

Report to OVERVIEW AND SCRUTINY BOARD

Oldham Green New Deal and Generation Oldham update

Portfolio Holder:

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Purpose of the Report

To provide an update on the progress of the Oldham Green New Deal Strategy, adopted by the Council in March 2020, and the Generation Oldham community energy programme.

Recommendations

That the Board:-

1. Notes the progress of a wide range of initiatives under the Oldham Green New Deal programme, despite the challenge of COVID19
2. Notes the recognition of Oldham's pioneering Green New Deal approach
3. Notes the evolving approach to meeting the Council 2025 and borough 2030 carbon neutrality targets
4. Notes the range of funding streams being made available by the Government to support the low carbon transition
5. Notes the payment of capital and interest by Oldham Community Power to its Members, approved at the 2020 Annual General Meeting, and the integration of its approach to a Phase 2 into wider community level Green New Deal initiatives

Oldham Green New Deal and Generation Oldham update**1 Background**

1.1 The Oldham Green New Deal (OGND) Strategy was adopted by the Council in March 2020. The Strategy set a number of objectives and pledges for delivery on environmental issues in a range of work areas, which broadly fit into three over-arching 'pillars':-

- Growing the green economy
- Low carbon infrastructure and a local energy market
- Northern Roots

1.2 Northern Roots is a very significant project in its own right, and an update report on Northern Roots was presented to the Overview and Scrutiny Board in October 2020.

1.3 The OGND Strategy also set two carbon neutrality targets:-

- For Council Buildings and Street Lighting by 2025
- For the borough by 2030

1.4 Progress towards the two carbon neutrality targets since the OGND Strategy was adopted in March is as follows:-

- 2025 – Council Buildings and Street Lighting. Between 2018/19 and 2019/20, emissions from Council buildings and street lighting rose by just under 2% from 8,395 tonnes to 8,559 tonnes, a rise of 164 tonnes on the year. The main reason for this seems to be that the winter of 2019/20 was on average colder than the winter of 2018/19
- 2030 – Oldham borough. Between 2017 and 2018, total emissions in the borough rose from 786.3 ktCO₂ to 811.7 ktCO₂, a rise of 3.2% on the year. Similarly, the reasons for this rise are not clear. However, it is interesting to note that in the same period the carbon footprint per head of population remained the same at 3.4 tonnes of CO₂ per capita. Oldham's population grew from 233,800 to 235,600 over that same 12-month period

Impact of COVID19 on the Green New Deal delivery programme

1.5 The Oldham Green New Deal delivery programme was reviewed in June 2020 in light of the COVID19 crisis and a number of changes were made:-

- OGND activities to be co-ordinated with wider community wealth building work across the Council and Partnership e.g. Food Strategy, social enterprise support, Place Based Working and Culture, Leisure & Tourism
- 'Growing the green economy' work to be aligned with COVID19 economic recovery plan
- Existing EU-funded projects such as REDUCES (circular economy), RED WoLF (low carbon heating), COALESCCE (community energy) and FOUNDATION (economic restructuring) to be aligned with COVID19 economic recovery plan
- Work on creating a Local Energy Market to continue to support behaviour change around e.g. the electrification of transport, remote working for homes and businesses and cutting bills for homes and businesses
- Work on creating a "Green Business Centre" discontinued due to the need to generate capital receipts from the site and interest from a new potential purchaser

which would deliver higher business rates from the site than a 'green business cluster'

- Work looking at the potential for investment in large-scale renewable energy outside the borough discontinued
- Work on a "Citizens' Assembly" discontinued
- Work on a potential solar farm at Wrigley Head, Failsworth paused
- Work on Alexandra Park zero carbon Eco-Centre paused to review alternative options with a lower cost

1.6 The above review identified £135K of savings from the Transformation Reserve which had been allocated for OGND initiatives. However, the purpose of the review was to find alternative ways of achieving the desired outcomes rather than purely discontinuing activity.

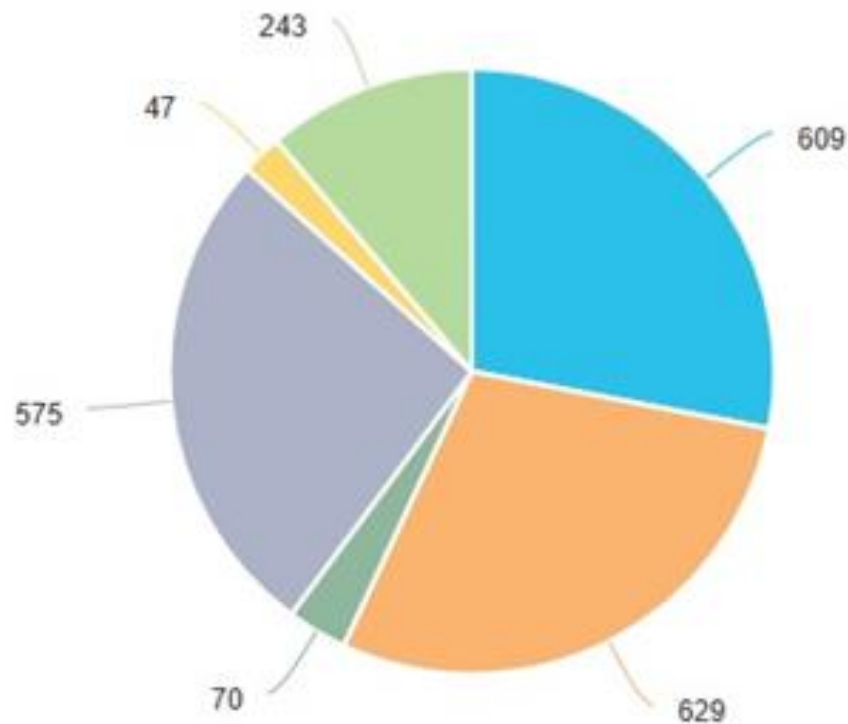
1.7 Additionally, the impact of COVID19 at a strategic level has the following implications for the 2025 and 2030 carbon neutrality targets:-

- 2025 – Council Buildings and Street Lighting.
 - It could reasonably be expected that for the 2020/21 financial year, Council emissions will fall due to lower occupation of Council buildings. However, Unity Partnership officers note that, "We must be aware of and consider the variables, despite the reduced occupation this year, we are expecting gas consumption to increase in some buildings, as a result of the need for increased ventilation and the additional heating that is associated with this requirement. This is something we are currently looking at with premises such as the Civic Centre."
 - A key element of the Council's approach to decarbonisation envisaged by the OGND Strategy was the purchase of renewable energy generating facilities (potentially located outside the borough) to cover the Council's carbon footprint. Changes in guidance on Council investments since the COVID19 crisis means that this approach may need to change
 - Other alternatives do exist however, such as Power Purchase Agreements with renewable energy generators both within the borough and across Greater Manchester, which could both cover the Council's carbon footprint and contribute to the development of locally owned renewable energy infrastructure, including community energy
- 2030 – Oldham borough.
 - The long-term impact of COVID19 on borough emissions is not yet clear. However, the immediate impact of lockdown had a striking influence on some environmental indicators across Greater Manchester, with road traffic falling by 62%, electricity consumption falling by 18% overall but increasing by 30% in homes where residents were now working from home, cycling away from main roads up by 50%, and an increase of 61% in visits to the GM Green City social media channels
 - If some of these beneficial changes in behaviour can be embedded long-term, it is possible that learning from the pandemic could help to reduce carbon emissions and associated air pollution in the borough

Targeting Green New Deal activities in Oldham

1.8 An evidence base for targeting Green New Deal activities in Oldham is available from the LGA Green Jobs online report. The pie chart below shows the number of jobs in Oldham which the LGA expects to be created in meeting both the national 2050 carbon neutrality target and the 2030 'milestone'.

2030



- Oldham - Estimated jobs in Low-carbon electricity - 2030 - Count
- Oldham - Estimated jobs in Low-carbon heat - 2030 - Count
- Oldham - Estimated jobs in Alternative fuels - 2030 - Count
- Oldham - Estimated jobs in Energy Efficiency - 2030 - Count
- Oldham - Estimated jobs in Low-carbon services - 2030 - Count
- Oldham - Estimated jobs in Low emission vehicles & infrastructure - 2030 - Count

1.9 Of course, Oldham’s carbon neutrality target for the borough is by 2030 so if this target is to be met, even more jobs will need to be created to meet the demand for low carbon goods and services.

1.10 The Council is therefore targeting activities in the OGND programme to boost activity in the areas of the low carbon economy which have the most potential for jobs growth. Key Oldham Green New Deal initiatives for the top three areas above are as follows:-

1.11 Low carbon electricity:-

- Solar PV systems for Council buildings where feasible
- Supporting community energy groups such as Saddleworth Community Hydro and Oldham Community Power
- Developing large-scale ground-mounted solar PV opportunities (solar farms) on Council-owned land e.g. at Wrigley Head, Failsworth and Northern Roots (Snipe Clough)
- Potential to extend the Council’s “Home Improve Loan” to include solar PV

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- Working with landowners in Oldham to develop renewable energy to supply the Council via Power Purchase Agreements
 - Exploring the potential to deploy cutting-edge low carbon technologies such as gasifying biomass Combined Heat and Power generation for sites such as Alexandra Park Depot

1.12 Low carbon heat:-

- Work underway to develop a 4MW £20 million Town Centre District Heat Network which will use renewable heat from disused flooded coal mines underneath the Town Centre. Potential to link up this new heat network with the existing one at St Mary's which is owned by First Choice Homes
- Exploring the potential for low carbon heat technologies at Council-owned sites such as Alexandra Park Depot
- Developing a new innovative electrical heating system for domestic homes through the RED WoLF Interreg North West Europe funded project

1.13 Energy efficiency

- Green Homes Grant for Oldham homeowners of up to £10,000 via a £4.7 million GM-wide scheme led by Oldham Council
- Council business newsletter encouraging Oldham businesses to gain "TrustMark" accreditation to be able to secure some of the business coming out of the Green Homes Grant scheme
- Warm Homes Oldham continues to provide support for Oldham homeowners to improve the energy efficiency of their homes

Achievements so far

1.14 The main achievements of the Oldham Green New Deal programme since the strategy was adopted in March 2020 are as follows:-

- The Council has worked with the Centre for Local Economic Studies (CLES) and Carbon Co-op (a community energy group based in Manchester) to successfully secure 300,000 Euros for the "Neighbourhood Energy Masterplanning" project for Oldham. This project will provide employment and training opportunities in the low carbon sector for residents beginning with a funded 2 day a week for 2 years post for an Oldham resident
- Oldham's pioneering Green New Deal approach has been selected as one of three case studies to be included in a new CLES report on "Anchor approaches to energy transition", recognising Oldham's unique community wealth building approach to the low carbon transition
- The Interreg North West Europe funded RED WoLF (Rethink Electricity Distribution Without Load Following) project, in which Oldham is a partner, will develop an innovative new low-cost, low-carbon electrical heating system for domestic homes based on solar PV, battery storage and modern storage heaters optimised by a 'smart' controller. The Council has secured agreement to fund a 19-home pilot project at Primrose Bank to demonstrate the new heating system, supported by grant from the project. The Council has received interest from local businesses who could supply and install the new heating system across GM once it has been proved successful by the pilots. This could fulfil the Council's aim for RED WoLF to provide jobs and training opportunities for an Oldham business
- The Council has secured agreement from Live and Now, an Oldham-based e-commerce software developer, to build a new online portal along the lines of "Amazon.com" or "eBay" to operate on a self-funding model, with the aim of helping Oldham businesses to improve their online offer which could in turn support jobs in

struggling Town Centre businesses. This initiative will be part of a much bigger online digital offer for food businesses to help them upskill and build capacity for online retail which will in turn help Town Centre businesses to retain their shopfront presence

- The Council has secured Heat Network Development Unit funding from the Department of Business, Energy and Industrial Strategy of c£50K to support feasibility work for a new Town Centre District Heat Network which will use minewater heat from disused flooded coal mines beneath the Town Centre. The Council has commissioned three feasibility studies from the Coal Authority and a techno-economic study from Ramboll consultants which show that in principle we have a viable District Heat Network scheme opportunity currently estimated to cost in the region of £20m. However, funding for this scheme is yet to be identified, and will be dependent on the production of a robust and viable business case as the project is developed using the Towns Fund grant. The Council is bidding for £4 million of Towns Fund money to cover the cost of the minewater boreholes and Energy Centre
- The Council's Strategic Housing Team has led on a successful funding bid to the Green Homes Grant Local Authority Delivery Scheme which has secured £4.7 million for a Greater Manchester wide scheme which will provide insulation and low carbon heating measures for low income households across Oldham and the other GM local authority areas

Generation Oldham

- 1.15 Generation Oldham is the borough's community energy programme. Benefits of a community-owned approach to renewable energy development include an opportunity for residents to invest and participate in activities making a real difference in terms of tackling the climate change crisis, and an opportunity to communities to gain knowledge and skills in the low carbon business sector. A community energy approach keeps the social and financial benefits of renewable energy development local.
- 1.16 Oldham has two community energy groups – Saddleworth Community Hydro and Oldham Community Power (OCP). Both groups have now been operational for some years, and this year Oldham Community Power paid its first share interest and capital repayment to its Members, as approved at its Annual General Meeting. The Council received a payment of £10,000 on its £100,000 shareholding, which comprised an interest payment of £1,250 and a capital repayment of £8,750.
- 1.17 Oldham Community Power owns and operates around 220kW of solar PV on the roofs of five schools and a community building. These solar PV systems were installed in 2006 and since then OCP has been looking for opportunities to deliver a Phase 2 of their solar PV installation programme.
- 1.18 The obvious choice of site for more solar PV installations has up until now been considered to be schools – these are the standard recipients of solar PV systems under a community energy model, and many other community energy groups across the country choose schools for a variety of reasons, in particular the benefit to the schools in terms of reduced energy bills and the opportunity to engage children and parents in the climate change agenda.
- 1.19 In 2019, OCP secured grant funding from Electricity North West to develop and install pioneering interactive screens in schools, which will use data generated by the solar PV systems to educate and inform the children. The children themselves will have a part in designing these interactive screens, and Oldham software development company Live and Now are supporting OCP to develop the technology, on a voluntary and no-cost basis. The

COVID19 crisis has delayed the deployment of the finished product into the schools, but it is hoped that the screens can finally be installed in 2021.

- 1.20 In terms of a Phase 2 scheme, recent developments in the rules surrounding the installation of solar PV on schools under a community energy model have changed. The Department for Education has issued advice stating that most community energy schemes for schools will no longer be granted a roof lease. This is because a new procurement framework for schools to install solar PV is under development and will be launched in 2021. The DfE expects that community energy schemes will not offer the schools good value for money under this new procurement framework. So it seems that, at least for the moment, OCP will need to look at other sites for Phase 2.
- 1.21 Fortunately, there now exists an initiative which could identify some sites. As mentioned in 1.14 above, a new 300,000 Euro project called “Neighbourhood Energy Masterplanning” has been approved for Oldham. To be delivered by Carbon Co-op, in partnership with CLES, this project will not only bring training and employment opportunities in the low carbon sector for residents but will give communities a say in how low carbon infrastructure is developed in their neighbourhoods. OCP will be a key partner in the development and delivery of this project, and OCP’s expertise, experience and support will be key in developing renewable energy installations on community buildings as one outcome of the project.

2 **Current Position**

- 2.1 Due to the financial challenge associated with COVID19, the Oldham Green New Deal programme has a very limited budget from resources within the Council itself. However, the programme is having some success in securing external funding from a range of sources to support delivery of OGND initiatives. New national funding streams for low carbon work are helping in this regard.
- 2.2 It is clear though that in order to meet the 2030 carbon neutrality target, and to a lesser extent the 2025 Council target, a strategic approach to the delivery of low carbon infrastructure across the whole borough will be necessary.
- 2.3 Initial research shows the potential for the Council to engage a strategic delivery partner in the private sector to identify the potential for, invest in and deliver low carbon infrastructure across the borough. Initial soft market testing indicates that commercial organisations exist which are looking to offer such an arrangement to local authorities and are looking to offer ‘social value’ benefits such as jobs and training opportunities as part of the delivery arrangements which would align to the objectives of the OGND Strategy. N.B. this work is purely exploratory at present and a detailed internal report will be prepared by officers in the near future.
- 2.4 Such a strategic investment and delivery arrangement would be complemented by continuing Oldham’s ground-up grass-roots approach to building low carbon knowledge and skills in local communities via the range of community wealth building type initiatives set out in this report, including Oldham Community Power and other community energy schemes. This will ensure not only that residents have the best opportunity to take advantage of any inward investment and infrastructure development which comes into the borough but will ensure that residents have a say in how low carbon infrastructure is developed in their own neighbourhoods.
- 2.5 By combining the strategic and grass-roots approaches above, Oldham’s Green New Deal has the best chance of delivering a ‘fair transition’ to a low carbon economy in the borough, meeting our ambitious carbon neutrality targets but in a way which meets the aspirations of

the Oldham Plan in terms of creating an Inclusive Economy, Thriving Communities and Co-operative Services.

- 2.6 Therefore the next steps for Oldham's Green New Deal programme will be to continue to build capacity at a community level to enable residents to take best advantage of the low carbon transition, whilst bringing in the strategic level investment which can deliver infrastructure, jobs and training opportunities for residents.

Carbon offsetting – tree planting

- 2.7 Part of the approach to meeting the Council's 2025 carbon neutrality target, as set out in the Oldham Green New Deal Strategy, is local carbon offsetting. The Council has a target to plant 100,000 trees in the borough by 2025. Using a figure of 20kg for the average amount of CO₂ absorbed in a year by a tree as it grows, this would mean 2,000 tonnes of CO₂ being absorbed every year by the new trees. The carbon footprint of Council Buildings and Street Lighting in the baseline year of 2018/19 was 8,395 tonnes CO₂, so carbon offsetting from tree planting in the borough could cover almost a quarter of the Council's baseline carbon emissions. In reality this proportion is likely to be larger if the tree planting target is met, as the carbon content of grid electricity used by the Council is likely to have fallen substantially by 2025.

Government Net Zero Ten Point Plan

- 2.8 On 17th November 2020 the Government announced a new national Ten Point Plan to achieve net zero emissions by 2050. In summary, these ten points are as follows:-

1. **Offshore wind** – the UK will host 40GW of offshore wind generation by 2030, enough to power every home and support up to 60,000 jobs
2. **Hydrogen** - the UK will aim to develop 5GW of "low-carbon" hydrogen production capacity by 2030. Up to £500m will be invested in a bid to create a Hydrogen Neighbourhood in 2023, a Hydrogen Village by 2025, and to create the first town running entirely on hydrogen
3. **Nuclear** - the UK will scale up large nuclear generation while also developing small and advanced reactors. This move will cost £525m and could support up to 10,000 jobs, according to the Government
4. **Electric Vehicles** - the West Midlands, North East and North Wales will champion electric vehicle (EV) manufacturing. The UK will end the sale of new petrol and diesel cars and vans by 2030, but hybrid cars and vans will be given a 2035 deadline. A total of £1.3bn will be used to accelerate the rollout of chargepoints, while £582m in grants will be made available to incentivise EV purchasing. Around £500m will be used for mass-scale production of EV batteries and a consultation on the phase out of new diesel will be introduced
5. **Public transport** - the Government will incentivise cycling and walking, while also investing in zero-emission public transport. Up to £5bn is expected to be funnelled into alternative cycling, walking, and low-carbon buses
6. **Aviation and shipping** - research projects for zero-emission planes and ships will be conducted to support airlines, airports and shipping firms. £20m has been set aside for clean maritime innovations at sites including Orkney and Teesside
7. **Domestic and public buildings** - homes, schools and hospitals will become more energy efficient through a £1bn spending commitment starting next year. The Government will aim to install 600,000 heat pumps annually by 2028 and create 50,000 green jobs by 2030. The Green Homes Grant voucher scheme from this summer will also be extended
8. **CCS (Carbon Capture and Storage)** - the UK wants to become a "world-leader" in CCS technology and will target the removal of 10MT of carbon dioxide by 2030, equivalent to all emissions of the industrial Humber today. An additional £200m will create two carbon capture clusters by the mid-2020s, with another two set to be

created by 2030. In total, £1bn has been committed, which will support 50,000 jobs in the UK's industrial clusters

9. **Nature** - commitments have been agreed to plant 30,000 hectares of trees every year to restore the natural environment. £5.2bn has been ringfenced to create for new flood and coastal defences in England by 2027

10. **Innovation and finance** - the UK will make the City of London the global centre of green finance

2.9 Many of these initiatives should help Oldham to achieve our 2025 and 2030 carbon neutrality targets, by:-

- Reducing the carbon content of grid electricity used by the Council, homes and businesses in Oldham
- Reducing carbon emissions from road and public transport in the borough
- Making funding available to households, schools and hospitals across Oldham to install energy efficiency and renewable energy measures
- Making funding available for nature-based initiatives such as Northern Roots and Oldham's parks and countryside sites

3 **Key Issues for Overview and Scrutiny to Discuss**

3.1 The impact of COVID19 on Oldham's Green New Deal programme – both the negative impacts and the potential opportunities arising.

3.2 The potential for Oldham's Green New Deal to form a key element of the COVID19 economic recovery plan for the borough.

4 **Key Questions for Overview and Scrutiny to Consider**

4.1 In the new pandemic situation, how can the Council best meet the Leader's wish to ensure that residents have an opportunity to engage in the climate change agenda, originally envisaged as a "Citizens' Assembly"?

4.2 How can the Council support and encourage residents to maintain the positive behaviour changes which have come out of the lockdown restrictions, in terms of reduced environmental impact?

5. **Links to Corporate Outcomes**

5.1 Corporate Plan:-

Inclusive Economy:-

- #ourbit: Attracting investment and encouraging business and enterprise to thrive
- #yourbit: Supporting and promoting local businesses and ventures
- #ourbit: Working with partners to create quality work prospects - and ensuring all residents can access new skills and opportunities and be work-ready

Thriving Communities:-

- #ourbit: Increasing the sense of involvement and ownership of issues that affect people and they care about
- #yourbit: Getting involved in your community: actively sharing ideas and experience with others about things you are passionate about

5.2 The Oldham Plan

Inclusive Economy

- Investment:-
 - We will challenge the orthodox investment model at Greater Manchester and beyond where it doesn't benefit the people and the areas that need investment the most
 - We will support the growth of our key employment capabilities seeking and supporting increased innovation and enterprise
 - We will continue to invest in Oldham and stimulate investment
- Human capital:-
 - We will develop a productive and integrated education, skills and employment offer for Oldham
 - We will ensure a great education and vocational training offer and enable residents to be life ready and work ready
 - We will ensure effective business support to increase investment in enterprise, skills and training including apprenticeships

Co-operative Services

- Brilliant everyday collaborations at scale:-
 - We will build new collaborations that improve living standards and the life chances of Oldham residents
 - We will bring in funding and expertise to Oldham to do great things

Thriving Communities

- Co-operative workforce:-
 - We will ensure assets based working and co-production is embedded in our unified workforce

6 Financial Implications

- 6.1 The current Green New Deal Schemes are detailed in the body of the report. As new schemes are identified and current proposals are developed, there needs to be detailed business planning, in line with current Council procedures, to ensure that all schemes are robust and financially viable. All proposed schemes should also be in alignment with other Council strategic objectives and should maximise the use of external funding within the Council's regulatory framework.

[James Postle]

7 Legal Services Comments

- 7.1 Legal Services have and will continue to provide legal advice and support in relation to any of the proposed schemes outlined in the body of the report to affect a reduction in the Council's and the Borough's environmental footprint to assist in achieving the carbon neutrality targets. Currently, advice and support has been provided to Strategic Housing in relation to government grant funding for the Green Homes Grant Local Authority Delivery Scheme to deliver £4.7m of grant funding for warm homes initiatives across Greater Manchester.

[Elizabeth Cunningham-Doyle]

8. **Co-operative Agenda**

8.1 Oldham's Green New Deal programme is part of the borough's wider approach to Community Wealth Building, supporting the aspirations of the Oldham Plan to build an Inclusive Economy, Thriving Communities and Co-operative Services.

[Andrew Hunt]

9 **Human Resources Comments**

9.1 N/A

10 **Risk Assessments**

10.1 N/A

11 **IT Implications**

11.1 N/A

12 **Property Implications**

12.1 The Council's Property Services is liaising with the Oldham Green New Deal Programme Manager to provide relevant property information required to identify potential energy efficiency schemes and to inform feasibility studies and grant submissions.

[Peter Wood]

13 **Procurement Implications**

13.1 N/A

14 **Environmental and Health & Safety Implications**

14.1 Oldham's Green New Deal programme will deliver against the carbon neutrality targets and other environmental objectives in the Green New Deal Strategy.

[Andrew Hunt]

15 **Equality, community cohesion and crime implications**

15.1 N/A

16 **Equality Impact Assessment Completed?**

16.1 N/A

17 **Key Decision**

17.1 N/A

18 **Key Decision Reference**

18.1 N/A

19 **Background Papers**

19.1 N/A

20 **Appendices**

20.1 None