within Manchester’s Climate Change Call to Action point to the possibility of area-based initiatives to act as world-leading demonstration projects, particularly in relation to existing stock and infrastructure. Related proposals for a “Manchester Prize” may provide the necessary political conditions for exemplary new development schemes which would place Manchester on the world map of sustainable development.
- 3.5 Our initial analysis shows that the delivery of ‘sustainable buildings’ (as defined by BREEAM, Ecohomes and Code for Sustainable Homes) remains relatively limited within Manchester, particularly in the case of refurbishments. However, the number of examples are increasing and, despite the implications of current market conditions, the number of strategic development projects in the pipeline may provide the opportunity for City Council and relevant stakeholders to engage with key development partners to deliver flagship projects in the medium term.
- 3.6 Questions to explore in this regard will include:

Research Questions	Method	Key Sources
How is the downturn in the property market affecting the deliverability of sustainable property?	T SE	Strategic development partners Business Leadership Council 100 months club
How will the changing market-based measurement frameworks (e.g. BREEAM, CSH, EPCs etc) affect how demand for sustainable buildings are defined within the market?	SE	Strategic development partners
What strategic opportunities are there to deliver exemplary new-build and property management projects?	T SE	Strategic development partners
What level of commitment is there within the market (both from landlords, occupiers, investors and developers) to deliver sustainable property objectives and how can this be harnessed to delivery transformational change across the City?	SE	Strategic development partners Business leadership Council

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4. Comparative Cities

- 4.1 Manchester has publicly stated ambitions to become the greenest City in Britain by 2010. Other core cities have similar aims, and many currently stand ahead of Manchester in the ranking of sustainable cities in the UK. The reality is that Manchester has a very long way to go before it can be considered a leading UK (let alone global) city from a sustainability perspective.
- 4.2 Other UK cities, Bristol being a notable example, are already making good progress on envisioning what a sustainable future means to them through participative approaches.
- 4.3 Learning lessons from other pioneers will be invaluable – not only from London and other core cities in the UK who are putting in place the governance infrastructure to deliver progressive change, but also from international comparators that have already delivered exemplary policies and projects.
- 4.4 The Better Building Partnership in London will be one key case study to examine, from which lessons learnt may provide useful intelligence for a partnership-based model of property action in Manchester.

Research Questions	Method	Key Sources
Where does Manchester rank in relation to other UK, European and global cities in relation to sustainable development and property?	BR	Forum for the Future Core Cities C40 Cities Climate Leadership Group Manchester: Knowledge Capital
What are the key ingredients for transformational change demonstrated by these comparative examples?	BR SE	Forum for the Future
What are the main obstacles that have confronted other cities in their efforts to deliver sustainable development objectives in relation to property and the built environment?	BR SE	Core Cities C40 Cities Climate Leadership Group London Better Building Partnership
What links can be established to share resources and good practice?	SE T	Core Cities Group
What will Manchester need to achieve to become a leading sustainable city?	T SE	

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5. Scenario Planning

5.1 Futures thinking has become a central tool of sustainable development strategy. It is not an exercise in prediction, but a highly participative process of examining a range of possible futures, their implications and how to plan for them to ensure resilience.

5.2 A number of relevant examples already exist which consider global megatrends at the macro-economic, societal and environmental level. There are also some sector-specific scenarios in the UK, including for retail. The contextual value of these futures scenarios for the Strategic Analysis is significant, but their direct relevance to property in Manchester is likely to be limited. It will therefore be important for the Strategic Analysis to :

- n decipher what published global megatrends and sectoral trends can tell us about possible future demands on property in UK cities generally;
- n based on contextual indicators derived from the above, to engage with key stakeholders to examine both anticipated and other possible scenarios to which property –both in typology and functionality – will need to adjust.

5.3 Scenario planning for property in Manchester should seek so to address:

Research Questions	Method	Key Sources
Which global megatrends have implications for cities the property sector and how are these likely to manifest?	BR	UKCIP and DEFRA DEMOS
What relevant sectoral trends can be determined from published material?	BR	Forum for the Future
What key trends and futures scenarios are anticipated for Manchester: - Climate and environment - Demographics and society - Business and economy - Political - Technological	SE	AGMA Commissions (& shadow groups) AGMA Strategy Management Group Social, economic and environmental stakeholders Strategic development partners Business Leadership Council
What opportunities and challenges does this pose for property in the City over the short-, medium- and long-term and how should this be planned for?	SE	Strategic development partners

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6. Strategic Analysis Objectives and Outputs

- 6.1 It is anticipated that the scoping parameters set out in this report give rise to the following principal objectives for the Strategic Analysis:
- n To agree what a sustainable property sector means for Manchester.
 - n To galvanise key stakeholders across the City to commit to delivering transformational – in some cases, radical - change in the way in which property is developed and managed.
 - n To identify the practical and behavioural change measures needed to achieve the agreed vision of a sustainable property sector in Manchester
 - n To understand the implications of those measures for the political, policy and delivery landscape in the City
- 6.2 To this end, it is anticipated that the following principal outputs will be delivered
- n A Strategic Analysis prospectus to disseminate the objectives of the study and to encourage support and input from key stakeholders
 - n A baseline paper to inform stakeholders of the current context for property performance in the City
 - n Stakeholder workshops to consider futures scenarios, delivery aspirations and capacity
 - n A high-profile roadmap of the practical measures needed to deliver the agreed vision
 - n A high-level decision-making framework for the City Council and its partners to use in determining the impact of future projects and strategic activity on the agreed vision.
- 6.3 Subject to the satisfaction of Manchester City Council with this Scoping Paper, it is recommended that a steering group be established to oversee the delivery of the Strategic Analysis. The composition of the group should reflect the need for early commercial-sector buy-in, whilst ensuring alignment with the strategic governance activities being progressed at the city-region level.
- 6.4 The new Environmental Strategy Programme Board, set up to oversee delivery of the Call to Action commitments, would seem to be an ideal source for such a project steering committee.