

CABINET Agenda

Date Monday 23 March 2020

Time 6.00 pm

Venue Crompton Suite, Civic Centre, Oldham, West Street, Oldham, OL1 1NL

- Notes
1. DECLARATIONS OF INTEREST- If a Member requires any advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Paul Entwistle or Liz Drogan in advance of the meeting.
 2. CONTACT OFFICER for this Agenda is Liz Drogan Tel. 0161 770 5151 or email elizabeth.drogan@oldham.gov.uk
 3. PUBLIC QUESTIONS – Any member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the Contact officer by 12 Noon on Wednesday, 18 March 2020.
 4. FILMING – This meeting will be recorded for live and/or subsequent broadcast on the Council’s website. The whole of the meeting will be recorded, except where there are confidential or exempt items and the footage will be on our website. This activity promotes democratic engagement in accordance with section 100A(9) of the Local Government Act 1972. The cameras will focus on the proceedings of the meeting. As far as possible, this will avoid areas specifically designated for members of the public who prefer not to be filmed.

Any member of the public who attends a meeting and objects to being filmed for the Council’s broadcast should advise the Constitutional Services Officer who will instruct that they are not included in the filming.

Members of the public and the press may also record / film / photograph or broadcast this meeting when the public and the press are not lawfully excluded. Please note that anyone using recording equipment both audio and visual will not be permitted to leave the equipment in the room where a private meeting is held.

Recording and reporting the Council’s meetings is subject to the law including the law of defamation, the Human Rights Act, the Data Protection Act and the law on public order offences.

MEMBERSHIP OF THE CABINET IS AS FOLLOWS:

Councillors Chadderton, Chauhan, Fielding (Chair), Jabbar, Mushtaq, Roberts, Shah and Ur-Rehman

Item No

- 1 Apologies For Absence
- 2 Urgent Business
Urgent business, if any, introduced by the Chair
- 3 Declarations of Interest
To Receive Declarations of Interest in any Contract or matter to be discussed at the meeting.
- 4 Public Question Time
To receive Questions from the Public, in accordance with the Council's Constitution.
- 5 Minutes of the Cabinet meeting held on 24th February 2020 (Pages 1 - 10)
- 6 Northern Roots Project (Pages 11 - 26)
- 7 Oldham Green New Deal Strategy (Pages 27 - 64)
- 8 Revenue Monitor and Capital Investment Programme 2019/20 Month 9 – December 2019 (Pages 65 - 104)
- 9 Charging Order and Insolvency Policy (Pages 105 - 128)
- 10 Local Taxation and Benefits Discretionary Policies 2020/21
Report to follow
- 11 Fitton Hill- Selection of Developer Partner (Pages 129 - 138)
- 12 Exclusion of the Press and Public
That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.
- 13 Creating a Better Place 2 (Pages 139 - 162)
- 14 Northern Roots Project (Pages 163 - 184)
Due to the size of the document, a hard copy of the Vision Document appendix will available for Members separately.
- 15 Fitton Hill- Selection of Developer Partner (Pages 185 - 198)

Present: Councillor Fielding (Chair)
Councillors Chadderton, Chauhan, Jabbar, Mushtaq, Roberts,
Shah and Ur-Rehman

1 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions received.

5 **MINUTES OF THE CABINET MEETING HELD ON 16TH
DECEMBER 2019**

RESOLVED – That the minutes of the Cabinet Meeting held on
16th December 2019 be approved as a correct record.

6 **CREATING A BETTER PLACE**

Consideration was given to a report of the Deputy Chief Executive which sought approval of a comprehensive vision and strategic framework for the Borough, 'Creating a Better Place'. The report provided details of the 'Creating a Better Place' vision which consisted of building more homes for residents, creating new jobs through Town Centre regeneration and ensuring Oldham was a great place to visit with lots of family friendly and accessible places to go.

At a strategic level, work had been undertaken over the last eighteen months including the revised Town Centre Vision, the Housing Strategy and a review of the Medium Term Property Strategy to provide an approach for the Council to support inclusive growth, thriving communities and the co-operative agenda.

Delivery of the ambitious programmes of work within 'Creating a Better Place' required efficient and effective systems and processes in place. Significant work had already taken place during 2019 to ensure the right resources were in place for robust, fit for purpose governance and effective delivery.

Changes to the Council's Land and Property Protocols were also proposed to further strengthen governance.

Members were advised that funding for development and delivery of the programme would be in alignment with the Cabinet decision taken in December 2019 in support of the holistic programme to *Creating a Better Place* and in alignment with the Capital Strategy being proposed to Budget Council.

Members noted that this was an enormous plan that was very exciting, with investment across the Borough. It was intended that social value would be maximised, with 1000 new jobs and

100 apprenticeships, to skill up the people of Oldham for their future lives. This was a huge investment, using the Council's own capital and all projects would be subject to detailed due diligence before approval. The projects would also deliver income that could be used to improve other services. The projects would encourage young people to stay in Oldham and provide safe, warm, affordable homes that met their needs. The 2000 homes in the town centre would help make the Council's "Brownfield First" strategy a reality. These were financially sound initiatives that would deliver the Council's vision across the Borough.

Members asked that their thanks be passed to all the officers whose hard work had enabled this project to come forward.

Options/Alternatives considered:

The options/alternatives considered were set out in the report in the restricted part of the agenda.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 15 of the agenda before making a decision.

7

GEOGRAPHICAL ALIGNMENT ACROSS PUBLIC SERVICES AT POPULATIONS OF 30-55,000

Consideration was given to a report of the Strategic Director of Reform which sought approval of 5 geographical footprints at populations of 30,000-50,000 that would align with key public services in the Borough including Primary Care Networks, Adult Health and Social Care Community providers, neighbourhoods police beats and housing management areas.

This meant that the full workforce, capacity, leadership and resources of all our public services did not align which ultimately limited the ability for public services to work in an integrated way to improve the lives of people and communities in the borough. This would ultimately lead to more responsive public services and prevent unnecessary demand being placed on public services in the long term.

This report asked the Cabinet to agree a preferred option for 5 geographical footprints at populations of 30-55,000 across the borough.

These 5 footprints would align the geographical footprints of Council Districts with that of key public services in the borough including Primary Care Networks (GPs), Adult Health and Social Care Community Providers, neighbourhoods police beats and housing management areas.

Members noted that, following approval by Cabinet, a report would be submitted to Full Council seeking an amendment to Article 10 of the Constitution to implement the introduction of 5 geographical footprints on which public services can work in a unified way.

Options/Alternatives considered:

Option 1 – Do not seek Geographical alignment.

Option 2 – Geographical alignment on 7 or 6 footprints.

Option 3 – Geographical alignment on 5 footprints close to primary care networks but using wards as building blocks as detailed within the report.

RESOLVED – That:

1. The geographical alignment on 5 footprints close to Primary Care Networks, using wards as building blocks as detailed within the report be approved.
2. A report be submitted to Full Council in March 2020 to amend Article 10 of the Constitution to reflect the geographical alignment changes in the Borough.

8

LOCAL DEVELOPMENT SCHEME UPDATE

Consideration was given to a report of the Deputy Chief Executive which sought approval of the updated the Council's Local Development Scheme (LDS) 2020.

The Council was required to prepare a Local Plan to ensure that the Borough had an up to date and comprehensive planning framework to support the Borough's economic, environmental and social objectives. The LDS was the project plan for the Local Plan which set out details and timetables in relation to the planning documents the Council would prepare including Oldham's Local Plan and incorporating site allocations and Greater Manchester's Plan for Homes, Jobs and the Environment. The update, (issue 10) would be effective from 28th January 2020 if Cabinet approved the document.

The timetable set out at paragraph 2.7 of the report linked with that for the Greater Manchester Spatial Framework.

Options/Alternatives considered:

Option 1 – To update and publish the LDS.

Option 2 – Not to update and publish the LDS.

RESOLVED – That:

The revisions to the Local Development Scheme be approved and published with effect from 28th January 2020.

9

GREATER MANCHESTER'S CLEAN AIR PLAN - TACKLING NITROGEN DIOXIDE EXCEEDANCES AT THE ROADSIDE - UPDATE

Consideration was given to a report of the Director of Environmental Services which provided Members with details of the progress that had been made following the Government's response to Greater Manchester's Outline Business Case to tackle Nitrogen Dioxide Exceedances at the Roadside and the implications for the 10 Greater Manchester Local Authority in relation to the schedule of work and statutory consultation on the Clean Air Plan.

Following Ministerial feedback and the 2019 Ministerial Direction the Greater Manchester Authorities sought clarification on the 2019 Ministerial direction and the accompanying letter, questioning the Government's lack of assurances around financial support for the broader Greater Manchester Clean Air Plan, outlined Greater Manchester's approach to the requests for further option analysis and detailed the issues Greater Manchester faced in preparing to implement the scheme in terms of the timetable for the Full Business Case and statutory consultation.

In the interests of the ongoing working relationship between the 10 Greater Manchester Authorities and the Government's Joint Air Quality Unit, in developing the Greater Manchester Clean Air

Plan, a total of 29 draft technical reports and notes have been issued to the Joint Air Quality Unit and are subject to approval (Detailed in appendix 1 to the report).

The delay of over two months in receiving ministerial feedback on the Outline Business Case, compounded by the request for Greater Manchester to submit further options appraisal information had a material impact on the timetable for the Greater Manchester Clean Air Plan and consultation would now take place later than originally planned and a date could not be confirmed for the commencement of the consultation.

Despite the delay in undertaking the consultation, in view of the Ministerial direction Greater Manchester must continue to proceed towards developing the implementation and contract arrangements of a charging Clean Air Zone in Greater Manchester utilising the initial tranche of funding.

The commencement of a charging Clean Air Zone scheme and other measures were subject to consultation and to the Greater Manchester Authorities receiving the required government funding to enable them to meet the legal limits for nitrogen dioxide concentrations.

Officers would continue to work with the Joint Air Quality Unit to clarify Ministerial direction and Greater Manchester's legal obligations relating to the appraisal process, continue to secure a clear response from Government on the Council's clean vehicle funding asks and continue stakeholder engagement and awareness with groups and the general public, the scope of the Clean Air Plan.

Options/Alternatives considered:

Option 1 – Agree the recommendations as detailed within the report.

Option 2 – Not to agree the recommendations within the report.

RESOLVED – That:

1. The progress to date be noted.
2. The ministerial direction under the Environment Act 1995 (Greater Manchester) Air Quality Direction 2019 which requires all ten of the Greater Manchester local authorities to implement a charging Clean Air Zone Class C across the region be noted.
3. Agree the need to continue to proceed towards developing the implementation and contract arrangements of a charging Clean Air Zone in Greater Manchester utilising the initial tranche of £36m of funding as required by the ministerial direction / feedback;
4. Authority be delegated to the Deputy Chief Executive in consultation with the Cabinet Member for Neighbourhood Services, to determine the preparatory implementation and contract arrangements that need to be undertaken utilising the initial tranche of £36m of funding to deliver the CAZ and other GM CAP measures, as set out at paragraph 4.11 of the report.
5. The report to determine the timings for commencing the consultation will be received in the Spring of 2020.
6. The outstanding need to secure a clear response from the Government on clean vehicles funding asks be noted.

7. Highways England have not been directed to act in relation to tackling NO₂ exceedances in the same way as the Greater Manchester local authorities, and that this would leave some publicly accessible areas of GM adjacent to trunk roads managed by Highways England, with NO₂ exceedances that were not being addressed by the Highways England plan.
8. Authority be delegated to the Deputy Chief Executive, in consultation with the Cabinet Member for Neighbourhood Services, to agree the final content and submission of the documents listed in Appendix One for formal submission to Joint Air Quality Unit and note their publication status.
9. Authority be delegated to the Deputy Chief Executive in consultation with the Cabinet Member for Neighbourhood Services, to determine any further technical reports for formal submission to Joint Air Quality Unit.
10. The Cabinet Member for Neighbourhood Services would co-sign a letter from the Greater Manchester Authorities to the Transport Secretary asking them to bring forward the launch of a statutory consultation to strengthen rules on vehicle idling.

10

ROYTON TOWN HALL - SELECTION OF CONTRACTOR

Consideration was given to a report of the Director of Economy which sought approval of the progress of Royton Town Hall and Library into the next phase of contractor procurement.

The report provided details of the previously approved £2.9m of funding to deliver the refurbishment of Royton Town Hall and Library and a detailed design had been drawn up and a cost plan finalised meaning the Council would be able to tender the works.

As the cost of the works was over the threshold for a delegated decision, given the timescales of the project, approval was sought to delegate the procurement and award of the contract to the Director of Economy in consultation with the relevant Cabinet Member, S.151 officer and the monitoring officer.

Options/Alternatives considered:

Option 1 – To agree that delegation be given to the Director of Economy to procure, negotiate and award the contract.

Option 2 – Not to agree delegation be given to the Director of Economy to procure, negotiate and award the contract.

RESOLVED – That authority be delegated to the Director of Economy, in consultation with the Cabinet Member for Economy and Enterprise, the Cabinet Member for Finance, the Director of Legal Services and the Director of Finance to procure, negotiate, re-negotiate award and execute a main contractor for the works.

11

DISPOSAL OF LAND AT BLACKSHAW LANE, ROYTON

Consideration was given to a report of the Deputy Chief Executive, which sought approval to dispose of the Freehold Interest of land at Blackshaw Lane, Royton (Asset No: L02076). The land, shown edged red at appendix 1 to report had been designated as Phase 1 Housing allocation in the Joint Core

strategy and Development Management Policies, Development Plan documents adopted in November 2011.

It was proposed to put the site back onto the open market and an outline planning application had been resubmitted. If this was approved, the land would be marketed with the benefit of any such consent.

Options/Alternatives considered:

Option 1 – Retain the land.

Option 2 – To dispose of the land on either a conditional or unconditional tender basis. As part of this option, authority to approve the preferred tender was recommended to be delegated to the Deputy Chief Executive in consultation with relevant Portfolio holder for Economy and Enterprise.

The tender would be based on the following:

- Freehold sale
- A 'Buy back' option with a deadline included if the site had not been developed within 3 years
- Payment of the Councils professional fees.
- A non-refundable deposit of 10% payable at the point of exchange of contracts which was to occur within six weeks of acceptance of the preferred tenderer's offer.

In the event the tender exercise was not successful due to a change in terms by the developer, officers can with the approval of the Deputy Chief Executive in consultation with the portfolio holder for Economy and Enterprise withdraw from negotiations and then re-tender the site or enter the site into the next available auction.

Option 3 – To dispose of the land at auction to be approved by the Director of Economy. The recommended terms of sale were:

- Freehold sale
- A 'Buy back' option with a deadline included if the site had not been developed within 3 years
- Payment of the Councils professional fees.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 16 before making a decision.

12

DISPOSAL OF LAND AT WARD LANE DIGGLE

Consideration was given to a report of the Deputy Chief Executive which sought approval to extend the existing authority to dispose of land of Ward Lane Diggle and to include the Council's freehold interest in the disposal of the asset.

Following unsuccessful attempts to dispose of the asset, the report recommended a revised strategy for the sale of Ward Lane Diggle and to put the site back onto the open market on the basis of a freehold disposal subject to, where possible appropriate safeguards to ensure that development proceeded.

Options/Alternatives considered:

Option 1 – Retain the land.

Option 2 – To dispose of the land on either a conditional or unconditional tender basis. As part of this option, authority to approve the preferred tender was recommended to be delegated to the Deputy Chief Executive in consultation with relevant Portfolio holder for Economy and Enterprise.

The tender would be based on the following:

- Freehold sale
- A 'Buy back' option with a deadline included if the site had not been developed within 3 years
- Payment of the Councils professional fees.
- A non-refundable deposit of 10% payable at the point of exchange of contracts which was to occur within six weeks of acceptance of the preferred tenderer's offer.

In the event the tender exercise was not successful due to a change in terms by the developer, officers can with the approval of the Deputy Chief Executive in consultation with the portfolio holder for Economy and Enterprise withdraw from negotiations and then re-tender the site or enter the site into the next available auction.

Option 3 – To dispose of the land at auction to be approved by the Director of Economy. The recommended terms of sale were:

- Freehold sale
- A 'Buy back' option with a deadline included if the site had not been developed within 3 years
- Payment of the Councils professional fees.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 17 of the agenda before making a decision.

13

PFI - BLESSED JOHN HENRY NEWMAN COLLEGE HEATING IMPROVEMENTS

Consideration was given to a report of the Deputy Chief Executive which sought to update the Cabinet on the preferred option for implementing improvements to the heating system at the Blessed John Henry Newman College.

On 15 December 2010 a contract was agreed between Oldham Council and Oldham BSF Limited (PFI Contractor) to construct Blessed John Henry Newman College. Oldham BSF Limited (then owned by Balfour Beattie) completed construction in September 2012.

In 2016 Balfour Beattie sold its majority shareholding in Oldham BSF Limited to an investment fund within the Amber Infrastructure Group. Since the school opened in 2012, the day to day operational management of the school has been undertaken by Engie Limited (the Facilities Management subcontractor).

Following practical completion of the School in 2012, several building defects became apparent including:

- Issues with the heating system,
- Roof leaks in the atrium area,
- Inability to control temperatures in certain rooms due to a variety of factors.

Between 2015-2017, works have taken place to improve the heating system.

In late-2017, Oldham BSF Limited committed to undertake and finance remedial works to improve the heating system across the School.

In April 2019 the Council was informed that Oldham BSF Limited was no longer prepared to finance the works until the outcome

of an adjudication with its subcontractors was known. The adjudication process was intended to establish liability for the rectification works.

At this time, the adjudicator's decision had been repeatedly delayed from summer 2019 to January 2020. The remedy of failing to rectify building defects and other performance shortfalls was by way of deducting monies from the monthly Unitary Charge that the Council paid to the contractor. To date, the Council has levied deductions in respect of the building issues and other service performance shortfalls.

The Council had commissioned an external contractor to carry out a full investigation to assist with implementing improvements to the heating system.

In December 2019 the Council set out its required expectations and actions of the PFI Contractor from January 2020.

The Council confirmed works had been carried out over the Christmas period and it was recognised this was a short-term solution and the longer-term solution required was detailed at Item 18 of the agenda.

Options/Alternatives considered;

Option 1 - Continue to monitor the contract and levy deductions where applicable.

Option 2 - The Council to prepare for implementing

improvements to the heating system using its own subcontractor

Option 3 - Issue a formal warning notice to the Contractor with a view to ultimately terminating the contract.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 18 of the agenda before making a decision.

14

EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraphs 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

15

CREATING A BETTER PLACE

The Cabinet gave consideration to the commercially sensitive information in relation to Item 6 – Creating a Better Place.

RESOLVED – That:

1. 'Creating a Better Place' as the comprehensive vision and strategic framework for the Borough be approved.
2. The proposed approach to accelerate delivery of new homes, new jobs, enhanced training, places to visit and ensure Oldham was a place for investment be approved.
3. The ambition to deliver 'Creating a Better Place' in ways that contribute to a reduction in carbon in support of the Green New Deal be approved.
4. All further recommendations as outlined within the commercially sensitive report be approved.

16

DISPOSAL OF LAND AT BLACKSHAW LANE, ROYTON

The Cabinet gave consideration to the commercially sensitive information in relation to Item 11 – Disposal of Land at Blackshaw Lane.

RESOLVED – That:

1. Disposal of the Council freehold interest in land at Blackshaw Lane as edged red at appendix 1 to the report via a tender exercise be approved.
2. Authority be given to the Deputy Chief Executive in consultation with the Portfolio holder (Economy and Enterprise) to accept the highest tender received.

17

DISPOSAL OF LAND AT WARD LANE DIGGLE

The Cabinet gave consideration to the commercially sensitive information in relation to Item 12 – Disposal of Land at Ward Lane Diggle.

RESOLVED – That:

3. Disposal of the Council freehold interest in land at Ward Lane Diggle as edged red at appendix 1 to the report via a tender exercise be approved.
4. Authority be given to the Deputy Chief Executive in consultation with the Portfolio holder (Economy and Enterprise) to accept the highest tender received.

18

**PFI - BLESSED JOHN HENRY NEWMAN COLLEGE
PIPEWORK REPLACEMENT**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 13 – PFI- Blessed John Henry Newman College Heating Improvements.

RESOLVED – That all recommendations as detailed within the commercially sensitive report be approved.

The meeting started at 6.00 pm and ended at 6.43 pm

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Cabinet 23 MARCH 2020

Northern Roots Project

Portfolio Holder:

Councillor Sean Fielding, Leader and Cabinet member for Economy and Enterprise

Councillor Abdul Jabbar, Cabinet member for Finance and Corporate Resources

Officer Contact: Rebekah Sutcliffe, Strategic Director of Communities and Reform

Report Author: Anna da Silva, Project Director, Northern Roots
Ext. 3125

Reason for Decision

To enable delivery of the next phase of the Northern Roots project, specifically by seeking approval for the activation of the Northern Roots (Oldham) Limited Charitable Company and nomination of Directors to the board of the Company.

Executive Summary

In January 2019 Cabinet approved both the capital investment for the redevelopment of the Alexandra Park depot into an Eco-Centre (Northern Roots phase 1), and the allocation of two-years' revenue funding to enable the further development of the wider Northern Roots project, including issues of planning, branding, project delivery and community engagement.

Both projects are proceeding well through feasibility, in close coordination with each other. The design team for the Eco-Centre project has been appointed, designs are under development and a planning application will be submitted shortly.

This report provides an update on progress in developing the wider Northern Roots project. The main purpose of the report is to seek approval for specific steps necessary to establish the governance of Northern Roots so that the project is able to accept offers of external funding. The aspiration is that charitable funders and social investors will provide

funds both to complement the current Northern Roots revenue budget for the inception phase, and for the ultimate capital development of the Snipe Clough site. Such funders require Northern Roots to be incorporated as an independent charity to become eligible to receive their funds.

Recommendations

It is recommended that Cabinet:

- 1 Approve the activation of Northern Roots Oldham Limited as a charitable company limited by guarantee with a board of Directors
- 2 Delegate authority to the Director of Communities and Reform to appoint further Directors to the Board, with ratification by the Board.

1. Background:

Over the past six years, and as a tangible part of the Co-operative borough ambition, community growing, horticulture skills and training, renewable energy and the local food economy have been developing. This is through a series of linked initiatives including Get Oldham Working, Get Oldham Growing, Growing Oldham, Feeding Ambition, Oldham Community Power and more recently the work on Thriving Communities.

The Northern Roots project aims to build on this experience to develop the UK's largest urban farm and eco park in the heart of Oldham, on the 160 acre Snipe Clough site, directly adjacent to Alexandra Park and the new Eco-Centre. Currently an under utilised site, it offers opportunities for early phase projects as a precursor to the development of more ambitious proposals on the site. These will include agriculture, horticulture, forestry, food production, sports, eco-tourism and cultural and educational activities.

The intention is that Northern Roots should draw in external sources of funding to minimize the financial contribution required from the Council. This funding will break down into:

- Short term revenue funding to supplement the initial allocation to the project from Council funds. This supplemental funding will be required to enable the project to reach the beginning of capital delivery.
- Capital funding to support the physical development of the Snipe Clough site and initiate operation of the site.

Longer term the ambition is for Northern Roots to be self-financing through a mix of sustainable revenue streams generated through different routes including commissioning, enterprise and visitor attractions. The ambition is also that the project should be developed in such a way as to support the evolution of an ecosystem of small and medium sized businesses, social enterprises and cooperatives to operate the site. These enterprises will operate under licence from the proposed Northern Roots charitable company, in exchange for committing to maximize their contribution towards the project's social value imperatives. This model is intended to deliver maximum social value and economic returns to the people of Oldham.

The development of the Oldham Plan and the Oldham Model as a driver of change means there is a clear framework to drive social impact and investment in order to achieve an Inclusive Economy, Thriving Communities and Co-operative Services. These form the overarching social value objectives of the Northern Roots proposal:

Northern Roots Outputs and Outcomes Model



4

The Northern Roots brand has the opportunity to be iconic and associated with both quality and provenance. The project is extremely timely, positioning Oldham at the forefront of a growing national policy debate about the future funding model for urban green spaces. Local authorities and national government, the National Trust, Heritage Lottery and others are all exploring how new sources of funding can be leveraged into urban parks and green spaces in order to deliver sustainable social, environmental and economic outcomes. At a time when many local authorities are disinvesting from their parks and green spaces due to budget cuts, Oldham is building on its track record of superb green space stewardship to develop the new Eco Centre, and to bring the Snipe Clough site into sustainable, productive use. If successful, the project will put Oldham on the map as a pioneer of a new social, environmental and economic compact, and provide a model that other localities can adopt to preserve and enhance their green infrastructure. For this reason the project is attracting considerable interest from parties nationally.

In January Cabinet approved an initial two year phase of the project until March 2021, by which time there would be:

- An operative brand and businesses trading under licence
- Strong community engagement and involvement
- Delivery of early implementation projects
- Planning approval for the full Northern Roots opportunity site
- Inward investments secured and an investment strategy and pipeline
- Legal infrastructure in place and operational
- Contracts and commissioning contracts operational
- Growing social enterprise eco-system operating under Northern Roots licence

2. Current Status

Over the last twelve months considerable progress has been made against these objectives:

- An operative brand and businesses trading under licence: the Northern Roots trademark and wordmark have been registered; a master licence document and structure have been developed. Licensing relationships with social enterprises and other community businesses will be trialed as part of pilot project delivery planned for 2020 and 2021.
- Strong community engagement and involvement: Community, partner and stakeholder engagement has commenced with a presence at local events like Oldham Calling, Healthwatch and the Harvest Festival, organization of bespoke consultation sessions in communities neighbouring Snipe Clough, presentations to and meetings with a range of local, regional and national partner organisations, and site visits. Communications activities, to support engagement, launched in January 2020 and build over the coming year.
- Delivery of early implementation projects: Pilot projects have been planned from 2020 onwards. These will include volunteer clearance days, forestry and woodland management, a programme of walks, runs and bike rides, citizen science projects, bee keeping, local history projects, and arts and creative activities. They will also include the relocation of the Growing Hub from Alexandra Park depot to the top of the Snipe Clough site.
- Land Registry: Over the last six months, ownership of the land within the Northern Roots site boundary has been confirmed and, where necessary, registered. A register of easements, covenants or other constraints in place over the land have also been identified and recorded. To facilitate the project a formal transfer of a lease on the land from the Council to the Northern Roots Company will be required at the appropriate time in conjunction with planning approval. The project will seek Cabinet approval for this transfer, with appropriate safeguards, in due course.
- Planning approval for the full Northern Roots opportunity site: A planning strategy is under development for the site. This will inform the updating of the masterplan in preparation for submission of a planning application in the course of 2020.
- Inward investments secured and an investment strategy and pipeline: A pipeline of funders to support the revenue and capital delivery phases of the Northern Roots project is under development. Some initial offers of funding have been received. These funders require Northern Roots to be established as a registered charity before the monies can be transferred.
- Legal infrastructure in place and operational: a project board and working group have been set up to steer and deliver the Northern Roots project. In keeping with the findings from feasibility work conducted in 2018 it has been recommended to establish the Northern Roots company as a charitable private limited company with

charitable objectives, with a commercial trading subsidiary. Community organisations, social enterprises and small businesses will operate under licence from the Northern Roots company. This structure was recommended as the best means of delivering, and balancing, the following four fundamental priorities for the project:

- Ensuring that the Council retains a level of governance control that will ensure the project is effectively directed by its essential purpose and its short, medium and long term objectives
- Ensuring that the community is engaged in substantive, enduring ways, beyond levels typically reached in local regeneration projects
- Ensuring that the project is managed for the public benefit, to the highest quality, and with appropriate risk management
- Ensuring that the project balances public benefit purpose with self-sustaining viability
- Ensuring that the project can access the broadest range of funding sources.

This report is now seeking permission to follow these recommendations by activating the Northern Roots Charitable Company.

3. Options

The following options are available for establishing the legal infrastructure of the Northern Roots project:

Option A: Retain the management and delivery of the Northern Roots project within Oldham Council. Do not set up the Northern Roots project company. This ensures that the Council retains control of the project, but means that it will struggle to secure external funding, or to deliver on the collaborative ambitions of the project.

Option B: Establish the Northern Roots company as a wholly owned and controlled Council Company. This ensures that the Council retains control of the project, but means that it will struggle to secure external funding, or to deliver on the collaborative ambitions of the project.

Option C: Activate the Northern Roots company as a Charitable Company, Limited by Guarantee. Register the company with the Charity Commission so that it is eligible to receive charitable funding. To meet the Charity Commission's stipulations with regards to independence, it is necessary that Council-appointed Directors do not comprise more than 50% of the Northern Roots board. Therefore, it is proposed that the company be established with an initial board of four Council Members/Offices to five independent Directors, with potential to increase, in the same ratio, to a board of up to 13 as the project develops. A Council nominated Director would serve as Chair of the board. As the sole shareholder of the Charity, at least initially, the Council will retain the right to appoint and dismiss the members of the board of directors if they fail to ensure that the company meets its charitable purposes.

Option C is the recommended option. The Overview and Scrutiny committee have scrutinised the Options in depth and have endorsed Option C as the preferred option.

Should Option C be approved, the majority of the current Northern Roots project budget, and activities will continue to be managed within the Council's mechanisms

and controls until at least March 2021. Only activities funded by external charitable donations would be managed through the Northern Roots Charitable company. Over time, if the project is successful in securing additional external funding, this will flow into the Charitable Company, which will then, incrementally, take on more of the delivery of project activities. The Eco Centre will remain solely under the control of the Council and will not fall within the ambit of the Northern Roots company.

Consequently Cabinet is now requested to:

- 1 Approve the activation of Northern Roots Oldham Limited as a charitable company limited by guarantee with a board of Directors
- 2 Delegate authority to the Director of Communities and Reform to appoint further Directors to the Board, with ratification by the Board.

4. Financial Implications

The current Capital Strategy and Capital Programme was approved at Full Council in February 2019 with the 2020/21 to 2024/25 Strategy to be taken for approval to Council on 26 February 2020. Northern Roots is included as an emerging project but does not have any allocation of resources. It is not proposed to include an allocation for capital spend until the feasibility work progresses and the ask of the Council is understood, which will be in the next financial year.

The January 2019 Cabinet paper approved revenue funding over 2 years to progress the project. This has been funded from reserves. Costs to date have been for consultants, project management and specialist advice. Based on the proposal for Option 3 this will continue until 31 March 2021. Only new external funds for future project work will be managed by the charity.

The establishment of the charity will require financial management arrangements to be operated separately from those of the Council. It will therefore operate in accordance with the legislative and regulatory framework applicable to charitable status. The appropriate operating arrangements will be established with support from the Council during the financial year 2020/21.

As the project goes forward into capital delivery and day to day operations as a charity, there is an ambition to utilise external funds, for both ongoing revenue and capital to assist in the build programmes. There is no guarantee that such funding will be awarded and the charity must produce a Business Plan to highlight its sustainability without these grants / funds. Due to this there may be a call on Council resources in order to finance operations post March 2021.

(Sam Smith)

5. Legal implications

Northern Roots (Oldham) will be a private limited company with charitable objectives in its articles of association. The Council has to be mindful of the requirements for the company to maintain its charitable status and to ensure that the Council is not using

the charity to carry out its own executive functions. To this end, it is important that there are enough independent members on the board of directors providing independent advice to the charity to ensure the essentials for a charity are met and that the company is independent from the Council and not under Council's control.

The Council also has to be mindful that the success of this project will depend upon external funding and funders from charitable organisations which will require assurance that the company is a charity with objects aligned to their own objectives and totally separate from the Council. It is for this reason that the number of members sitting on the board of directors should be limited so that the Council is represented on the board, but so that it cannot be accused of influencing the decisions of the board of directors. It is recommended that the Council does not have more than fifty per cent of the voting rights on the board and as such, the company would be described as an "influenced" company rather than a "controlled" company. Therefore, the ratio of councillors sitting as directors on the board to independent members should reflect the requisite level of voting power required to ensure a level of independence from the Council.

In order to ensure that the Council maintains a level of control over the project it is recommended that the Council remains the sole shareholder of the company and that the articles of association referred to in the body of this report are amended to reflect the fact and also to include a list of matters which should be reserved to the Council for decision making. The Council will also retain an ability to control the project through a Master Licence with the company to use its branding "Northern Roots (Oldham) Limited" and any subsequent lease and grant funding arrangements.

Nevertheless, it has to be acknowledged from the point of view of legislation the company would technically be an "influenced" company. As such, it would:

- be required to identify itself as being local authority influenced on all
- business letters, notices and other documents of the company;
- be required to remove any director who became disqualified from
- holding membership of a local authority;
- be barred from publishing any material which might affect public
- support for a political party;
- be required to provide to the local authority's auditors information
- about the company which they might need to audit the local
- authority's accounts.;
- be required to provide the Audit Commission with such information as it
- required;
- be required to provide councillors with any information they needed to discharge
- their duties;
- be required to obtain the Audit Commission's consent to the appointment of any
- auditor

Should the Council be minded to transfer funding directly to the charitable company it is recommended that the Council should enter into a grant funding agreement with the charity to ensure that the project delivers its agreed outcomes and meets its objectives. (Elizabeth Cunningham-Doyle)

6. HR / People implications

N/A

7. Links to Co-operative Values

The Northern Roots project is rooted in social value and making tangible the co-operative values. This is reflected throughout the project with a strong emphasis on community engagement, tangible opportunities for residents and seeking to establish and support local businesses and enterprises.

8. Strategic Links

The plans for an Eco-Centre and Northern Roots project are aligned with the ambitions set out in the Oldham Plan and fully support delivery of the Oldham Model. The plans for the opportunity site, Snipe Clough, are ambitious and will present opportunities for jobs, health and wellbeing, connecting communities as well as further building Oldham's reputation and offer as a green city.

There are strong interdependencies with the recently approved vision for the regeneration of Oldham town centre. The vision details our ambitions for a thriving town centre, a town centre that provides a safe, living, working, visiting environment and atmosphere which supports the local economy and supports opportunities for our communities. The Northern Roots project will contribute to our role as a community wealth builder - maximising the impact of Council spend (both direct and indirect) to keep money in the local economy, to generate opportunities for local employment and skills development for residents of all ages. In addition the Project will maximise the opportunity to build and scale activities already underway around the food economy, growing, low carbon and renewable energy, sustainable transport etc.

Early work and proposals for opportunities, investment and delivery models will have social value at their core ensuring maximum benefit for Oldham residents.

9. Communications – comments/implications

Northern Roots has the potential to further establish Oldham as a green and growing town. Known for its environment, leading on sustainability, food economy and natural capital it will support the delivery of the Oldham Model.

Development of a strong brand and marketing plan will be fundamental. These are being developed to work with and complement those of the Council, and other partners, to support development of a visitor, retail and enterprise offer.

10. Consultation

The initial proposals for Northern Roots were informed by a wide consultation conducted through a series of engagement events and meetings with the Leader, Cabinet, Executive Management Team, key stakeholders and early community engagement with users of the Snipe Clough site. The subsequent steps taken during 2019 to deliver those proposals have continued to be informed by ongoing consultation with the Leader, Councillors, Executive Management team, stakeholders, potential partners and funders, and community members. This consultation will build as the project progresses.

Consultation has also been conducted specifically around the appropriate legal structure to be adopted to facilitate the vision for Northern Roots. Detailed options have been provided by legal advisors. These have then been discussed further with partners including the Newcastle Parks Trust, and with Action Together, who are keen to ensure full and genuine participation of the community in the project. These proposals have also been reviewed by the Overview and Scrutiny Committee, and the Labour Group.

11. IT Implications

None at this stage.

12. Property Implications

a. Proposed transfer of lease on land at Snipe Clough.

Under the Council's land and property protocols the proposed transfer of land at Snipe Clough will be subject to further reports and approvals. These future reports will be predicated on having sight on the business plan to operate this project at Snipe Clough. The recommendations contained within this report with the appointment of two additional Non-Executive Directors will assist in the delivery of the project.

b. The Alexandra Park Eco Centre, once completed, will effectively be one of the main gateways into Northern Roots. The centre aims to be an exemplar for sustainable development contributing to Oldham's reputation as a destination for eco-tourism, education and environmental enterprise. The appointment of new directors to the Northern Roots board will help to ensure that the close working relationship between the two projects continues into the future. (Su Barrat, Regeneration)

13. Procurement Implications

There appear no procurement implications at this stage. Engagement of the procurement team is essential for any future requirement to source goods, services, and works. (Dan Cheetham, Procurement)

14. Environmental and Health & Safety Implications

a. N/A

15. Equality, community cohesion and crime implications

a. N/A

16. Equality Impact Assessment Completed?

a. No

17. Key Decision

a. No

18. Key Decision Reference

a. N/A

19. Background Papers

a. None

20. Appendices

a) Northern Roots Project report to Cabinet, January 28 2019

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Report to Cabinet, 28 January 2019

PART A

Northern Roots Project

Portfolio Holder:

Councillor Sean Fielding, Cabinet member for Economy and Enterprise

Officer Contact: Rebekah Sutcliffe, Strategic Director of Reform

Report Author: Jackie Wilson, Head of Strategy, Policy and Partnerships.

Ext. 5755

Reason for Decision

To seek approval to take forward the development the Northern Roots project, the proposed Alexandra Park Eco-Centre being the first phase. Under this project there will be consideration of opportunities to work with local communities to investigate ways that we can celebrate, protect and enhance our green spaces for the benefit of local people, the local economy and the planet.

Northern Roots will initially focus on the 160 acre Snipe Clough site adjacent to Alexandra Park investigating ways to enhance the sustainability and biodiversity of the site, to offer even greater opportunities for recreation and leisure for local people, and to promote growing and green enterprise projects.

Executive Summary

The Northern Roots Project is an exciting opportunity for both Oldham and Greater Manchester and has become possible due to the work and achievements of the last six years of the co-operative agenda, working with communities and both celebrating and harnessing all the Borough has to offer as a green and growing town.

It will help make real and tangible the ambitions of the Oldham Plan for an inclusive economy, thriving communities and co-operative services; helping create great opportunities for residents, businesses and visitors.

Background:

Over the past six years, and as a tangible part of the co-operative borough ambition, community growing, horticulture skills and training, renewable energy and the local food economy have been developing. This is through a series of linked initiatives including Get Oldham Working, Get Oldham Growing, Growing Oldham, Feeding Ambition, Oldham Community Power and more recently the work on Thriving Communities.

When combined with proposals for the Alex Park Eco-centre, Northern Roots presents a significant opportunity to work with local communities to investigate ways that we can celebrate, protect and enhance our green spaces for the benefit of local people, the local economy and the planet.

This can be a positive new vehicle for change in Oldham and has the potential to be a powerful brand, pulling together existing and developing new initiatives around food, growing, sustainability and wellbeing in the borough, as well enabling community engagement on opportunities and sites across the Borough.

For decision: Cabinet is requested to:

- (i) Agree that a Northern Roots project should be developed to support and complement the Eco-Centre on the Depot site at Alexandra Park which will be Phase 1.
- (ii) Approve further work on delivering and further developing and communicating the Northern Roots project, including early phase projects, community engagement, stakeholder/investor engagement and developing options for opportunities/potential sites identified and within the scope of the project.
- (iii) Delegate approvals for initial development of the Northern Roots project to the Leader and Strategic Director of Reform, with reports for decisions coming forward for approval as required.

The Northern Roots opportunity

1. Alex Park Depot - Oldham's Eco-Centre (Northern Roots Phase 1)

As referenced in a report elsewhere on the agenda, Alexandra Park is one of Oldham's greatest assets for residents and also provides a Depot facility which is in urgent need of replacement and directly adjacent to Snipe Clough. Already operating from the site and park are a depot facility, at scale growing, community growing, training, bio-mass; the proposed replacement facility will build on these activities.

This would be a facility in its own right but also has the opportunity to provide a place for a wide range of activities, enterprises and community engagement.

5. The potential of Northern Roots

Oldham's successful track-record around food and community growing, energy, low-carbon, parks and green spaces provides a strong platform on which to build the Northern Roots project. There is the ambition for Oldham to become known as a green and growing town and for that to deliver real benefits for local people, the local economy and the planet.

More work is needed to further develop ideas and interest in the project, as well as identifying other sites and opportunities for events, investment and activities. Getting communities involved is key to the success of this project as well as seeking engagement and interest from other organisations, investors and experts.

To enable development work to be taken forward, the Council has identified revenue funding for two years (included under Part B on this Cabinet agenda by virtue of Paragraph 3 of Part 1 of Schedule 12A)

6. Financial Implications

The financial implications in relation to the Northern Roots Project have been provided in Part B of this report
(Sam Smith)

7. Legal implications

The legal implications in relation to the Northern Roots Project have been provided in Part B of this report.

(Elizabeth Cunningham-Doyle)

8. HR / People implications

N/A

9. Links to Co-operative Values

The project is rooted in social value and making tangible the co-operative values. This is reflected throughout the project with a strong emphasis on community engagement, tangible opportunities benefits to residents and seeking to establish and support local businesses and enterprises.

10. Strategic Links

The plans for an Eco-Centre and Northern Roots project are aligned with the ambitions set out in the Oldham Plan and fully support delivery of the Oldham Model.

There are strong interdependencies with plans for the town centre regeneration and the opportunity to build and scale activities already underway around the food economy, growing, low carbon and renewable energy, sustainable transport etc.

11. Communications

Northern Roots has the potential to further establish Oldham as a green and growing city. Known for its environment, leading on sustainability, food economy and natural capital it will support the delivery of the Oldham Model supporting an inclusive economy, thriving communities and co-operative workforce.

Development of the project will need to work with and complement the work of the Council, and other partners, in terms of developing visitor, retail and enterprise offers across Oldham.

12 Key Decision

Yes

13 Key Decision Reference

ECEN-20-18

14 Background Papers

None

15 Appendices

None



Report to CABINET

Oldham Green New Deal Strategy

Portfolio Holder:

Councillor Abdul Jabbar, Cabinet Member for Finance and Corporate Services

Officer Contact: Rebekah Sutcliffe, Strategic Director for Communities & Reform

Report Author: Andrew Hunt, Green Oldham Lead
Ext. 6587

23 March 2020

Reason for Decision

To approve the Oldham Green New Deal Strategy for adoption by the Council.

Executive Summary

1. At full Council in July 2019, the Council announced its intention to develop an “Oldham Green New Deal Strategy” to replace the Climate Change Strategy 2013-2020. At the same meeting, a new carbon neutrality target was declared for the Council as an organisation by 2025. The Oldham Green New Deal approach reflects the national Labour Party Green New Deal target in setting a target for carbon neutrality by 2030 for the borough. These commitments are in the wider context of the GM Combined Authority target for carbon neutrality for the city region by 2038, with a programme of delivery set out in the GM five-year Environment Plan.
2. These targets are extremely challenging and will require a step change in activity in Oldham and across the rest of GM. Success will also depend on the national policy landscape for this area, set by central government.
3. However, there may be a significant opportunity to harness Oldham’s potential to be a major player in the key growth Green Technology and Services economic sector. Oldham has the assets that can potentially make this a success – a solid engineering base, connectivity and proximity to Manchester, high-quality green

infrastructure and a strong tourism offer, as well as affordable residential and business premises.

4. Oldham's five-year Green New Deal Strategy focuses on how investment in projects and programmes to meet these targets can generate economic and social value for Oldham residents and businesses, as well as the Council and our strategic partners, whilst cementing Oldham's reputation a destination for green business and tourism.
5. The programme of delivery aims to harness investment from the Council and the public, private and community sectors to create a thriving local economy which delivers both environmental excellence (and hence quality of life) and a rising standard of living in the borough.
6. The Green New Deal approach brings opportunities both for Oldham to lead the way, as we have done in several areas over the past few years, and also gain extra capacity and economies of scale by taking advantage of GM-level initiatives and external funding streams to secure extra capacity to deliver the Oldham Green New Deal programme.

Recommendations

Cabinet is recommended to:-

1. Note the challenge and ambition of the two new carbon neutrality targets for 2025 and 2030
2. Agree the Oldham Green New Deal Strategy for adoption by the Council
3. Note that the Oldham Green New Deal programme of delivery will continue to be developed over the coming months, with workshops for individual service areas and engagement with Cabinet Members, managers and officers

Oldham Green New Deal Strategy

1 CONTEXT

- 1.1 The Oldham Green New Deal Strategy is proposed in the context of a rapidly developing political and economic landscape in respect of the 'green' agenda.
- 1.2 Key elements of this include:
- Ever more evident real-world impacts of the changing climate as a result of the warming globe, including record flooding and fire events as well as new temperature records
 - Rising interest in the climate change issue from young people, and increasing activism and involvement from this demographic
 - Broad cross-party political agreement in the UK that tackling climate change continues to be a priority for the country, and that doing so can secure significant economic benefits
 - Rising energy prices globally and in the UK, and the prospect of exacerbation of this trend as the UK leaves the EU and needs to become more self-reliant and competitive
 - Rapid progress in the development of clean technologies, including rapidly falling costs associated with renewable energy generating equipment, and technological innovations which will enable the transition to a low carbon economy
- 1.3 The Council's response to the climate crisis includes setting two highly ambitious targets for carbon neutrality – one for the Council as an organisation by 2025, and one for the borough by 2030.
- 1.4 The scale of this challenge cannot be overstated, and success will depend on the national policy landscape set by the current government as well as the policies and initiatives at local level.
- 1.5 In respect of the 2030 target, this five-year strategy will set the basis for longer term success with a series of major infrastructure projects backed up with enabling measures to support private, community and public sectors to 'do their bit'.
- 1.6 The Council cannot achieve these outcomes acting alone, and so not only is a co-operative approach desirable to achieve success, it will be essential. However, the Council can use its unique leadership position to support and enable others to act.
- 1.7 The most recent figures (2018/19) for the Council's carbon footprint show it as just over 8,000 tonnes / CO₂ per annum. This figure includes Council buildings and street lighting. The breakdown (measures in tonnes of CO₂ equivalent) is shown in the table below:-

Emissions source	Carbon emissions CO₂e
Council buildings	6,185 tonnes per annum
Street lighting	2,210 tonnes per annum
Total	8,395 tonnes per annum

- 1.8 The 2025 target will be measured against the carbon footprint of Council buildings and street lighting shown above, as specified at Full Council in July 2019 when the 2025

target was announced. However, the Green New Deal approach will also look at ways to reduce carbon emissions from all of the areas the Council is able to influence and has responsibility for, commensurate with the 2030 target.

- 1.9 The Greater Manchester Combined Authority is providing support and consultant Capacity to Oldham along with the other 9 GM authorities, through the Decarbonising of the Public Estate programme, to map out the carbon emissions reduction trajectory of our estate over the next 5 years. Once complete, this work will help us understand what our remaining carbon footprint will be in 2025 and help us to scope options for replacing / offsetting this remaining carbon footprint.
- 1.10 According to the most recently published figures from BEIS (for 2017), the carbon footprint of the borough is 798.8 ktCO₂. This is made up of 227.9 ktCO₂ for the Industrial & Commercial sector, 323.5 ktCO₂ for the domestic housing sector, and 247.8 ktCO₂ for the transport sector.
- 1.11 By 2030, the UK electricity grid should be largely decarbonised, so the main challenges will be decarbonising heat and transport. This will in turn require reinforcement of the grid and a significant uplift in renewable energy generation.

DETAIL

Overall Approach to the Green New Deal Strategy

- 1.12 Fundamental to Oldham's 'Green New Deal' is the bringing together of sustainable local economic development with the delivery of the Council's ambitious targets for carbon neutrality. The aim is to rapidly expand the application of green technologies and solutions, in order to achieve the carbon neutrality targets, and at the same time grow the local 'green economy'.
- 1.13 Delivery will be through:-
- the specific plans and projects identified in the Green New Deal Programme;
 - developing and embedding 'green' solutions in all relevant Council activities and programmes;
 - working with local businesses, communities and residents to support development and delivery of their own 'green' solutions.
- 1.14 This ground-breaking approach puts Oldham at the forefront of regional and national responses to the climate crisis. It offers the potential to create a substantially expanded 'green' sector within Oldham's economy, with all the significant economic, employment and environmental benefits this could offer for local communities and residents.
- 1.15 The Strategy sets out the green vision and ambition for the borough, supported by a delivery plan that details a range of new projects needed to deliver the vision, adding to the Council's range of successful existing and ongoing environmental programmes.

Framework for the Strategy

- 1.16 The Strategy has three broad components related to development and delivery of GND projects and a fourth focused on embedding environmental sustainability approaches and solutions in other Council initiatives and plans.
- 1.17 The four GND Programme components are:
- Green Economy, including work, skills and business engagement

- Low Carbon, including infrastructure and technology
- Northern Roots, including green infrastructure and tourism
- Embedding the Green New Deal approach across council activities/programmes

1.18 These first three are described in more detail in the Strategy, with related current and proposed projects summarised in Appendix 1 of this report.

1.19 ***Continuing to Embed Green New Deal in Key Programmes*** There are key programmes and work areas into which the Green New Deal approach needs to continue to be embedded if it is to succeed. These areas include:

- Creating A Better Place programme
- Work and Skills Strategy
- Business Investment Strategy
- Place Marketing Strategy
- Medium Term Property Strategy
- Regeneration programmes, in particular Oldham Town Centre
- Housing Strategy
- Public sector procurement and Local Wealth Building
- Strategic Transport
- Air Quality
- Waste Management
- Strategic Planning – Local Plan

1.20 The aim of this strand of the Programme is to ensure we are applying a comprehensive 'green' approach across all relevant current and planned activities, to achieve the maximum impact in relation to the Council's carbon neutrality targets. This is likely in some cases to provide solutions to existing challenges and where appropriate will be defined through robust business cases demonstrating viability, including identification of financial or social benefits (or a blend of the two) as well as contributing to the achievement of environmental targets.

Funding the GND Programme

1.21 At this stage in the development of the delivery programme it is not possible to accurately quantify funding requirements. However, it is important to recognise that achieving the ambitious carbon neutrality targets will require substantial capital investment.

1.22 This is in the context of the priorities and funding commitments already built in to the Council's five year Capital Programme. It will therefore be essential to quantify the GND requirements as early as possible - work on defining this funding envelope is a critical part of the year 1 development of the Programme.

1.23 This can then provide the basis for the necessary discussions between officer colleagues and with Members as part of the regular monitoring and forward planning of the Capital Programme.

1.24 There is an initial capital allocation for Oldham Green New Deal of £6m over the life of the Capital Programme. The breakdown is: 20/21 - £2m; 21/22 - £1m; 22/23 - £1m; 23/24 - £1m; 24/25 - £1m. This can be accelerated forward when actual spend is more clearly defined.

1.25 In relation to the development of specific projects within the GND Programme e.g. the development of solar farms or a District Heat Network, it will be essential that these are based on robust business cases, demonstrating return on investment where applicable, and be subject to gateway processes to ensure robust consideration of costs and benefits

at each stage of any project.

- 1.26 There is also an initial funding requirement to commission feasibility studies in 2020 – 2021 (summary Table 1 below and Appendix 1), for which funding has been agreed from the Transformation Reserve.

Table 1 -

Proposal	Actions	Funding £000s
Development of a local energy market	Feasibility and initial business case development	30
Oldham Community Power Phase 2	OCP Phase 2 feasibility	50
Support development of the Oldham green business sector	Feasibility and initial business case	30
Total		110

- 1.27 It should also be noted that funding is not expected to be solely through the Council's Capital Programme. Other sources could include Government funding e.g. the Towns Fund, S106 funding and sources of private sector investment.

- 1.28 In addition, it is likely that the GND programme will give rise to a pipeline of revenue generating investment opportunities for the Council, in relation to which the Council may choose to be the sole or joint investor, or to sell on these projects to the private sector.

2 **Current Position**

- 2.1 The strategy has been developed through a process of engagement with officers from a wide range of services, service heads and managers, strategic partners, expert external organisations, and Elected Members. Once the Strategy is adopted, the programme of delivery will develop additional engagement processes with residents and businesses which will inform the evolution of the Oldham Green New Deal programme.

3 **Options/Alternatives**

- 3.1 Option 1: Agree the Oldham Green New Deal Strategy. This option will provide an over-arching framework for the Council to tackle the two carbon neutrality targets of 2025 for the Council as an organisation and 2030 for the Borough, whilst building the green economic sector in Oldham along with the associated co-benefits. It will also provide a framework for how the Council can play its part in tackling the 2038 carbon neutrality target for Greater Manchester in the GM 5-year Environment Plan, to which Oldham is committed.
- 3.2 Option 2: Do not agree the draft Oldham Green New Deal Strategy. This option would leave the Council without an over-arching framework for tackling the 2025 carbon neutrality target for the Council announced in July 2019 or to play our part in achieving the 2038 carbon neutrality target for Greater Manchester to which Oldham is committed.

4 **Preferred Option**

- 4.1 Option 1: Agree the Oldham Green New Deal Strategy. This option will provide an over-arching framework for the Council to tackle the two carbon neutrality targets of 2025 for the Council as an organisation and 2030 for the Borough, whilst building the green

economic sector in Oldham along with the associated co-benefits. It will also provide a framework for how the Council can play its part in tackling the 2038 carbon neutrality target for Greater Manchester in the GM 5-year Environment Plan, to which Oldham is committed.

5 **Consultation**

- 5.1 The draft Strategy has been produced in consultation with officers from a range of services, in particular those services where the Green New Deal approach requires development work. The draft Vision, Objectives and Pledges have been developed and tested with officers from a wider range of services, Elected Members including the Cross-Party Climate Change Group, the Oldham Leadership Board and organisations from the private, community and academic sectors.

6 **Financial Implications**

- 6.1 As detailed above, the Oldham Green New Deal links to existing strategies for which planned expenditure is included in the Capital Strategy/programme and Medium Term Financial Strategy.
- 6.2 Specifically, there is a £6m capital programme allocation for this strategy phased as detailed in section 1.24. Through the allocation of capital resources to take forward 'Creating a Better Place' as contained within the Capital Strategy, there will also be elements of the Green New Deal covered, e.g. the inclusion of green technologies, within new housing schemes.
- 6.3 The revenue expenditure of £110k funded by the Transformation reserve has been allowed for and is supporting the feasibility of the listed schemes.
- 6.4 As the Oldham Green New Deal Strategy develops there may be a need to increase the allocation within the Capital Programme and have further alignment to other capital projects with the inclusion of green technologies within the design brief.

[Sam Smith, Senior Finance Manager]

7 **Legal Services Comments**

- 7.1 There are no significant legal implications with regard to approving the Green New Deal Strategy but Legal Services would advise a consultation exercise with local residents and stakeholders to ensure community involvement and engagement in the delivery programmes listed in the report. [Elizabeth Cunningham Doyle]

8. **Co-operative Agenda**

8.1 The Oldham Green New Deal Strategy and delivery programme aim to engage everyone in Oldham. Led by the Council, the strategy and programme include initiatives to engage residents, businesses and strategic partners in the public, private and community sectors.

8.2 In respect of the 2030 target for carbon neutrality for the borough in particular, the Council's main role will be as an enabler for all sections of the community to act, and in fact the success of the Oldham Green New Deal approach as a co-operative initiative will dictate the strength of the final outcome in terms of economic and social benefit for the borough, and achievement of our environmental targets. [Andrew Hunt]

9 **Human Resources Comments**

9.1 N/A

10 **Risk Assessments**

10.1 N/A – individual projects under this strategy will have their own approvals process.

11 **IT Implications**

11.1 N/A

12 **Property Implications**

12.1 The Council's Medium -Term Property Strategy has key programmes of work i.e. Creating a Better Place, that will be synergised with Oldham Green New Deal Strategy in terms of meeting our joint corporate aims and objectives. [Peter Wood]

13 **Procurement Implications**

13.1 Procurement will play a significant part in the realization of the ambitious targets outlined in the report and the strategy. Therefore, the Commercial Procurement Unit will ensure that all procurements undertaken are compliant with EU Regulations and the Council's Contract Procedure Rules. Strict and careful due diligence will be undertaken on all bidders/suppliers to reduce risk and ensure they have the ability to undertake the services required. Additionally, in all contracts secured we will ensure that value for money is achieved and any savings are identified/realized and social value is included and delivered. [Emily Molden]

14 **Environmental and Health & Safety Implications**

14.1 The Oldham Green New Deal Strategy will support the Council's ambition to become carbon neutral as an organisation by 2025 and the aspiration for a carbon neutral borough by 2030. [Andrew Hunt]

14.2 No implications for Health and Safety at this stage. [Laura Smith]

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

15.1 N/A – individual projects under this strategy will have their own approvals process.

16 **Equality Impact Assessment Completed?**

16.1 No

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 FCS-03-20

19 **Background Papers**

19.1 None

20 APPENDIX 1 - GND DELIVERY PROGRAMME - SUMMARY

Workstream	Project Summary – Year 1 (2020 - 2021)	Progress / Comments	TR funding £ 20/21
Developing the Green Economy	Creating the conditions to support development of the Oldham green business sector: <ul style="list-style-type: none"> • development of Oldham’s approach to community wealth building • identification of ways to attract and support GTS businesses • identification of potential financial and other incentives • building a local GTS business community • identification and development of sites for clustering 	Feasibility work. Start April/May 2020	£30K
	REDUCES circular economy project Integrating GM-level circular economy work with Local Wealth Building in Oldham	Underway Underway	
Low Carbon	Development of a local energy market / virtual energy company <ul style="list-style-type: none"> • scope and assess the options, in conjunction with GMCA • develop feasibility study (via Innovate UK funded project) • undertake soft market testing (year 2) 	Feasibility and business case development - April 2020 to March 2022	£30K
	Renewable Energy Developments <i>Wrigley Head Solar Farm</i>	Underway <ul style="list-style-type: none"> • Stage 1, 2 and 3 feasibility, already completed • planning stage commissioned Dec 19 and grid connection deposit, development budget agreed (Corporate Priorities Reserve) • planning application submitted 4 March 2020 • final design work June 2020 – Mar 2021 • construction Apr 2021 – June 2021 	

Workstream	Project Summary – Year 1 (2020 - 2021)	Progress / Comments	TR funding £ 20/21
Low Carbon	Greening Public Assets <ul style="list-style-type: none"> identifying and assessing requirements to decarbonise the Council's estate developing proposals and related costs/savings of a decarbonisation programme for the Council 	Engagement with GMCA (DoPE programme), which offers additional capacity and expertise to undertake the assessment. Detailed scoping of programme and engagement with GMCA during 2020 - 2021	
	Oldham Community Power Phase 2 Citizen's Panel and Community Climate Change Action Plan	Phase 1 saw 220kW of solar installed on 5 schools and NEON Hub. Phase 2 has ambition of another 500kW of solar installations. Scoping underway, looking at lessons learned from Phase 1 and establishing potential costs and benefits for a Phase 2, as well as potential sites. Target date for installations Summer 2021. Looking at options for a Citizen's Panel requested by the Leader. Scoping possibilities including a focus on developing and supporting delivery of a community climate change action plan.	£50K – OCP Phase 2 feasibility £35K – Citizen's Panel (2019 – 2020)
	Nature Based Solutions on new / refurbished buildings <ul style="list-style-type: none"> Ensure that new and refurbished buildings include renewable energy and Green Infrastructure wherever feasible / viable 	Methodology under development using Northern Roots site as a pilot. This pilot study will identify NBS for the Northern Roots site, along with business case for investment, and will also contain a checklist which can be used when looking at other sites. Individual NBS projects would be worked up on a case by case basis as investable revenue-generating or invest-to-save business proposals.	35K (SDA approval Oct 2019)

Workstream	Project Summary – Year 1 (2020 - 2021)	Progress / Comments	TR funding £ 20/21
Low Carbon	<p>Coal mine heat / Town Centre district heat network</p> <ul style="list-style-type: none"> • explore the potential to extract and use ground source heat from flooded disused coal mines underneath Oldham Town Centre to supply a heat network serving town centre buildings • first stage is feasibility, then if the concept proves feasible and viable, developing a business model for delivering it 	<p>The Coal Authority believes that Oldham Town Centre could be one of the best opportunities in the UK for this technology.</p> <p>First stage feasibility – to be completed by July 2020. Funded through grant from BEIS is £61,300 of this, the remaining £26,400 being match funding from the Council, from the Town Centre Masterplan budget.</p> <p>The Town Centre heat network is identified as a possible capital project in the Towns Fund submission to Government. It is estimated that the heat network could have a capital cost of £10-12 million, with an initial borehole for ground source heat costing £1 million.</p>	
	<p>Green Business Centre</p> <ul style="list-style-type: none"> • at this point an aspiration to establish a zero carbon, high quality digital ‘Green Business Centre’ where Green Technology & Services businesses can ‘cluster’, in order to attract these businesses to Oldham 	<p>Initial scoping work is looking at the potential for the Council-owned site at Salmon Fields to host a ‘Green Business Park’.</p> <p>There is also potential for the former Prudential building in the Town Centre to host ‘green’ start-up businesses.</p>	
	<p>Red Wolf / Oldham Code</p> <ul style="list-style-type: none"> • RED WoLF is an Interreg North West Europe funded project of around 12 international partners; • aimed at developing a low carbon electrical heating system for domestic homes, which is affordable to run and does not put a large demand spike onto the grid at peak times; • Oldham Council is a partner and has responsibility for promoting the system at GM level and wider. The Council has recently 	<p>One desired outcome would be an Oldham-based company supplying and installing the new RED WoLF systems.</p> <p>The RED WoLF system could be a key component of a new “Oldham Code” for new build homes – a higher standard than Building Regulations. Although not mandatory, the Oldham Code would inform discussions with developers and procurement processes.</p> <p>The Oldham Code and the RED WoLF system could also inform the GM Spatial Framework ambition for all new developments to be zero carbon by 2028.</p>	

	<p>become a pilot for the system, along with First Choice Homes. FCHO are delivering around 10 homes, and the Council will deliver 19 homes with the RED WoLF system</p> <ul style="list-style-type: none"> The Council will develop an Oldham Code for new build homes, which will set out our expectation for energy and environmental performance across a wide range of metrics 		
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Workstream	Project Summary – Year 1 (2020 - 2021)	Progress / Comments	TR funding £ 20/21
Low Carbon	Other renewable energy investments	<p>In order to achieve its target of carbon neutrality as an organisation by 2025, the Council may need to invest in large scale renewable energy generating capacity to cover the carbon footprint which remains after programmes to improve the energy efficiency of the estate are complete. These investments (e.g. solar farms) will generate a return on investment as well as helping Oldham to meet its 2025 target.</p> <p>Oldham would purchase such assets as investments and it is unlikely that we would carry out feasibility and development ourselves. They may be within the borough (on public or private land) or elsewhere in the UK.</p> <p>Soft market testing is already underway with potential developers.</p> <p>An initial rough estimate suggests that Oldham could need approximately 26MW to meet all our electricity consumption needs. This could cost in the region of £25 million - £30 million. However, the scale of the requirement could be reduced through energy efficiency and buildings rationalisation programmes to be implemented in the period 2020-2025.</p>	

Northern Roots	160-acre eco-park at Snipe Clough	£700K project development funding allocated to Northern Roots over 2 years. Project Director appointed plus project team. Project capital cost could be £20-25 million	
		Masterplan developed plus contract specification for Green & Blue Infrastructure Study to inform Planning Application has been developed	
		Communications formally launched January 2020	
Embedding Green Approaches	<p>Work has already taken place to embed the GND approach in:-</p> <ul style="list-style-type: none"> • Our approach to Business Engagement • The Council's buildings rationalisation programme and Medium Term Property Strategy • Regeneration programmes, in particular Oldham Town Centre • Housing Strategy and Strategic Planning 	<p>Further work to embed the GND approach will take place with:-</p> <ul style="list-style-type: none"> • Business Engagement • Creating A Better Place programme • Work and Skills Strategy • Place Marketing Strategy • Public sector procurement and Local Wealth Building • Warm Homes Oldham • Regeneration • Strategic Transport • Air Quality • Waste Management • Strategic Planning and Housing Strategy • Finance & the Council's investment portfolio 	

OLDHAM
GREEN NEW DEAL
STRATEGY
2020 - 2025

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1. Foreword - Cllr Sean Fielding, Leader of Oldham Council



Oldham Council has a long and proud history of taking action to safeguard and improve our environment for the next generation, with many award-winning schemes and initiatives under our belt over the last decade.

However, it is becoming increasingly obvious that the impacts of climate change could be worse than many of us feared, and we are more and more being held to account by the next generation who will have to live with the consequences of the way we live our lives today.

We do believe though that there is potentially a huge opportunity in tackling the climate emergency – the opportunity to safeguard and create jobs and training opportunities for Oldham residents in the growing green economic sector, and to support our businesses to ‘go green’, to cut their operating costs and expand their offer to access new low-carbon markets and customers. With bold and exciting projects such as Northern Roots and the new Eco-Centre at Alexandra Park, we can reinforce Oldham’s reputation as a destination for green business and tourism, and attract and keep the talent and investment we need and that the borough deserves.

So in this Oldham Green New Deal Strategy we will set two challenging new targets for carbon neutrality – 2025 for the Council, and 2030 for the Borough – and put in place a framework which will help us work together with our residents and partners to make Oldham an even greener, smarter, more enterprising place than the borough we already know and love.

2. INTRODUCTION

The Green New Deal strategic context

- 2.1. Oldham Council has a strong history of action on climate change and wider environmental issues. The “Climate Change and Green Oldham” report to full Council in July 2019 set out the full range of the Council’s achievements so far on key environmental work areas such as:-
- Air Quality
 - Transport (active travel and low carbon transport choices)
 - Recycling, promoting behaviour change and Single Use Plastics
 - Tree Planting and Valuing Oldham’s Urban Forest
 - Warm Homes Oldham
 - Carbon reduction in Council buildings
 - Street lighting
 - Renewable and community energy
 - Sustainable and community-led food and growing
 - Engaging residents through social media and other initiatives
- 2.2. The Council has delivery programmes in all of the above work areas, which continue to be a top priority for the Council and also deliver on the Council’s commitments at Greater Manchester level, cementing our leadership role at city regional level.
- 2.3. Many of these areas featured in the Council’s Climate Change Strategy, which ran from 2013-2020. As the Climate Change Strategy expires, it is clear that many of these programmes are on a solid footing in respect of Council resourcing, prioritisation and governance, and will continue to deliver environmental excellence for Oldham across the piece.
- 2.4. The July 2019 Council report set out that the next stage of policy and programme development for the Council and borough would be a “Green New Deal Strategy”, setting challenging new carbon neutrality targets whilst bringing a new focus on building the green economic sector in Oldham to generate inward investment, jobs and training opportunities for residents.
- 2.5. This “Oldham Green New Deal” strategy will therefore focus primarily not on the Council’s existing and continuing successful environmental programmes, but on areas which require more development and investment of both time and resources if we are to achieve these challenging new carbon neutrality targets.

2.6. However, the “Green New Deal” approach will necessarily need to be embedded in all Council work areas, including the existing successful environmental programmes listed above, and so although this strategy is focused and targeted on new work, it is not exclusive and to succeed will need to be integrated with Business as Usual programmes across the organisation and wider public, private and community sectors, in a truly co-operative approach through Team Oldham.

Targets, metrics, method and priorities for action

2.7. Central to this Green New Deal Strategy are two new ambitious targets for achieving carbon neutrality:-

- carbon neutrality for the council by 2025;
- carbon neutrality for the borough by 2030.

2.8. These targets reflect the Council’s commitment to, and understanding of, the urgency in helping to tackle the severe impact of the climate crisis. The Green New Deal Strategy sets out the overall approach to achieving these targets, enabled by the development of, and investment in, the ‘green’ sector in Oldham’s local economy.

2.9. The metrics for measuring progress against these two targets are as follows:-

- The measure for the 2025 target will include Council buildings and street lighting, as announced by the Deputy Leader in full Council in July 2019 when the 2025 target was set. The Council will also aim to reduce emissions from other areas under its control and influence such as the Council fleet, business travel, schools and waste
- The measure for the 2030 target is a metric currently published by central government two years in arrears and broadly splits emissions into domestic, business and transport sectors

2.10. Achieving these targets will be very challenging. The necessity of doing so is evident and coupled with the very substantial potential benefits for the people, communities and businesses of Oldham, it is imperative they are realised. The approach set out in this Strategy provides the route to achieving these goals - as a response to the climate crisis it is at the leading edge of local government developments in this field.

2.11. Alongside the initiatives and projects the Council will deliver, it also has a key role as a community leader and enabler of the wider changes that will also be necessary to deliver the borough-wide target.

2.12. In summary, the Strategy aims to meet the two targets through:

Carbon Neutrality for the Council by 2025;

1. Reducing CO2 emissions from Council buildings and street lighting by as much as possible where the business case allows and beginning where investment or rationalisation gives the highest financial benefit
2. Investing in large-scale renewable energy generation to meet the remaining carbon requirement, whilst generating financial savings or revenue income through the investment, as part of the Council's overall Investment Strategy
3. Implementing local, meaningful and verifiable 'carbon offset' measures such as tree planting

Carbon Neutrality for the Borough by 2030

1. Leading a strategic partnership of major energy users across all sectors in Oldham to achieve carbon neutrality within the partnership and demonstrate community leadership, using the approach set out above for the Council's own decarbonisation plan for 2025
2. Developing a Local Energy Market which will change the economic dynamic to incentivise renewable energy development across all sectors through enabling of the business case. Initial evidence indicates that this approach:-
 - could have the necessary large-scale impact on carbon emissions reduction
 - could cut energy bills for the Council, homes and businesses
 - may only require minimal initial investment of time and money
3. Investing in and supporting the development and roll-out of large-scale low carbon anchor energy infrastructure such as low carbon heat networks. Evidence from other towns and cities shows that this type of infrastructure:-
 - is capital intensive but can deliver a return on investment
 - can set the foundations for a heat system which can approach the required scale of change which will be necessary to meet the 2030 borough-wide decarbonisation target
 - can attract inward investment from the private sector
4. Supporting the development of the Green Technology and Services sector across the borough and support and incentivise the wider business community to engage the GTS sector to decarbonise. Initial evidence suggests that:-
 - Oldham has a strong base of engineering, connectivity and affordable premises which the sector needs

- the Team Oldham approach adopted by business engagement services already has strong engagement with Oldham businesses in the area of resource efficiency
 - this asset base can be built upon to harness resources from GM universities and business support organisations and enable Oldham businesses to innovate and diversify
 - Clustering of green businesses in Oldham can create a virtuous reputational circle which can support decarbonisation of the wider economy
5. Maximising the local benefits from Greater Manchester and national level schemes which aid decarbonisation, including in the areas of Air Quality, Transport, Waste and other key priority sectors, securing inward investment for 'clean growth' from public and private sectors

The Green New Deal Approach

- 2.13. Fundamental to a green 'new deal' approach is the alignment of sustainable economic development with delivery of carbon reduction targets, as set out above.
- 2.14. The Oldham Green New Deal Strategy aims to put in place the framework and proposals to achieve these dual benefits for the borough: an expanding 'green' economy alongside delivery of challenging carbon reduction targets which will catalyse action and drive the scale and pace of change.
- 2.15. It builds on solid foundations - in 2013 there were 118 'green' businesses in Oldham, employing 2,300 people (ESTA study 2013, Low Carbon and Environmental Goods and Services Sector in Greater Manchester) - and sets out a vision, priorities and outcomes, alongside a delivery programme that is aimed at giving a major boost to Oldham's green economy.

Wider Benefits

- 2.16. A focus on building the green economy will also support Oldham's other priorities including health and wellbeing and the "Team Oldham" co-operative agenda, through for example the Northern Roots project. The Green New Deal approach also has many co-benefits in terms of social value, quality of life for residents and an improved environment for nature and wildlife.
- 2.17. One of the over-arching principles of the Green New Deal approach is investment in the green economy to generate both a financial and a social value return, and all of the key projects in the programme of delivery will be required to demonstrate robust business cases in this respect.

3. THE OLDHAM GREEN NEW DEAL – VISION, OBJECTIVES & APPROACH

3.1. The Oldham Green New Deal Vision summarises the overall ambition and purpose of the Strategy to:

“Make Oldham a greener, smarter, more enterprising place”

3.2. The objectives define in broad terms what the Strategy aims to achieve, not only in terms of the headline objectives of carbon reduction and clean growth, but also the co-benefits of this Green New Deal approach. Linked to these are a set of outcomes - described as a set of ‘pledges’ – that define what will be delivered and provide the basis for measuring our success. (Appendix A) These will be quantified as part of delivery planning.

Green New Deal objectives

- Make Oldham a leading local authority area for environmental quality and play a leading role in meeting the GM Mayor’s Green City Region objectives
- Deliver a sustainable economy, tackling fuel poverty and generating training and employment opportunities in the growing green business sector
- Maintain a high-quality local environment which delivers health and wellbeing benefits for residents, including food and recreation, reducing costs for public services
- Generate inbound tourism for the borough by building on Oldham’s reputation for being a green, attractive and forward-thinking sustainable borough
- Keep Oldham at the forefront of development and deployment of cutting-edge environmental technologies, and ensure that the benefits are kept locally
- Future-proof the regeneration of the borough by establishing Oldham as an exemplar Green City on energy, carbon, water and green infrastructure
- Ensure that Council staff and strategic partners, residents, schools and businesses are ‘carbon literate’ and actively engaged in delivering environmental change
- Help deliver the GM2040 Transport Strategy Right Mix target for 50% of all journeys in Greater Manchester to be made by walking, cycling and public transport by 2040.

Framework for the Strategy

- 3.3. The Strategy has three broad components related to development and delivery of GND projects and a fourth focused on embedding environmental sustainability approaches and solutions in other Council initiatives and plans.
- 3.4. The three GND Programme components are:
- Green Economy, including work, skills and business engagement
 - Low Carbon (physical infrastructure enabled by a Local Energy Market)
 - Northern Roots (the 160-acre eco-park at Snipe Clough and its attendant brand and initiatives, and the state of the art zero-carbon Eco-Centre at Alexandra Park).
- 3.5. Embedding the Green New Deal approach in all Council activities, especially wider environmental programmes, will however be key to achieving the stretching carbon neutrality targets and the most benefits for Oldham residents and businesses.

Funding Approaches for the Oldham Green New Deal

- 3.6. Many of the initiatives envisaged as part of the Green New Deal delivery programme are likely to require substantial capital and revenue investment. With the continuing financial pressures facing the public sector in Oldham this requires different approaches to funding green initiatives and projects.
- 3.7. The focus will be on the creation of investable packages which can either be investment opportunities for the Council or for external funders, or a blend of both. Therefore, the projects and programmes put forward in this strategy will have their own cost / benefit analyses in terms of return on investment for the Council, and the potential to secure inward investment into the borough – although some will require at-risk seed corn feasibility funding from the Council. A further option is to develop projects and then sell them on to the private sector.

Delivering the Programme in Partnership

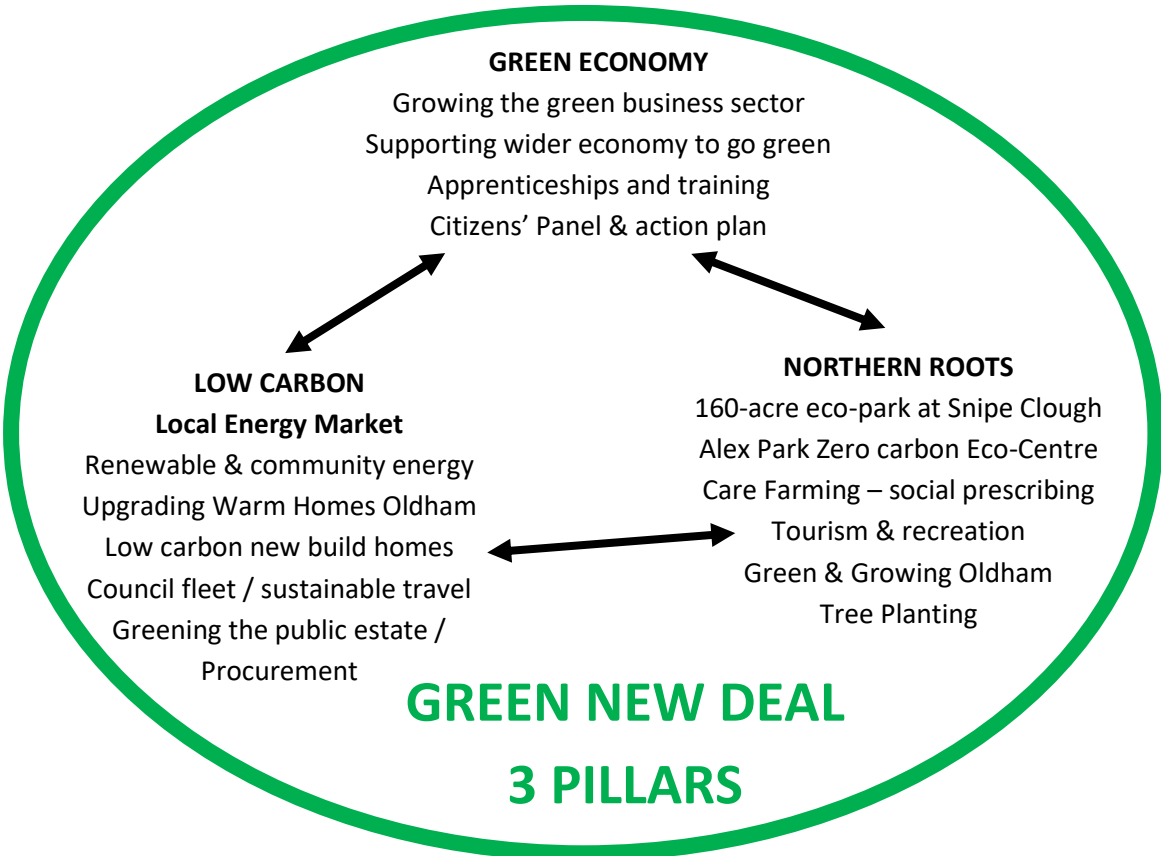
- 3.8. The Strategy has been put together in consultation with Elected Members, strategic partners and Council officers. Over the lifetime of the strategy, the delivery programme will be co-produced with residents, businesses and the Oldham Partnership.
- 3.9. Delivery will be led by the Council, working co-operatively with community organisations and local businesses, other GM Local Authorities, the Greater Manchester Green City Region Board and GM Mayor, as well as other key regional partners such as Electricity North West and the Local Energy North West Hub, and national and international partners such as national UK

government departments, non-governmental organisations, and other European regions.

4. STRATEGIC PILLARS AND FRAMEWORK FOR THE OLDHAM GREEN NEW DEAL

4.1 The strategic aim of the Strategy is to meet our environmental targets whilst maximising the benefit of this action to develop Oldham’s green economy. The three pillars of the strategy are Green Economy (including work, skills and business engagement), Low Carbon (including infrastructure and technology) and Northern Roots (including green infrastructure and tourism). All three main pillars work together under the Green New Deal approach. A fourth pillar is the embedding of the Green New Deal approach across everything the Council does.

Diagram 1: Green New Deal Framework



GROWING OLDHAM’S GREEN ECONOMY

4.2 This includes four areas:

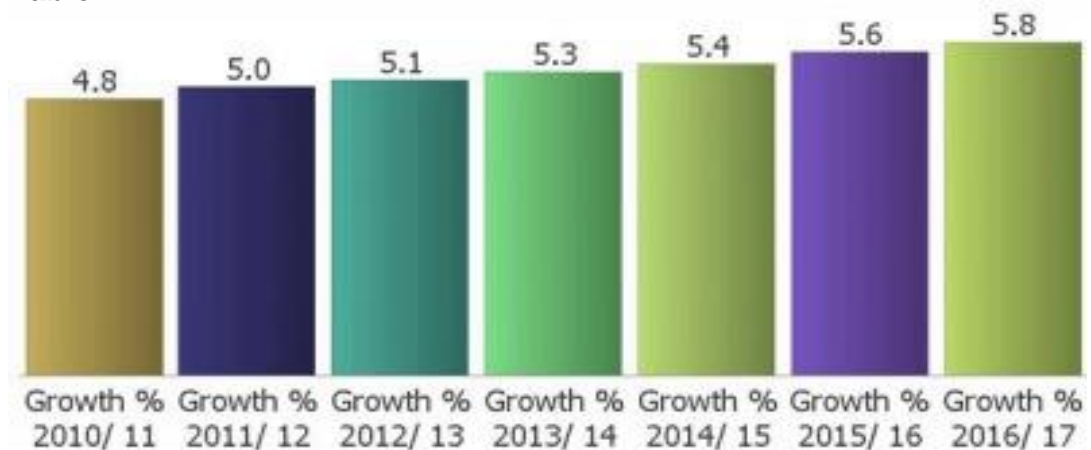
- **Growing the Green Technology and Services Sector** This is about attracting businesses in the fast-growing GTS sector to Oldham, creating jobs and bringing inward investment, and supporting our existing GTS businesses to thrive

- **Supporting the wider economy to go green** This can both create business for GTS sector companies and reduce energy and resource costs for businesses in the wider economy
- **Skills, Training & Apprenticeships** There is potential to create educational and training opportunities for Oldham’s young people in the growing green business sector
- **Public sector procurement** This can be targeted to support the green economy whilst cutting energy costs for the Council and partners

Growing the GTS sector

4.3 The Green Technology and Services (GTS) sector (formerly the Low Carbon and Environmental Goods and Services LCEGS sector) is one of the fastest growing UK economic sectors, outperforming the background economy considerably, as illustrated in the table below (source: DECC):

Table 1:



4.4 The 2016 “Deep Dive” into Greater Manchester’s economy (Manchester Growth Company), found a vibrant and growing GTS sector across Greater Manchester:

- over 37,000 jobs and almost 2,000 companies in GM, with total sales estimated at £5.4bn
- within GM, opportunities for employment at all skills levels, including potential to create a wide range of innovative activities, which demand high-levels of technical skills;
- Manchester Energy (University of Manchester) brings together over 600 researchers, supporting research and education across the energy spectrum and Salford University Energy House supporting leading academics and researchers to research and test green technologies in collaboration with industry.

4.5 ***The GTS sector in Oldham*** The 2013 Environmental Sustainability Technical Assistance (ESTA) study on the size of the LCEGS sector in Greater Manchester showed the following for Oldham's low carbon business sector comprised:

- 118 companies
- employing 2,300 people
- with a market value of £338 million

Oldham has a strong asset base for developing the GTS sector: a solid engineering presence, affordable and available premises, good connectivity to Manchester and the motorway network, high-quality natural capital in terms of the rural parts of the borough and the Peak District National Park, and desirable and affordable residential accommodation.

4.6 ***Attracting GTS businesses to Oldham*** The Council should develop a package of measures aimed at attracting new GTS business into the borough, as well as promoting 'home grown' businesses. This package could include:

- reduced business rates to locate or relocate to the borough
- suitable accommodation at competitive rent levels
- the creation of a 'green business district'
- a pool of people with the required skills

4.7 While these businesses do not necessarily require 'specialist' locations or office/industrial premises, the creation and marketing of a 'green business district' can act as a catalyst to attract environmental and low carbon businesses.

4.8 Making the site, buildings and facilities an exemplar of low carbon approaches, with the advantage of low running costs, would strengthen the attractiveness of such a district.

4.9 As well as initiating green businesses, the Council can also support independent green sector businesses through a range of incentives, encouraging them to set up and operate in the borough and to service non-green sector businesses in such a way that the whole local economy can achieve efficiencies and cost savings which translate to business expansion and job creation.

4.10 There is potential for this Green New Deal approach to secure significant inward investment for the borough through this methodology, and flagship schemes such as the redevelopment of Oldham Town Centre and the Northern Roots eco-park can use this approach to establish Oldham as an attractive place for investors and businesses alike.

Supporting the Wider Economy to 'Go Green'

- 4.11 **Energy and resource efficiency for businesses** Help is already available for Oldham businesses to receive professional advice on energy and resource efficiency through the Greater Manchester Business Growth Hub. In light of the new focus on 'clean growth' as per the Local Industrial Strategy, the Council has an opportunity to build on the way it already engages with Oldham businesses to ensure not only that they continue to be aware of this support, but to enable them to source green technology and services from other businesses located within Oldham borough wherever possible, or even to diversify their own business into the green sector.
- 4.12 Additionally, the Council could consider incentives for businesses to 'green' their operations such as loans for energy efficiency works, or reduced business rates for businesses installing renewable energy, including those doing so by working with a community energy group such as Oldham Community Power

Skills, Training and Apprenticeships

- 4.13 The Council has worked together with representatives from community energy organisations from across the UK and the Department for Business, Energy and Industrial Strategy to develop the UK's first community energy apprenticeship standard.
- 4.14 With a new focus on green construction for developments such as the Town Centre and Northern Roots, there is also potential for apprentices to be taken on to learn green building skills on these projects, making use of the significant sums of money in the Council's Apprenticeship Levy payment which are currently unallocated within the organisation.
- 4.15 It may also be possible to make courses in energy efficiency awareness available to residents who benefit from the Warm Homes Oldham scheme.

Public sector procurement

- 4.16 The public sector, including the Council, is a major purchaser of goods and services. This expenditure could potentially be directed in such a way as to support the GTS sector and encourage businesses in the wider economy to 'go green'.
- 4.17 In terms of the Council's procurement of energy, The Council currently spends in the region of £5 million annually on energy, and the last time it was procured prices had risen around 20% in 12 months. A new approach to the procurement of energy has the potential to save the Council money on its energy bill – revenue expenditure which can then be reinvested in frontline services or meeting the budget challenge – whilst at the same time supporting

local renewable and community energy projects, and cutting fuel poverty, through the development of a Local Energy Market.

DEVELOPING LOW CARBON INITIATIVES

- 4.18 The Low Carbon theme of this strategy focuses on the generation, distribution and use of energy in the Council and wider public sector, businesses, homes and community buildings across the borough, as well as transport.

Citizen-centric energy

- 4.19 The Government report, “Upgrading our Energy System”, (July 2017) proposed radical changes to the way the UK’s energy system is set up. This developing new approach offers Oldham residents, businesses and communities much more control of their energy supply.
- 4.20 Through a technology-led Local Energy Market approach and various reforms to the energy market being brought in at a national level by OFGEM (including multiple suppliers on a single meter), Oldham can help to put energy generation and use back in the hands of citizens, creating more self-reliant and empowered communities in charge of their own resources.
- 4.21 The Council will seek to enable delivery of these cutting-edge technologies in Oldham for the benefit of residents, businesses and to ensure that Oldham is seen as a home and destination for business and education opportunities which realise the value of these new technologies, and to continue to secure associated external funding for projects in Oldham.
- 4.22 The Council has strong strategic partnerships with key players such as the local Distribution Network Operator (Electricity North West) and local GTS companies, who in combination can help us to deliver a world-class citizen-centred energy system for the borough. The Greater Manchester Combined Authority is developing its own approach to a Local Energy Market, including the mapping of physical infrastructure opportunities. There are also private sector companies offering LEM solutions, and grant funding available for research projects which could help the Council develop its approach to procurement of a LEM solution.
- 4.23 As well as the importance of tackling energy use in achieving carbon neutrality, the financial impact of high energy costs is highlighted through the following:
- the Council spends around £5 million annually on energy
 - the borough spends around £500 million.

- fuel poverty in Oldham is currently running at around 13% of households – over 12,000 homes, despite 6,000 people being brought out of fuel poverty by Warm Homes Oldham
- 4.24 Making a substantial impact on these costs requires radical solutions. This Strategy proposes the development of a Local Energy Market, encompassing and catalysing several key components and outcomes:
- building renewable energy generation, including public and community owned schemes
 - developing low carbon housing, including enabling the transition to electrical heating systems
 - supporting the transition to electric transport
 - enabling the redevelopment of Oldham Town Centre as a zero-carbon regeneration scheme
 - the creation of a Council-led Oldham Virtual Energy Company to accelerate the finance, installation and operation of renewable energy and Nature Based Solutions
 - tackling fuel poverty with innovative approaches such as special tariffs for residents on pre-payment meters, and generating funds for energy efficiency retrofit measures in fuel poor homes
- 4.25 There are several initiatives already underway or in place that will (subject to Planning Permission) contribute to the development of a Local Energy Market including the proposed solar farm at Wrigley Head, the RED WoLF project, Oldham Community Power Phases 1 and 2, renewable energy in the new Town Centre and the work on Local Wealth Building.

NORTHERN ROOTS

- 4.26 The first phase of the exciting and ambitious Northern Roots initiative will create an exemplar Eco-Centre on the site of the current Alexandra Park Depot.
- 4.27 This facility will replace the current depot and provide a new depot facility for the Council, as well as accommodating the existing community growing hub and providing extra community and educational facilities.
- 4.28 The Eco-Centre will be zero carbon in its operation and will aim to reduce the energy running costs of the facility to zero also, through the installation of renewable energy technologies and highly energy efficient buildings. It will demonstrate both new and existing trusted technologies in a future-proofed facility of national significance.

- 4.29 The second phase of Northern Roots will create a national-class eco-park on the 160-acre site at Snipe Clough, to the South-East of Alexandra Park, as its second phase.
- 4.30 The new facility will combine community food growing and food businesses with visitor attractions, educational courses and facilities, 'care farming' (a form of social prescribing), and a range of other offers in a single one-stop destination for sustainability and outdoor pursuits.
- 4.31 A major element of Northern Roots will be the incubation and hosting of community-owned food businesses, both at the Snipe Clough site and further afield across the borough.
- 4.32 **Eco-Tourism** The Northern Roots site will be a destination for local, regional and even national and international tourism.
- 4.33 As well as showcasing sustainability, growing and food production technologies and approaches, the site will also host a range of recreational activities, from walking and mountain biking to wilderness activities, bushcraft, glamping and an events space.
- 4.34 As well as Snipe Clough, there are plenty of other 'green' tourism destinations in Oldham, and so there is also potential for an eco-tourism strand of Oldham's Tourism Strategy.

5. DELIVERY OF THE STRATEGY

- 5.1 The development and delivery of the programme will be underpinned by:-
- the Council acting as the ‘commissioner’ of green projects and initiatives;
 - a flexible approach to financing green schemes and programmes;
 - the Council using its key position to facilitate / amplify change in the wider economy
 - recognising and working with favourable market trends;
 - securing significant inward investment.
- 5.2 ***The Council as a ‘Green Commissioner’*** The Council will continue to provide seed corn funding for projects and initiatives, used to carry out feasibility work, to bring projects to the point where they are investable opportunities.
- 5.3 Then when projects are ready to be delivered, the Council will either seek to secure external investment to deliver the projects or will itself become an investor in these projects, or a combination of the two. The Council can broker multi-partner Joint Ventures and set up Special Purpose Vehicles if necessary to turn green business models into operating green sector businesses in the borough. Each project will be assessed on its own merits as to what is the best route for delivery and what additional resources or expertise it might require.
- 5.4 This strategy will explore the potential of the Council to generate revenue income from new legislation e.g. around ‘Biodiversity Offsetting’, which will be a new requirement on developers akin to Section 106 payments (NPPF makes reference to Biodiversity Net Gain and GMSF will also have a requirement for this). It may be possible for the Council’s own Environmental Services Teams to provide these services to developers through new projects on Council-owned land.
- 5.5 ***Funding Green Initiatives*** The Green New Deal programme will take a balanced approach to risk and to the demands on the Council’s Capital Programme in terms of its environmental aspirations – the programme will seek to streamline environmental investment opportunities into ‘business as usual’ processes, including regeneration schemes and rationalisation of the public sector estate.
- 5.6 Some of these business opportunities will be able to convert capital investment into revenue income or cost savings which can then be reinvested in front-line services or used to help meet the budget challenge, and some will deliver primarily in terms of social value, or a mixture of the two. However, all

- projects and proposals will seek to deliver quantifiable benefits for the wider economy.
- 5.7 Those projects which the Council chooses not to finance itself can instead be 'sold on' to third parties for **significant inward investment** and development, bringing money into the borough and enabling the Council to recoup the initial costs of feasibility and project development.
- 5.8 **The Council facilitating / amplifying change** No other organisation in the borough occupies such a pivotal position as the Council in terms of influence, and so to release the full potential of some borough-wide initiatives, the Council alone is in a position to precipitate that change. The main Green New Deal initiative for which this is true is the development of a Local Energy Market, which can be designed, implemented and shaped by the Council in partnership with technology providers and key regional organisations such as the GM Combined Authority.
- 5.9 **Favourable Market Trends** Energy prices are generally rising and the cost of renewable energy and energy efficient technologies is falling, and where the business case for a project may currently only be marginal, it is likely that over time it will become viable due to these two trends. So whilst action on climate change is urgent, the potential to act will only increase over time.

APPENDIX A – Green New Deal Pledges and Target Outcomes

Pledges

1. We will make Oldham a destination for green tourism regionally and nationally, taking pride in our towns, villages, countryside and communities.
2. We will achieve carbon neutrality for the Council by 2025 and for the borough by 2030
3. We will continue to support community energy in Oldham and we will encourage other GM local authorities to work with their own community groups to build the community energy sector across the city region.
4. We will ensure that lower income households can take part in, and benefit from, the Green New Deal, along with all sections of the community.
5. We will develop a new 'Oldham Code' to reduce carbon emissions from new build homes.
6. We will continue our commitment to new woodland creation.
7. We will regenerate our town centres to a standard of environmental excellence, and ensure that new developments across the borough are built to high environmental standards to ensure resilience to the impacts of a changing climate.
8. We will explore ways to deliver a 'Citizens' Panel' on climate change and a Community climate change action plan.
9. We will make it easier for people to make greener travel choices by investing in cycling, walking, public transport and other sustainable transport infrastructure.

Target outcomes

1. Oldham remains the borough with the lowest carbon footprint in GM.
2. Oldham to have the most renewable energy generation in community ownership in the city region.
3. Eradicated fuel poverty in the borough.
4. Improved air quality in Oldham.

Appendix B – Key Greater Manchester level strategies

The Greater Manchester Five Year Environment Plan

The GM 5-year Environment Plan is unique in terms of the strategic context of the Oldham Green New Deal Strategy. It is a plan for the whole of the city region to which a wide range of stakeholders have signed up, including the ten local authorities of which Oldham is one.

It sets a target of 2038 for carbon neutrality for the city region, and although Oldham's local target of 2030 is even more challenging, most of the themes of the GM 5-year Environment Plan read directly to areas that Oldham will be working on.

It should however be highlighted that historically Oldham's local climate change initiatives tend to lead, rather than follow, the GM level plans and strategies, and Oldham has successfully influenced the new 5-year Environment Plan through its lead on GM-level projects such as COALESCCE (community energy) and FoodChains4EU (sustainable food), both of which are mentioned explicitly in the new GM plan. Thus it is not surprising that the GM plan already reflects Oldham's own initiatives and priorities in many areas.

The GM Mayor leads the Green City Region initiative, and two Green Summits were held in March 2018 and March 2019 to develop an ambition and action plan for the city region as a whole. Oldham fed directly into both of these events with community energy and sustainable food 'listening events'.

The Vision for the GM 5-year Environment Plan is as follows:-

A long-term vision for our environment:

We want Greater Manchester to be a clean, carbon neutral, climate resilient city-region with a thriving natural environment and circular, zero-waste economy where:

- Our infrastructure will be smart and fit for the future: we will have an integrated, clean and affordable public transport system, resource efficient buildings, greater local community renewable energy, cleaner air, water and greenspace for all.
- All citizens will have access to green space in every community, more trees including in urban areas, active travel networks, environmental education and healthy and locally-produced food.
- Citizens and businesses will adopt sustainable living and businesses practices, focusing on local solutions to deliver a prosperous economy.

The 5-year Environmental Plan sets out a number of aims, to be delivered in a way which maximises positive impacts on health and prosperity (co-benefits):-

1. Aim for our mitigation of climate change: For our city-region to be carbon neutral by 2038 and meet carbon budgets that comply with international commitments.
2. Aim for air quality: To improve our air quality, meeting World Health Organisation guidelines on air quality by 2030 and supporting the UK Government in meeting and maintaining all thresholds for key air pollutants at the earliest date.
3. Aim for sustainable consumption and production: To put us on a path to being a circular economy, recycling 65% of our municipal waste by 2035 and reducing the amount of waste we produce.
4. Aim for our natural environment: To protect, maintain and enhance our natural environment for all our benefit, taking steps to implement and achieve environmental net gain.
5. Aim for resilience and adaptation to climate change: To be prepared for the impacts of climate change and already be adapting to the future changes from any increase in climate shocks and stresses.

GM Spatial Framework

The Greater Manchester Spatial Framework is Greater Manchester's plan for the expansion of the city region to 2035. The GMSF aims to deliver the required number of new homes and employment sites across the city region. In many GM local authority areas, this will mean that some areas of land currently under Green Belt designation will be redesignated as development land.

Oldham Council will look at ways in which some of the loss of Green Belt in Oldham can be mitigated by enhancing it in other key areas, for the benefit and enjoyment of residents and visitors. Northern Roots could contribute in this area.

GM2040 Transport Strategy

The Greater Manchester Transport Strategy 2040 - developed by TfGM in partnership with the ten Greater Manchester local authorities on behalf of the Greater Manchester Combined Authority (GMCA) and Greater Manchester Local Enterprise Partnership (LEP) - focuses on creating an integrated, sustainable and well co-ordinated transport system. It sets out long-term proposals to create a cleaner, greener, more prosperous city region through better connections and simpler travel. The long-term transport strategy is supported by five-year Delivery Plans which are updated regularly.

The GM2040 Transport Strategy focuses on tackling the critical long-term challenges facing in Greater Manchester, such as a rapidly growing and ageing population, climate change and the need to improve productivity and reduce social inequality in the city region.

The GM2040 vision is for Greater Manchester to have '*World class connections that support long-term, sustainable economic growth and access to opportunity for all*'.

Protecting the environment is one of the four key objectives of the GM2040 Vision, which will be achieved by increasing the use of sustainable transport, to reduce emissions; making the best use of existing infrastructure; and protecting the natural and built environment. The other key objectives are:

- Supporting sustainable economic growth;
- Improving quality of life for all;
- Developing an innovative city-region.

GM Natural Capital programme and DEFRA Urban Pioneer

GM Natural Capital Group

The Natural Capital Group (NCG), GM's Local Nature Partnership, and its partners continue to play a key role in acting as an ambassador for Greater Manchester's natural environment, supporting delivery through existing partnerships and structures and showcasing headline initiatives.

Greater Manchester plays host to many forward-looking environmental projects, including the Urban Pioneer, which is described in more detail below. A sub-group of the Natural Capital Group has been set up to specifically oversee delivery of the Urban Pioneer (below), exploring opportunities to build cross-sector partnerships and secure direct benefits for the environment, local people and the economy.

GM / DEFRA Urban Pioneer programme

Greater Manchester was selected by Defra to act as the UK's Urban Pioneer in late 2016. The Urban Pioneer is one of four national, three year pilots instigated by DEFRA in order to determine future policies, strategies and ways of working that could deliver the step change necessary to achieve the Government's commitment to reverse declines, and leave the environment in a better state than it currently is within a generation, as set out in the DEFRA 25-year Plan. The Urban pioneer focuses on governance, decision making and the urban environment.

The Urban Pioneer programme has four objectives:-

1. Develop and test a communications and engagement model that brings together sectors, organisations and the public to deliver more for the environment
2. Demonstrate a place-based approach to delivery that improves policy and decision making
3. Develop a demonstrator project that shows the benefit of a Natural Capital Approach on project funding
4. Create a Natural Capital Investment Plan for Greater Manchester



Joint Report to Cabinet

Revenue Monitor and Capital Investment Programme 2019/20 Month 9 – December 2019

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance & Corporate Services

Officer Contact: Anne Ryans, Director of Finance

Report Author: Anne Ryans, Director of Finance
Ext. 4902

23 March 2020

Reason for Decision

The report provides Cabinet with an update on the Council's 2019/20 forecast revenue budget position at Annex 1. It also advises, at section 2 of Annex 2, of the financial position of the capital programme as at 31 December 2019 (month 9) together with the revised Capital Programme covering the period 2019/20 to 2024/25 reflecting the approval of the updated capital programme by Council on 26 February 2020.

Executive Summary

Revenue Position

The current forecast outturn position for 2019/20 is a projected favourable variance of £0.065m compared to an adverse variance of £1.367m at month 8. This is after allowing for approved and pending transfers to and from reserves.

Continuing to be the most significant areas of concern are the People and Place, Children's Services and Community Services & Adult Social Care portfolios. Management action has been taken and will continue up to the end of the financial year to address variances and take mitigating action as detailed in the report.

The overall corporate position is, to a large extent being managed by offsetting the adverse variances with favourable variances, most noticeably from Capital, Treasury and Corporate Accounting budgets. An update on the major issues driving the projections are detailed within Annex 1, paragraphs 2.13.1 to 2.13.54.

Management action has continued across all service areas to review and challenge planned expenditure and to maximise income generation. Whilst progress has been made there are some underlying on-going challenges. It is important to note that the approved 2020/21 budget has been prepared so that issues identified by the 2019/20 budget monitoring process have, where necessary, been addressed. This, together with continuation of management action and the implementation of new ways of working arising from the transformation programme, is expected to reduce the level of overall in year variance in 2020/21.

Information on the month 9 position of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund is also outlined in the report. There are currently no significant issues of concern in relation to the HRA, however the Collection Fund, whilst forecasting an in-year deficit of £0.127m, remains in a cumulative surplus position. The DSG, continues to be an area which is facing financial challenge with a projected deficit increase in 2019/20. Action is being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position.

Capital Position

The report outlines the most up to date capital spending position for 2019/20 as at 31 December 2019 (month 9) having regard to new developments and changes expected before the year end. The revised Capital Programme budget is £52.048m a net decrease of £32.284m from the original budget of £84.332m. Actual expenditure to 31 December 2019 was £41.685m (80.09% of forecast outturn). It is probable that the forecast position will continue to change before the year end with additional re-profiling into future years.

The Capital Programme projections for years beyond 2019/20 reflect the Capital Strategy and Capital programme approved at Budget Council on 26 February 2020. This extends the capital planning period to 2024/25 and includes a significant increase in forecast spending arising from the Creating a Better Place strategy.

Recommendations

That Cabinet approves the:

1. Forecast revenue outturn for 2019/20 at month 9 being a £0.065m underspend.
2. Forecast positions for the DSG, HRA and Collection Fund.
3. Use of reserves as detailed in Appendix 1 to Annex 1.
4. Revised Capital Programme as at month 9 for 2019/20 and the projections for the period 2020/20 to 2024/25.

Revenue Monitor and Capital Investment Programme 2019/20 Month 9– December 2019**1 Background**

- 1.1 The Authority's 2019/20 revenue budget and Capital Programme was approved by Council on 27 February 2019. Under established budget procedures, all services are required to monitor and review their approved revenue and capital budgets during the financial year. This is reported to Cabinet on a quarterly basis with an additional report at month 8 which is used to inform the budget setting process for the following financial year.
- 1.2 As part of the budget monitoring process, the forecast year-end position for revenue and capital has been prepared by all services. The forecast is based on a comparison of profiled budgets to the actual position as at 31 December 2019 together with commitments and known issues. The outturn projections therefore reflect the evolving position resulting from the management actions put in place to mitigate in-year pressures, new developments and changes in the profile of planned expenditure.

2. Current position

- 2.1 The forecast revenue outturn for 2019/20 is a favourable variance of £0.065m (£1.367m adverse variance at month 8). Further details of the current revenue budget position and a full description of this forecast can be found in Annex 1.
- 2.2 As a result of management actions that have been initiated across all service areas to review and challenge planned expenditure and to maximise income, it is clearly evident that the financial position has improved as the year has progressed.
- 2.3 The effectiveness of this action has been closely monitored by Directorate Management Teams with regular progress updates being provided to Portfolio holders and also to the Overview and Scrutiny Performance and Value for Money Select Committee. There will be no lessening of management action up to the end of the financial year to ensure that the projected favourable outturn is achieved. In addition, as outlined in the Budget Report for 2019/20, the Council has prudently set aside a number of specific reserves to support the pressures that might be experienced during the year. If appropriate, these can be applied to support the financial position.
- 2.4 The original approved Capital Programme for 2019/20 totalled £84.332m. The revised capital programme as at month 9 taking account of approved carry forwards, approved new schemes and variations and proposed variations/ re-phasing gives projected revised expenditure of £52.048m. Actual expenditure at month 9 was £41.685m (80.09% of the forecast outturn). Further details of expenditure and schemes within the capital programme can be found in Annex 2.

3 Options/Alternatives

- 3.1 The options that Cabinet might consider in relation to the contents of this report are;
- a) to approve the forecast revenue and capital positions presented in the report including proposed changes.

-
- b) to approve some of the forecasts and changes included in the report.
 - c) not to approve any of the forecasts and changes included in the report.

4 Preferred Option

- 4.1 The preferred option is that Cabinet approves all forecasts and changes within this report; option (a) at 3.1.

5 Consultation

- 5.1 Consultation with all services within the Council, Cabinet Members and the Director of Finance.

6 Financial Implications

- 6.1 The full financial implications are detailed in the report.

7 Legal Services Comments

- 7.1 There are no legal issues at this time.

8 Co-operative Agenda

- 8.1 Improving the quality and timeliness of the financial information available to citizens of Oldham supports the co-operative ethos of the Council.
- 8.2 The revenue budget and Capital Strategy/ Programme for 2019/20 and also 2020/21 have been prepared so that they embrace the Council's co-operative agenda with resources being directed towards projects that enhance the aims, objectives and co-operative ethos of the Council. On-going budget monitoring is key to ensuring this objective is met.

9 Human Resources Comments

- 9.1 There are no Human Resource implications.

10 Risk Assessments

- 10.1 The risk is that the proposed management actions are not achieved in full. Should this be the case, then alternatives will be sought.

11 IT Implications

- 11.1 There are no IT implications.

12 Property Implications

- 12.1 There are no Property implications.

13 Procurement Implications

13.1 There are no Procurement implications.

14 Environmental and Health & Safety Implications

14.1 There are no Environmental and Health and Safety implications.

15 Equality, Community Cohesion and Crime Implications

15.1 There are no Equality, Community Cohesion and Crime implications.

16 Equality Impact Assessment Completed

16.1 Not Applicable.

17 Key Decision

17.1 Yes

18 Key Decision Reference

18.1 FCS - 17 - 19

19 Background Papers

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Revenue Background Papers are contained in Annex 1 including Appendices 1 and 2

Officer Name: Andy Cooper

Contact No: 0161 770 4925

File Ref: Capital Background Papers are contained in Annex 2 including Appendices A to G

Officer Name: Lee Walsh

Contact No: 0161 770 6608

20 Appendices

Annex 1 Revenue Budget Monitoring Report 2019/20 Month 9-December 2019

Appendix 1 Month 9- Planned Transfers to/ from Reserves

Appendix 2 Financing of the 2019/20 Budget at Month 9

Annex 2 Capital Investment Programme Report 2019/20 Month 9-December 2019

Appendix A - SUMMARY – Month 9 – Corporate Services

Appendix B - SUMMARY – Month 9 - Children's Services

Appendix C - SUMMARY – Month 9 - Community Services & Adult Social Care

Appendix D - SUMMARY – Month 9 - Housing Revenue Account (HRA)
Appendix E - SUMMARY – Month 9 - People and Place
Appendix F - SUMMARY – Month 9 - Reform
Appendix G - SUMMARY – Month 9 - Proposed Variations

REVENUE BUDGET MONITORING REPORT 2019/20

Month 9- December 2019

1 Background

1.1 The Authority's 2019/20 revenue budget was approved by Council on 27 February 2019 at a sum of £224.112m incorporating;

- £7.829m of budget reductions
- £8.818m use of corporate and specific reserves
- £3.000m of capital receipts to support spending on transformational projects
- £2.269m surplus from the Collection Fund

1.2 Under established budget procedures all services are required to monitor and review their approved budgets during the financial year. As part of this process, a forecast of the year-end position has been prepared by all services. The forecast is based on a comparison of profiled budgets to the actual position as at the end of month 9 together with known commitments, issues and planned management actions.

2 Current Position

2.1 The current budget of £229.067m represents a £4.955m increase in the originally approved budget and a £0.655m increase from the £228.412m reported at month 8; as a result of applying additional capital grants (£0.438m) and also receipt of the Councils share of a £40m Business Rates Levy surplus re-allocation (£0.217m). A full funding analysis of the net revenue budget is shown at Appendix 2.

2.2 The information in the report is presented to align to the Corporate Structure that was implemented from 22 May 2019. This makes it difficult to make direct comparisons with 2018/19 at a Portfolio level. The budget and forecast outturn are presented in this revised format in the table below.

Table 1 - Summary Forecast Revenue Outturn

Portfolio	Budget £000	Forecast £000	In Year Net Use of Reserves £000	Variance Month 9 £000	Variance Month 8 £000	Variance Month on Month £000
People and Place	63,086	66,897	(1,654)	2,156	2,067	89
Community Services and Adult Social Care	60,123	61,950	(781)	1,047	1,036	11
Children's Services	50,794	52,973	(1,110)	1,069	1,187	(118)
Reform	32,290	33,488	(1,383)	(185)	(73)	(112)
Commissioning	9,923	11,787	(1,744)	120	151	(31)
Chief Executive	7,465	7,231	(15)	(250)	(252)	2
Capital, Treasury and Corporate Accounting	5,385	1,437	(74)	(4,022)	(2,749)	(1,273)
NET EXPENDITURE	229,067	235,763	(6,762)	(65)	1,367	(1,432)
FINANCED BY:	(229,067)	(229,067)	-	-	-	-
NET FORECAST VARIANCE	-	6,696	(6,762)	(65)	1,367	(1,432)

-
- 2.3 The forecast outturn to the end of the year, after a predicted, net in-year use of reserves totalling £6.762m (£6.540m at month 8), is a favourable variance of £0.065m compared to deficit of £1.367m at month 8. A detailed list of the approved and planned use of reserves at month 9 can be found at Appendix 1. There are significant variances contained within the projected net underspend as summarised below.
- 2.4 The People and Place Portfolio has a reported pressure of £2.156m compared to £2.067m at month 8. Economic Development is reporting an overspend of £1.813m (£1.765m at month 8) across Catering and Cleaning, Estates and Planning and Infrastructure. The small adverse variance in Enterprise and Skills remains virtually unchanged at £0.096m (0.097m at month 8). There is a further adverse variance of £0.503m in Commercial Services where the projected non achievement of the Traded Services budget option (£0.750m) is offset by savings within ICT and Customer Services (£0.247m). The pressures are offset by a forecast underspend of £0.255m (£0.320m underspend at month 8) in Environmental Services.
- 2.5 Community Services and Adult Social Care is reporting an overspend of £1.047m compared to £1.036m at month 8, predominantly linked to the rising cost and demand for Community Care, offset by increases in both grant funding and income recovery from a variety of sources.
- 2.6 The pressure of £1.069m within Children's Services represents a reduction of £0.118m on the adverse variance of £1.187m reported at month 8. Education, Skills and Early Years is now predicting a £1.336m overspend after the application of £0.543m of reserves, a reduction of £0.119m from the month 8 position. Children's Social Care is reporting a £0.267m underspend after the planned application of £0.457m of reserves, very similar to the underspend of £0.268m reported at month 8.
- 2.7 The Commissioning portfolio is reporting an overall adverse variance of £0.120m (£0.151m reported at month 8). A projected pressure of £0.254m in Commissioning and Procurement is being offset by a favourable variance of £0.134m in Finance.
- 2.8 The overspending is offset by favourable variances in Chief Executive £0.250m (£0.252m at month 8), Reform £0.185m (£0.073m at month 8) and most significantly Capital Treasury and Corporate Accounting £4.022m (£2.749m at month 8). A more detailed analysis of financial performance and the major variances can be found by Portfolio in the following sections.
- 2.9 All the 2019/20 approved budget reductions in the sum of £7.829m are currently forecast to be achieved with the exception of the £0.750m Traded Services option within People and Place, for which there are no other offsetting options.
- 2.10 As outlined in the Budget Report 2019/20, the Council prepared its budget prudently and set aside a number of reserves to address pressures that might be experienced. If appropriate, these can be applied to support the financial position.
- 2.11 The forecast outturn continues to reduce; by £1.432m between months 8 and 9, from an adverse variance of £1.367m to a favourable variance of £0.065m respectively, and this gives assurance that the management action requested has been initiated and has helped to bring expenditure back in to line. Whilst it is evident that the position has improved, there will be no lessening of management action up to the end of the financial year to ensure that the projected outturn is achieved.

2.12 It is important to note that the approved 2020/21 budget has been prepared so that issues identified by the 2019/20 budget monitoring process have, where necessary, been addressed. This, together with continuation of management action and the implementation of new ways of working arising from the transformation programme, is expected to minimise the level of overall in year variance in 2020/21.

2.13 Portfolio Summaries

People and Place

2.13.1 The following table shows the forecast position after the approved and planned use of reserves for the Directorate.

Table 2 – People and Place - Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Economic Development	4,655	7,425	(957)	1,813
Enterprise and Skills	640	737	-	96
Environmental Services	53,268	53,520	(507)	(255)
Commercial Services	4,522	5,215	(190)	503
Total Forecast Net Expenditure	63,086	66,897	(1,654)	2,156

Summary

2.13.2 The forecast outturn at month 9 for the People and Place portfolio, after the planned use of £1.654m of reserves, is an overspend of £2.156m (£2.067m at month 8), an increase in the overspend of £0.089m.

Economic Development

2.13.3 Economic Development is currently forecasting an overspend of £1.813m compared to £1.765m at month 8. Within this the Catering and Cleaning service is forecasting an unchanged adverse variance of £0.754m as a result of pressures arising from the introduction of the Oldham Living Wage and current charging levels. The Corporate Landlord/ Investment Estate is projecting a net overspend of £0.964m (£0.923m at month 8) due to a combination of increased utility costs, additional cleaning charges and an expected underachievement of income targets in the investment estate. This is being offset by anticipated income from investment purchases and cost reductions due to asset disposals. The Planning and Infrastructure service is anticipated to overspend by £0.095m due to a reduction in the expected demand for planning applications.

Enterprise and Skills

2.13.4 The forecast overspend remains virtually unchanged at £0.096m and relates to a shortfall of income within the Markets Service.

Environmental Services

2.13.5 The Environmental Services area is forecasting an overall underspend of £0.255m compared to an underspend of £0.320m at month 8. The position is a combination of over and underspends within the service area as follows:

Overspends:

- Waste Management £0.176m
- Building Control £0.107m

Underspends:

- Fleet Management £0.166m
- Environmental Management £0.026m
- Street Lighting £0.050m
- Highways Operations £0.273m
- Public Protection £0.023m

Of the £0.273m underspend within Highways, £0.271m relates to over achievement of income in relation to statutory inspection works.

Commercial Services

2.13.6 In total, the service area is reporting a slight reduction in the forecast overspend; £0.503m compared to £0.525m at month 8. ICT and Customer Services are forecast to have an underspend of £0.247m due to vacant posts. This in part offsets the pressure of £0.750m within Strategic Management relating to the non-achievement of the Traded Services budget reduction.

Achievement of Budget Reductions

2.13.7 The 2019/20 budget reductions for the People and Place Portfolio of £2.582m are forecast to be fully achieved with the exception of the Traded Services option (£0.750m), as referred to above.

Community Services and Adult Social Care

2.13.8 The portfolio provides social care support to adults and carers across Oldham with the key aim of integrating and aligning work with health partners to achieve greater efficiency in service delivery and better outcomes for the resident or patient, in relation to both the commissioning and the provision of services.

Table 3 – Community Services and Adult Social Care - Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Commissioning	21,092	21,087	-	(5)
Community Business Services	1,751	1,576	-	(175)
Community Health & Social Care	27,918	29,280	-	1,362
Director Adult Social Care	(8,768)	(9,006)	(781)	(1,019)
Learning Disability	10,225	11,144	-	920
Mental Health	7,216	7,132	-	(85)
Safeguarding	689	738	-	49
Total Forecast Net Expenditure	60,123	61,950	(781)	1,047

Summary

- 2.13.9 The forecast outturn at month 9 is showing a projected overspend of £1.047m (£1.036m at month 8) after a forecast £0.781m planned use of reserves. Sufficient reserves to fully offset the overspend are specifically ringfenced to the Portfolio, although they have yet to be utilised.

Commissioning

- 2.13.10 Commissioning is forecasting a small underspend of £0.005m compared to a favourable variance of £0.074m at month 8, mainly due to the management of staff vacancies.

Community Business Services

- 2.13.11 Community Business Services is forecasting an unchanged underspend of £0.175m for the year. This is due to prudent vacancy management and delays in recruiting to additional care co-ordinator and broker posts to support the Care at Home project.

Community Health & Social Care

- 2.13.12 Community Health and Social Care is forecasting an overspend of £1.362m (£1.045m at month 8) with care costs for people with a physical disability and sensory, memory and cognitive needs continuing to present financial pressures. There has been a moderate increase in client numbers as the year has progressed, indicating that both demand and complexity of need combined with an uplift in fees are the main factors that are causing significant pressures within the budget.

Director of Adult Social Care

- 2.13.13 Director of Adult Social Care is forecasting an underspend of £1.019m, an increase of £0.265m compared to the £0.754m favourable variance reported at month 8. The improvement between months 8 and 9 is due to confirmation of System Resilience Grant (SRG) funding from the Oldham Clinical Commissioning Group (CCG) for transitional beds and also confirmation of partner contributions for joint funded posts within Oldham Cares. A planned use of reserves totalling £0.781m is funding one-off initiatives rather than supporting 'business as usual' and will require a draw-down of £0.300m to the CCG to fund joint services, £0.166m for Mosaic data management support and £0.315m for community provider estate costs.

Learning Disability

- 2.13.14 Learning Disability is reporting an overspend of £0.920m (£0.970m at month 8) which is being driven by the number of clients in complex care, particularly for the 5 clients who have been returned to the Borough through the Transforming Care Programme. The cost to the Oldham health economy is £0.840m with only £0.110m of funding expected to be made available by the NHS leaving a budget shortfall of £0.730m across the Council and the Oldham Clinical Commissioning Group (CCG).

Mental Health

- 2.13.15 Mental Health is forecasting an underspend of £0.085m (£0.025m at month 8). This is a result of an upturn in Continuing Health Care income contributions from the CCG for people with joint funded packages of care.

Safeguarding

- 2.13.16 Safeguarding remains the same as month 8, forecasting an overspend of £0.049m due to additional short-term staffing arrangements put in place to cover vacancies, sickness and maternity leave.
- 2.13.17 Holly Bank is a new Learning Disability sheltered housing scheme. The opening has been delayed and so, in the absence of any serious unforeseen circumstances, it is anticipated that any operational activity within this financial year can be contained within the current forecast. The cost of operating the facility is expected to be offset by savings as a result of bringing people back into borough and either ceasing or reducing their current care packages and work is on-going to identify potential new residents. The position will however continue to be monitored, and if required, a pressure will be introduced when the position is made clearer.

Achievement of Budget Reductions

- 2.13.18 The Budget Reductions for the portfolio in 2019/20 are £0.438m and are forecast to be fully achieved.

Progress against Locality Plans

- 2.13.19 A key element of the Health and Social Care devolution agenda is the submission of a Locality Plan setting out the joint vision of Council and the CCG for the greatest and fastest possible improvement in the health and wellbeing of the Borough's residents. This improvement will be achieved by supporting people to be more in control of their lives by having a health and social care system that is geared towards wellbeing and the prevention of ill health; access to health services at home and in the community; and social care that works with health and voluntary services to support people to look after themselves and each other.
- 2.13.20 The financial performance against the latest version of the 2019/20 Locality Plan, as reported to the GM Health and Social Care Partnership, is shown in the table below. However, a new version of the Locality Plan has been drafted that will take the integration work within Oldham through to 2023/24.

Table 4 – Locality Plan

	Revised Budget £000	Forecast £000	Variance £000
Community Health and Adult Social Care	57,134	58,181	1,047
Public Health	17,380	17,380	0
Children and Families	41,990	41,723	(267)
Total	116,504	117,284	780

2.13.21 Although the headings in the Locality Plan do not completely align with the Council's Directorate reporting arrangements, the reasons for the variances against budget are consistent with those reported within Community Health and Adult Social Care, Public Health and Children's Social Care.

Children's Services

2.13.22 The following table shows the forecast position after the approved and planned use of reserves for the Portfolio.

Table 5 – Children's Services

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Education, Skills & Early Years	13,311	15,189	(543)	1,336
Children's Social Care	35,657	35,848	(457)	(267)
Preventative Services	1,864	1,975	(111)	-
Schools	(39)	(39)	-	-
Total Forecast Net Expenditure	50,794	52,973	(1,110)	1,069

Summary

2.13.23 The Portfolio has a projected overspend of £1.069m (£1.187m at month 8) after the planned application of £1.110m of reserves, as shown in the table above. The principal underlying reasons are detailed below.

Education, Skills and Early Years

2.13.24 The Directorate is estimating a £1.336m overspend, (£1.455m at month 8). This is after the planned application of £0.543m of reserves for Learning and Attainment and Special Educational Needs initiatives, the main contributing factors being:

- £0.742m against the Home to School Transport budget due to ongoing increasing demand pressures;
- £0.230m as a result of underachievement of traded income within the Educational Psychology and QEST services;
- £0.096m of unachievable income relating to school insurance recharges as a result of schools converting to Academy status;
- £0.100m relating to additional staffing and agency expenditure in the SEN Assessment Service;
- £0.136m relating to additional expenditure around SEND Reform; and
- £0.032m relating to Get Oldham Working.

Children's Social Care

- 2.13.25 This area is projecting a virtually unchanged £0.267m underspend after the planned application of £0.457m of reserves to support transformational activity. There is an underspend of £0.888m across the various types of residential placements (including Rivendell House) plus a further favourable variance of £0.041m for No Recourse to Public Funds and assistance to families grant payments. There is an estimated £0.021m underspend on legal fees and an underspend of £0.344m on mainstream staffing.
- 2.13.26 There is a projected overspend of £0.145m for the adoption service due to inter-agency fee placements. The two in-house semi-independence units remain a cause for concern with a projected overspend of £0.369m due to staffing over establishments. There is a projected overspend of £0.513m relating to services for children with disabilities due to the reduction in funding from Rochdale Council for Gemini House and the high number of direct payments. Work has been undertaken to try and address the continued increase in the number of direct payments.
- 2.13.27 A key issue contributing to the reduction in expenditure and the resultant forecast underspend is a temporary slow-down in recruitment to the staffing structure, particularly in relation to Senior Officers; Assistant Director's, Heads of Service and Team Managers. Following the appointments of the Managing Director of Children's Services and the Director of Children's Social Care, work to finalise the structure is underway and recruitment is being accelerated. It is therefore anticipated that further structure changes will be required and that when posts have been fully recruited to (now likely to be 2020/21) the underspending will cease.

Preventative Services

- 2.13.28 Preventative Services includes Early Help, Targeted Youth, Tackling Troubled Families and the Multi Agency Safeguarding Hub (MASH) and is predicting an overall balanced position for the year.

Achievement of Budget Reductions

- 2.13.29 The Budget Reductions for Children's Services are solely in relation to the Portfolios share of cross cutting efficiencies, £0.289m in total, all of which is currently forecast to be delivered.

Reform

- 2.13.30 The following table shows the forecast position for the Reform portfolio after the approved and planned use of reserves.

Table 6 – Reform – Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
People	2,444	2,251	(6)	(198)
Public Health & HLA	22,590	22,997	(368)	39
Youth, Leisure & Communities	5,232	5,173	-	(59)
Transformation and Reform	105	571	(466)	-
Communications and Research	826	979	(52)	101
Policy	-	492	(492)	-
Strategy and Performance	1,092	1,025	-	(67)
Total Forecast Net Expenditure	32,290	33,488	(1,383)	(185)

- 2.13.31 The forecast outturn at month 9 shows an under spend of £0.185m (£0.073m at month 8). This is after the planned use of £1.383m reserves. The paragraphs below outline the main movements within the portfolio.
- 2.13.32 People Services is showing a favourable variance of £0.198m which relates to underspends on staffing costs.
- 2.13.33 Public Health and Heritage, Libraries and Arts (HLA) services together are continuing to show an overspend of £0.039m at month 9. An overspend within the Music Service and a pressure within Libraries in relation to a commercial letting is partially offset by underspends on staffing within the Library and Gallery services and also the PFI Contract.
- 2.13.34 Youth, Leisure and Communities is showing an overall underspend of £0.059m. The Service area includes a range of community-based services and includes District Partnerships and Community Safety which are forecasting an underspend of £0.099m primarily related to salary costs and vacant posts. The majority of the remaining services are reporting a net balanced outturn, with no significant variances either way across the range of services. Specifically, within Leisure and Youth Services a forecast over spend of £0.083m on Sports Development is being offset by a range of smaller favourable variances totalling £0.043m.
- 2.13.35 Both Transformation and Reform and Policy are showing a balanced position following a realignment of the budget to reflect new working arrangements following the previously mentioned service review.
- 2.13.36 Communications and Research is showing an overspend of £0.101m. This relates to additional agency staffing costs, unachievable income and additional spend on payments to contractors.
- 2.13.37 Strategy and Performance is showing a favourable variance of £0.067m. In the main this relates to vacant posts following the recent restructure, which are offsetting pressures on income and supplies and services.

Achievement of Budget Reductions

- 2.13.38 The approved Budget Reductions of £0.971m are all expected to be achieved within the financial year.

Commissioning

2.13.39 The table below shows the forecast position after the approved and planned use of reserves.

Table 7 - Commissioning - Forecast Outturn

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Commissioning and Procurement	273	526	-	254
Finance	9,651	11,260	(1,744)	(134)
Total Forecast Net Expenditure	9,923	11,787	(1,744)	120

Summary

2.13.40 The current forecast outturn position is an overspend of £0.120m (£0.151m at month 8).

Commissioning and Procurement

2.13.41 Commissioning and Procurement is reporting an overspend of £0.254m. The service is experiencing difficulties in recruiting to permanent posts and this is resulting in the necessity to retain interims to provide service continuity leading to an estimated £0.136m overspend. The service is also reporting a net adverse variance £0.118m against the in relation to the Early Payment scheme.

Finance

2.13.42 Finance is showing an underspend of £0.134m in the main due to vacant posts.

Achievement of Budget Reductions

2.13.43 The 2019/20 Budget Reductions for the Commissioning portfolio of £1.375m are forecast to be fully achieved.

Chief Executive

2.13.44 The table below shows the forecast position after the approved and planned use of reserves.

Table 8 – Chief Executive

	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Chief Executive	2,178	2,118	-	(60)
Chief Executive Management	1,579	1,579	-	-
Legal Services	3,146	3,027	(15)	(134)
Executive Office	562	506	-	(55)
Total Forecast Net Expenditure	7,465	7,231	(15)	(250)

Summary

- 2.13.45 The portfolio is showing an underspend of £0.250m at month 9 (£0.252m at month 8) after having applied £0.015m of reserves.

Chief Executive, Legal Services & Executive Office

- 2.13.46 Partnership Support within the Chief Executive Directorate is reporting a favourable variance of £0.060m at month 9. This relates to a reduction in GM contributions in 2019/20.
- 2.13.47 Legal Services is reporting an underspend of £0.134m at month 9. This is predominantly due to vacancies within Civic and Political Support and Constitutional Services.
- 2.13.48 The Executive Office is reporting an underspend of £0.055m relating to staffing vacancies.

Achievement of Budget Reductions

- 2.13.49 The Budget Reductions for the Chief Executive Portfolio in 2019/20 are £0.135m and are forecast to be fully achieved.

Capital, Treasury and Corporate Accounting

- 2.13.50 The following table shows the forecast position, incorporating all transfers to and from reserves within the portfolio.

Table 9 – Capital, Treasury and Corporate Accounting – Forecast Outturn

	Revised Budget £000	Forecast £000	Net Use of Reserves £000	Variance £000
Capital, Treasury and Corporate Accounting	5,385	1,437	(74)	(4,022)
Total Forecast Net Expenditure	5,385	1,437	(74)	(4,022)

Summary

- 2.13.51 The Portfolio includes the budgets associated with the Council's Treasury Management activities including interest payable on loans and interest receivable on investments. It also includes the revenue budgets associated with technical accounting entries. The projected year-end position shows a favourable variance of £4.022m at month 9 (£2.749m reported at month 8).
- 2.13.52 The favourable variance is mainly due to additional dividend income being received from external investments and the receipt of un-ringfenced grants, including at month 9, the Council's share of a £40m Business Rates Levy surplus re-allocation in the sum of £0.217m. This is partially offset by projected overspend of £0.489m with regard to the Annual Leave Purchase Scheme. This pressure is a continuation of that highlighted within 2018/19 and which has been addressed within the budget setting process for 2020/21.

2.13.53 Within the period there has been a net £0.074m use of reserves, this comprises the following off-setting transactions within the Capital, Treasury and Corporate Accounting Portfolio:

- Members will recall that Cabinet at its meeting on 16 December 2019, approved an increased contribution of £5.900m to the Section 75 pooled budget by Oldham Council. This contribution is being used by the CCG to invest in service changes which will yield benefits over the coming years allowing for differential contributions to the pooled fund from 2021/22 onwards. An Earmarked Reserve for this purpose is available and has now been utilised in 2019/20.
- The 2020/21 budget relies upon the use of a number of Earmarked Reserves (with a combined value of £5.826m) created in 2019/20 arising from the receipt of one-off resources from the Greater Manchester Combined Authority (GMCA). £3.113m relating to a refund of the 2019/20 Waste Levy and a total of £2.713m representing the Councils share of benefits arising from the GM 100% Business Rates Retention Pilot Scheme .

Achievement of Budget Reductions

2.13.54 The 2019/20 Budget Reductions for Capital, Treasury and Corporate Accounting total £2.038m and are forecast to be fully achieved.

Schools

2.13.55 The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education via the Dedicated Schools Grant (DSG). The DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School and Early Years Finance (England) (No 2) Regulations 2018 (superseded by the School and Early Years Finance Regulations 2020, which came into force on 21 February 2020). The Schools' Budget includes elements for a range of educational services provided on an authority wide basis and for the Individual Schools Budget which is divided into a budget share for each individual school.

2.13.56 Members will recall that the DSG is made up of the following 4 blocks of funding:

- Schools;
- High Needs;
- Early Years; and
- Central Schools Services.

2.13.57 Members will also recall that there is considerable pressure on the DSG, particularly the High Needs block. The pressure in the High Needs area is due to expenditure exceeding the High Needs budget available each year with key contributors being the:

- Increasing high needs population, such as special school places and resourced provision;
- Increasing number of Education Health Care plans requiring high needs top up funding within mainstream schools;
- Cost of providing local Pupil Referral Unit capacity to ensure that the Local Authority fulfils its statutory role; and
- High cost of external placements.

As a consequence, the Schools Forum agreed a 1% movement; equating to £1.878m between the Schools Block and High Needs Blocks in 2018/19. A further £1.594m (0.84%) movement of funds between the Schools Block and High Needs Blocks was agreed and has been actioned for 2019/20. A further 0.5% move between blocks has been agreed for 2020/21.

- 2.13.58 Despite the continued support from the Schools Block, the High Needs Block in Oldham is still expected to have an in-year deficit of £3.429m. This contributes to a deficit forecast of £14.069m as at 31 March 2020. The deficit is offset by cumulative virements and savings from the Schools and Early Years Blocks to leave a net deficit of £6.152m (as illustrated in the table below). This in turn is a significant element of the overall deficit on the DSG.

Table 10 – DSG- High Needs Block

	£000
Original Budget Allocation	32,839
Contribution from Schools Block (Schools Forum/ Sec. of State approval)	1,594
Imports and Exports	204
2019/20 Total Budget Available	34,637
Estimated Expenditure	(38,066)
Projected in Year Deficit	(3,429)
Deficit Brought Forward 01/04/2019	(10,640)
Cumulative Deficit	(14,069)
Offset by;	
Virement from Schools Block- 2016/17 to 2018/19	4,643
Savings in Schools and Early Years Block- Cumulative to 2018/19	3,274
Projected Deficit 31/03/2020	(6,152)

Overall DSG Position and Recovery Plan

- 2.13.59 There is a requirement that the DSG is brought back into balance and a DSG Financial Recovery Plan was submitted to the Department for Education in line with the deadline of 30 June 2019. As previously reported to Members the financial elements of the recovery plan have been continuously updated to take account of estimated additional cost pressures, formal notification of additional funding and the agreed funding methodology for 2020/21 (including a reduced 0.5% transfer of DSG funding between the Schools and the High Needs Funding Blocks for 2020/21) that was approved by Cabinet on 16 December 2019.
- 2.13.60 A report was presented to Schools Forum on 15 January 2020 showing the current projected deficit for 2019/20 as £6.033m. Further pressures in the next two years are offset by the increased funding to return the DSG to an estimated surplus of £0.177m by the end of 2021/22. It should be noted that the recovery plan is predicated on a further 1% transfer in 2021/22, for which both Schools Forum and Secretary of State approval would be required under the current regulations. The revised Recovery Plan is summarised in the table below:

Table 11 Overall DSG position

	2019/20 £000	2020/21 £000	2021/22 £000
Opening Balance - Surplus/(Deficit)	(2,723)	(6,033)	(4,000)
Savings - Schools Block	-	4,751	-
Savings - High Needs Block	1,023	3,305	4,525
Pressures - High Needs Block	(5,926)	(11,152)	(5,904)
Additional High Needs Funding	-	4,132	3,600
Additional Central Schools Block Funding	-	19	-
Transfer from Schools Block	1,593	978	1,956
NET FORECAST VARIANCE	(6,033)	(4,000)	177

2.13.61 The new 2020 Regulations (as referred to at 2.13.55 above) means that there will no longer be an automatic 1% trigger for the production of a DSG deficit recovery plan, instead the DfE will focus on those Authorities requiring help through a more measured and targeted approach. As the current recovery plan has been agreed with the Schools Forum, and it is appropriate to present information in this format at this time, it is proposed that the Authority will continue to use the recovery plan arrangements as an effective means of monitoring the DSG position and returning the deficit to a surplus and will continue to liaise with the Schools Forum accordingly with a further update scheduled for 18 March 2020.

Housing Revenue Account (HRA)

2.13.62 Table 12 compares the initially approved position to the current estimated outturn. The actual opening balance for 2019/20 at £21.304m was £0.062m less than the estimate of £21.366m. The original HRA forecast was for a planned in-year decrease in balances of £1.889m, mainly to support housing related expenditure in the capital programme. The revised forecast is for an increase in balances of £0.446m, a favourable movement of £2.335m. The variance is mostly attributable to the reprofiling of capital projects along with some additional income received from insurance refunds. The 2020/21 HRA budget has been agreed based on a balance of £21.750m of resources being available at the start of the financial year.

Table 12- Housing Revenue Account Forecast Position

HRA Income & Expenditure Account	Original Budget £000	Latest Forecast £000	Variance to Budget £000
HRA Balances Brought forward	(21,366)	(21,304)	62
(Surplus) / Deficit on HRA Services	1,889	(446)	(2,335)
HRA Balances Carried Forward	(19,477)	(21,750)	(2,273)

Collection Fund

2.13.63 The tables below show the forecast outturn position for the Collection Fund and the forecast position in relation to the share of balances.

Table 13 - Collection Fund Forecast Position

Collection Fund Balance	Council Tax £000	NDR £000	Total £000
Balance Brought Forward	(2,883)	(1,264)	(4,147)
Prior Year Surplus Released in Year	2,550	-	2,550
(Surplus)/Deficit for the Year	(77)	204	127
(Surplus) Balance Carried Forward	(410)	(1,060)	(1,470)

Table 14 - Collection Fund – Share of Balances; Forecast Position

	Council Tax £000	NDR £000	Total £000
Share - Oldham Council	(351)	(1,049)	(1,400)
Share - Greater Manchester Combined Authority (Police and Crime Commissioner)	(43)	-	(43)
Share - Greater Manchester Combined Authority (Fire and Rescue Services)	(16)	(11)	(27)
Total (Surplus) / Deficit	(410)	(1,060)	(1,470)

- 2.13.64 Council Tax and Business Rates are of fundamental importance with regards to funding Council services. However, these areas can be volatile and subject to a myriad of external influences, as such the financial position of the Collection Fund is under constant review.
- 2.13.65 A forecast in-year deficit of £0.127m (excluding the in-year release of the prior year Council Tax surplus of £2.550m, of which the Council's share is £2.269m) means that the projected year-end Collection Fund position (incorporating both Council Tax and Business Rates) is a surplus of £1.470m of which the share for the Council is £1.400m and is unchanged from the position reported at month 8. The 2020/21 revenue budget has been agreed based on the availability of the Council's element of the Collection Fund surplus (£1.400m) being released as a contribution to support the budget.
- 2.13.66 As previously advised, the Greater Manchester 100% Business Rates Retention Pilot has continued into 2019/20. It will also continue in 2020/21. The additional proceeds from the pilot are currently shared with GMCA who receive a maximum of 50% of the benefit in line with the original pilot agreement.

3 Use of Reserves

- 3.1 The total, in-year, net, planned use of reserves at month 9 is £6.762m (£6.540m at month 8). In relation to Earmarked Reserves a planned transfer to reserves of £11.879m is offset by the receipt of £5.826m of GMCA funding that will be received during 2019/20 and subsequently transferred to reserves to support the budget for the 2020/21 (as detailed in paragraph 2.13.53). There is a further £0.709m in-year use of Revenue Grant Reserves, all of which is in addition to the utilisation of £8.818m of reserves that were applied in setting the initial 2019/20 budget. A summary of the use of reserves is shown in table 15 below and a more detailed analysis is provided at Appendix 1.

Table 15 – Summary of Movement in Reserves

Movement in Reserves	£000
<i>In Year</i>	
Use of Ear Marked Reserves	11,879
Transfers to Ear Marked Reserves	(5,826)
Sub Total Ear Marked Reserves (Net)	6,053
Use of Revenue Grant Reserves	709
Net In-Year Use of Reserves	6,762
<i>Plus: Applied in setting the 2019/20 Budget</i>	
Ear Marked Reserves	8,818
Total Net Planned Use of Reserves	15,580

3.2 In line with the Council's reserves policy, the recommended use of reserves to fund spend during the year have been initially approved by the appropriate officers prior to consideration by Cabinet. In a change from previous years, the reserve will be drawn down against the approval at the end of the financial year after all the relevant expenditure has been incurred. Members will be aware that the forecast use of reserves can change throughout the year as decisions are made and that the total reserve usage will continue to change up to the year end.

4 Flexible Use of Capital Receipts

4.1 Members will recall that at the Council meeting of 27 February 2019, it was approved that up to £3.000m of capital receipts would be used to underpin the revenue budget in line with the flexibilities agreed by Secretary of State for Housing, Communities and Local Government in March 2016.

4.1 A number of schemes were identified which met the qualifying expenditure requirements as detailed within the statutory guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG). To date, each scheme is forecast to achieve the required outcomes with costs anticipated to be slightly lower than projected however still within the approved £3.000m.

5 Conclusion

5.1 The current projected position, after adjustment for reserves shows a further improved financial forecast and is, for the first time reporting an overall corporate underspend, notwithstanding which the forecast over spending within People and Place, Community Services and Adult Social Care and the Children's Services portfolios all remain a cause for concern. As outlined at paragraphs 2.10 to 2.12, management action has been taken to control expenditure in all areas, particularly those that are not subject to demand changes, in order to offset expenditure over which the Council has little control. The current financial position reflects the continued positive outcome of such activities.

5.2 In relation to demand led pressures; work, in the form of mitigations and alternative delivery solutions is on-going, there will, however, be an inevitable lead in time for these benefits to be realised. The implications arising from the 2019/20 in year position have been factored into financial planning estimates for 2020/21 and future years as appropriate.

Appendix 1 – Planned Use of Reserves 2019/20 - Month 9

Reserve Name	Balance as at 01 April 2019 £000	Forecast use 2019/20 £000	Anticipated Closing Balance 31 March 2020 £000	Reason for Use of Reserve
Earmarked Reserves				
Integrated Working Reserve				
Strategic Planning and Information	(40)	40	0	Supports delivery of Local plan taking into account the Greater Manchester Spatial Framework, as agreed in January 2017
Better Care Fund - Scheme 3	(316)	316	0	To support pressures within the adults social care community care budgets
Devolution	(240)	59	(181)	Supports delivery of Local plan taking into account the Greater Manchester Spatial Framework, as agreed in January 2017
Public Health (Bridgewater)	(411)	241	(170)	To support the extension of the Right Start contract delivered by the Bridgewater Community Healthcare NHS Trust
Transformation Reserve				
Transformation	(2,971)	932	(2,039)	Helps to deliver various Transformation projects across the Council
Pay Review	(454)	6	(449)	To fund costs incurred with pay reviews
Resident First	(180)	180	(0)	To provide funding to facilitate the Digital by Design project 2019/20
Public Health	(436)	2	(434)	To offset pressures within the Public Health Service
Regeneration Reserve				
Town Centre Masterplan	(3,147)	500	(2,647)	Costs associated with progressing the Town Centre Vision
Alexandra Park Depot Site Project	(300)	300	0	Costs associated with the development of a new Depot at Alexandra Park
Council Initiatives Reserve				
Green Dividend Ambassador	(67)	24	(43)	To fund the Green Dividend Ambassador costs in 2019/20
Learning & Attainment Reserve	(737)	250	(487)	Oldham Education Skills Commission Expected Activity in year
Local Welfare Provision	(731)	100	(631)	To fund costs incurred for the Local Welfare Provision scheme 2019/20
Leadership Priorities	(300)	145	(155)	To fund revenue costs relating to the Street cleaning initiative in 2019/20
Chadderton Historical Society	(20)	20	0	Reserves to support Chadderton Historical Society
Warehouse to Wheels	(53)	53	0	To cover payments for LGV training, tests and medicals
Career Advancement Service	(81)	81	0	Career Advancement Service
Digital Enterprise Hub	(72)	72	0	Reserve utilised to cover costs at Hack/Wyra
Northern Roots	(555)	245	(310)	Supporting the initial costs for Northern roots
Emergency and External Events Reserve				
Emergency Incident, Threat or Hazard	(250)	70	(180)	Emergency repairs; Denshaw and St Paul's church

Fiscal Mitigation Reserve				
District Partnership Excess	0	(224)	(224)	As agreed at Annual Council on 22 May 2019, £0.224m of uncommitted funds from the District Partnership Reserve to be re-prioritised for priority Council initiatives
Fiscal Mitigation Reserve	(872)	25	(847)	To fund Pensions Auto Enrolment
Oldham Health Economy	(5,900)	5,900	0	As approved by Cabinet at its meeting of 16 December 2019, this use of reserves will support the Oldham Health Economy
Business Rates	(1,753)	1,619	(134)	Payment to Greater Manchester Combined Authority with regard to their share of the 100% Business Rate Retention Pilot Scheme for 2018/19
Directorate Reserve				
Catering Services IT	(25)	25	0	To fund implementation of a new IT system within the catering service
Mercury Emissions	0	(78)	(78)	Resources to support works around mercury abatement equipment in future years
Local Safeguarding Children's Board	(110)	90	(20)	To fund additional staffing resource to meet the Safeguarding Partnership Board's ambition
Highways System Replacement	(56)	16	(39)	To provide for revenue costs associated with the Tranman system
License Fees	(64)	35	(29)	To offset additional costs for 2019/20 within the Licensing service using funds generated in previous years
Ash die back and other related tree diseases	(50)	50	0	To fund additional costs incurred as a result of an increase in the number of trees across the borough with tree related diseases
Highways / Environmental Services	(283)	43	(240)	Annual payments to CAMEO to support the upgrade of cremators with mercury abatement equipment
Adult Social Care Reserve	(781)	465	(316)	To support pressures within the adults community care budgets and contractual obligations re pay awards within Miocare
Registrars Reserve	(15)	15	0	To create a storage room for data sensitive registration records in the cellar at Chadderton Town Hall
Legal Fees re CWD Team	(8)	8	0	Complaints for independent investigations
Lifecycle Costs				
Fleet Replacement Programme	(1,110)	30	(1,080)	To support future years vehicle maintenance in line with the Fleet Replacement programme
District Partnership Reserve				
District Partnership carry forwards	(733)	224	(509)	Reserve to be re-prioritised for priority Council initiatives
Sub Total	(23,121)	11,879	(11,242)	

Balancing Budget Reserve				
Housing 21 Budget Reduction	(250)	250	0	As agreed by Council 27 February 2019, £8.818m of Earmarked Reserves to be used to balance the 2019/20 revenue budget
Corporate Reserve to balance budget	(3,890)	3,890	0	
Waste Smoothing	(157)	157	0	
Business Rates Return on Growth	(1,825)	1,825	0	
Business Rates Retention - National Levy Account 2018/19 Surplus	(978)	978	0	
Business Rates 2018/19 Pilot Scheme Gain	(1,218)	1,218	0	
Business Rates Retention Pilot	(500)	500	0	
Waste Levy Refund 2019/20	0	(3,113)	(3,113)	This transfer to reserves relates to a refund of 2019/20 Waste Levy which will be received in year and which is proposed to be used to support the 2020/21 revenue budget
2019/20 Business Rates Pilot Scheme Gain	0	(1,413)	(1,413)	This transfer to reserves relates to GMCA Returned Resources for the GM 100% Business Rates Retention Pilot Scheme surplus and which is proposed to be used to support the 2020/21 revenue budget
Business Rates Retention Returned Funding	0	(1,300)	(1,300)	This transfer to reserves relates to additional resources made available during 2019/20 arising from benefits of the GM 100% Business Rates Retention Pilot Scheme and which is proposed to be used to support the 2020/21 revenue budget
Sub Total Balancing Budget Reserve	(8,818)	2,992	(5,826)	
Total Planned Use of Earmarked Reserves 2019/20	(31,939)	14,871	(17,068)	
Revenue Grant Reserves				
High Needs Strategic Planning	(11)	11	0	To support various SEND Activities throughout 2019/20
SEND Reform / Implementation	(147)	147	0	To support various SEND Activities throughout 2019/20
SuDs funding	(82)	30	(52)	Use of reserve to fund works related to the Local Plan
Pocket Park Funding	(10)	10	0	To fund works at Lees Street in Shaw
High Street Clean Up Fund	(32)	32	0	To fund clean-up activities within communities in Oldham
GMCA Targeted - Children's Review	(500)	138	(362)	To support implementation costs of the GM Stockport family model
Tackling Troubled Families	(1,407)	130	(1,277)	Early help support towards delivery; tackling troubled families
Children's Social Care - National Assessment and Accreditation System	(118)	25	(93)	Implementation of the national assessment and accreditation system
Well North Growing Oldham Feeding Ambition funding	(438)	185	(253)	Supporting various feeding projects around the community in Oldham
Total Planned Use of Revenue Grant Reserves 2019/20	(2,745)	709	(2,036)	
Total Planned Use of Reserves 2019/20	(34,684)	15,580	(19,104)	

Appendix 2

FINANCING OF THE 2019/20 BUDGET AT MONTH 9

	£000	£000
Net Expenditure Budget		(229,067)
Financed by:		
Business Rates Top-up Grant	(40,653)	
Grants in Lieu of Business Rates	(10,503)	
Improved Better Care Fund Grant - Tranche 1	(8,150)	
Improved Better Care Fund Grant – Tranche 2	(1,586)	
Independent Living Fund Grant	(2,580)	
Adult Social Care Support Grant	(1,917)	
Winter Resilience Grant	(1,122)	
Housing Benefit & Council Tax Administration Grant	(1,121)	
New Homes Bonus Grant	(961)	
School Improvement Monitoring & Brokerage Grant	(254)	
GMCA Mayoral Grant	(122)	
DWP - Implementation of Universal Credit Grant	(68)	
DWP - New Burdens Grant	(104)	
Homelessness Support Grant	(194)	
Homelessness New Burdens Grant	(62)	
Lead Local Flood Authority Grant	(12)	
Extended Rights to Free Travel Grant	(36)	
Staying Put Grant	(63)	
Extended Personal Advisor Duty Implementation Grant	(21)	
Verify Pensions Earnings Service	(39)	
Retail Discounts New Burdens Grant	(9)	
Brexit Preparation Funding Grant	(210)	
MHCLG Future High Streets Fund	(150)	
Opportunity Area Grant	(1,000)	
LASSAL and War Pensions Disregard Grant	(211)	
Business Rates Final Settlement	(217)	
Capital Grants	(3,420)	
Total Government Grant Funding		(74,786)
Council Tax Income - General	(85,677)	
Council Tax Income - Adult Social Care Precept	(6,691)	
Collection Fund Surplus	(2,269)	
Retained Business Rates	(50,826)	
Total Locally Generated Income		(145,463)
Total Grant and Income		(220,249)
Balance to be addressed by Use of Reserves		(8,818)
Total Financing		(229,067)

CAPITAL INVESTMENT PROGRAMME REPORT 2019/20

Month 9 - December 2019

1 Background

- 1.1 The original capital programme for 2019/20 reflects the priorities outlined in the 2019/20 to 2023/24 Capital Strategy and Capital Programme as approved at Cabinet on 11 February 2019 and confirmed at the Council meeting on the 27 February 2019.
- 1.2 The 2019/20 position as at 31 December 2019 is highlighted in this report having regard to new developments and changes expected before the year end.
- 1.3 It is important to note that the Capital Programme projections for future years reflect the Capital Strategy and Capital programme approved at Budget Council on 26 February 2020. This included a significant increase in forecast spending arising from the Creating a Better Place strategy and extended the capital planning period to 2024/25.

2 Current Position

- 2.1 The approved capital programme summary position for the five years 2019/20 to 2023/24, approved by Council on 27 February 2019 is summarised in Table 1 and shows capital programme expenditure of £84.332m in 2019/20.

Table 1 : Original Budget - Capital Programme 2019/20 to 2023/24

2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
£000	£000	£000	£000	£000	£000
84,332	77,706	80,785	13,411	5,964	262,198

- 2.2 Table 2 shows the revised capital programme for 2019/20, with revised expenditure of £52.048m as at 31 December 2019. This is after taking account of approved new schemes and other approved and proposed variations as discussed below. There is therefore a net decrease in anticipated expenditure in 2019/20 of £11.897m compared to £63.945m reported at Month 8.
- 2.3 Actual expenditure to 31 December 2019 was £41.685m (80.09% of forecast outturn. This spending profile is in line with previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

Table 2 – 2019/20 Capital Programme

Directorate	Revised Budget (M08) £000	Approved Amendments (to M09) £000	Proposed Virement/ Rephase £000	Revised Budget (M09) £000	Forecast £000
Corporate Services	7,836	(53)	(2,912)	4,871	4,871
Children's Services	18,781	-	(2,857)	15,924	15,924
Community Services & Adult Social Care	2,029	-	13	2,042	2,042
Housing Revenue Account	1,854	-	181	2,035	2,035
People and Place	33,406	54	(6,394)	27,066	27,066
Reform	39	(1)	72	110	110
Overall Total	63,945	-	(11,897)	52,048	52,048

(subject to rounding – tolerance +/- £1k)

2.4 There is no forecast variance projected. A further breakdown of Table 2 on a scheme by scheme basis is shown at Appendices A to F.

2.5 The budget changes to month 9 agreed since the approval of the month 8 report at Cabinet on 10 February 2020 have a neutral impact, as summarised in the table below:

Table 3 Approved Budget Changes

Capital Treasury and Technical Accounting	£000
Provision for Residual Schemes	(13)
Funding for Emerging Priorities	(40)
Sub Total	(53)
People and Place	
Residual Street Lighting Requirements	13
Boroughwide Business Grants Programme	40
Q2 Budget Correction	1
Sub Total	54
Reform	
Q2 Budget Correction	(1)
Sub Total	(1)
Total Approved Budget Changes	0

2.6 In addition there is a further proposed reduction of £11.897m in the budget due to virements and the re-phasing of a number of schemes, for which approval is now sought, as detailed in Appendix G.

Re-profiling of the Capital Programme

2.7 The revised (and extended) capital programme for 2019/20 to 2024/25, taking into account all the above in-year amendments, updated to include the Capital Strategy and Capital Programme 2020/21 to 2024/25 approved at Council on 26 February 2020, is shown in Table 5 together with the projected financing profile.

Table 5 – 2019/2025 Capital Programme

Directorate Budget	Revised Budget 2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTAL £000
Corporate Services	4,871	12,362	3,576	4,200	3,200	1,500	29,709
Children's Services	15,924	18,447	12,305	5,000	-	-	51,676
Community Services & Adult Social Care	2,042	3,400	703	400	400	400	7,345
Housing Revenue Account	2,035	5,357	3,922	3,800	2,835	-	17,949
People and Place	27,066	119,704	110,562	89,110	34,564	55,073	436,078
Reform	110	274	400	-	-	-	784
Grand Total	52,048	159,544	131,467	102,510	40,999	56,973	543,542
Funding							
Grant & Other Contributions	(26,677)	(37,032)	(20,590)	(4,452)	(1,973)	(1,973)	(92,696)
Prudential Borrowing	(15,183)	(102,853)	(99,100)	(84,506)	(27,342)	(55,000)	(383,984)
Revenue	(1,605)	(5,793)	(3,922)	(6,200)	(7,735)	-	(25,254)
Capital Receipts	(8,583)	(13,867)	(7,855)	(7,353)	(3,949)	-	(41,607)
Grand Total	(52,048)	(159,544)	(131,467)	(102,510)	(40,999)	(56,973)	(543,542)

(subject to rounding – tolerance +/- £1k)

Capital Receipts

- 2.8 The Capital Strategy and Capital Programme 2020/25 introduced an expectation of the level of receipts that is anticipated in each of the respective years and therefore an estimate as to the resultant level of over or under programming in order to present a balanced budget.
- 2.9 As a result of the approval of the Capital Strategy 2020 to 2025 the capital receipt profile has been amended to reflect the latest approved position. After taking account of confirmed in year receipts of £8.075m there is an anticipated £2.243m worth of further receipts expected to be realised, creating an in-year estimated surplus of £1.735m (as demonstrated in Table 6 below). Any shortfall in Capital Receipts will require an additional call on other financing sources which may have an impact on future revenue budgets. Given the significant amount of receipts needed to finance the capital programme in both the current and all future years, monitoring of the position will continue to take place through the monthly Capital Receipts meeting.

Table 6 – Capital Receipts 2019/2025

Capital Receipts	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Receipts Carried Forward	-	(1,735)	899	1,721	9,041	12,990
Received in year	(8,075)					
Additional estimated Capital Receipts in year	(2,243)	(11,234)	(7,033)	(33)	-	-
Total Receipts	(10,318)	(12,969)	(6,134)	1,688	9,041	12,990
Capital Receipts Financing Requirement	8,583	13,867	7,855	7,353	3,949	-
Over/(Under) programming	(1,735)	899	1,721	9,041	12,990	12,990

(subject to rounding – tolerance +/- £1k)

- 2.10 As noted above, the most recent projections are for there to be a continued shortfall across the whole of the 2019-2025 capital programme. However, the Creating a Better Place strategy will incorporate a thorough and on-going review of the asset disposal programme and it is therefore expected that as the strategy gathers pace, the deliverability of the capital receipts target will be accelerated and delivered.

3 Conclusion

- 3.1 Whilst the current estimated forecast outturn position is £52.048m, it is possible that as the year end draws to an end, further reprofiling may still be required. This will be addressed as part of the year end process.
- 3.2 The capital programme has been continually monitored and has been reported to Members on a regular basis.

4 Appendices

- 4.1 Appendix A - SUMMARY – Month 9 – Corporate Services
 Appendix B - SUMMARY – Month 9 - Children’s Services
 Appendix C - SUMMARY – Month 9 - Community Services & Adult Social Care
 Appendix D - SUMMARY – Month 9 - Housing Revenue Account (HRA)
 Appendix E - SUMMARY – Month 9 - People and Place
 Appendix F - SUMMARY – Month 9 - Reform
 Appendix G - SUMMARY – Month 9 - Proposed Variations

SUMMARY – Month 9 – Corporate Services

Service area	Revised Budget (M08) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M09) £000	Forecast £000
Corporate	7,836	(53)	(2,912)	4,871	4,871
	7,836	(53)	(2,912)	4,871	4,871

Major Variances Commentary

No additional variances to report

SUMMARY – Month 9 - Children's Services

Service area	Revised Budget (M08) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M09) £000	Forecast £000
Children, Young People & Families	623	-	(27)	596	596
Schools – General Provision	3,122	-	(610)	2,512	2,512
Schools – Primary	2,756	-	(1,750)	1,006	1,006
Schools – Secondary	10,773	-	(508)	10,625	10,625
Schools – Special	1,507	-	37	1,544	1,544
	18,781	-	(2,857)	15,924	15,924

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – Month 9 - Community Services & Adult Social Care

Service area	Revised Budget (M08) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M09) £000	Forecast £000
Adult Services	2,029	-	13	2,042	2,042
	2,029	-	13	2,042	2,042

Major Variances Commentary

No additional variances to report

SUMMARY – Month 9 - Housing Revenue Account (HRA)

Service area	Revised Budget (M08) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M09) £000	Forecast £000
Housing Revenue Account	1,854	-	181	2,035	2,035
Reform Total	1,854	-	181	2,035	2,035

Major Variances Commentary

No additional variances to report

SUMMARY – Month 9 - People and Place

Service area	Revised Budget (M08) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M09) £000	Forecast £000
Asset Management	3,359	-	(1,584)	1,775	1,775
Asset Management - Education Premises	2,040	1	(1,393)	648	648
Boroughwide Developments	1,332	-	(50)	1,282	1,282
Development	448	-	(295)	153	153
District Partnership – Boroughwide	70	40	(75)	35	35
Environment - Countryside	222	-	(71)	151	151
Environment - Parks	26	-	-	26	26
IT	4,105	-	(300)	3,805	3,805
Parks & Playing Fields	8	-	(8)	0	0
Private Housing - HMRF	250	-	(90)	160	160
Private Housing	2,000	-	(66)	1,934	1,934
Public Realm	233	-	(128)	105	105
Schools - Special	105	-	(3)	102	102
Strategic Acquisitions	3,496	-	(1,314)	2,182	2,182
Town Centre Developments	853	-	115	,968	968
Transport - Accident Reduction	333	-	(52)	281	281
Transport - Bridges & Structures	1,028	-	(97)	931	931
Transport - Fleet Management	3,342	-	18	3,360	3,360
Transport - Highway Major Works/ Drainage schemes	6,365	-	(664)	5,701	5,701
Transport - Metrolink	155	-	-	155	155
Transport - Minor Works	690	-	98	788	788
Transport - Miscellaneous	2,921	-	(419)	2,502	2,502
Transport - Street Lighting	25	13	(17)	21	21
	30,406	54	(6,394)	27,066	27,066

(subject to rounding – tolerance +/- £1k)

SUMMARY – Month 9 - People and Place Cont'd**Major Variances Commentary**

No additional variances to report

SUMMARY – Month 9 – Reform

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Service area	Revised Budget (M08) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M09) £000	Forecast £000
District Investment Fund	39	(1)	72	110	110
	39	(1)	72	110	110

Major Variances Commentary

No additional variances to report

SUMMARY – Month 9 - Proposed Variations

Portfolio / Service / Cost Centre	2019/20	2020/21	Proposed Action
	£000	£000	
Capital Treasury and Technical Accounting			
Provision for CPOs	(26)	26	Rephase to future years
Funding for Emerging Priorities	(662)	662	Rephase to future years
Share Purchase	(1,829)	1,829	Rephase to future years
Coroners Accommodation	(395)	395	Rephase to future years
Capital Treasury and Technical Accounting Total	(2,912)	2,912	
Children's Services			
2 YO- General Provision	(27)	27	Rephase to future years
Suitability in Schools	(8)	8	Rephase to future years
Greenfield Primary- temporary classroom & playing fields block	(451)	451	Rephase to future years
Health Pupil Capital Fund (HPCF) - General Provision	(51)	51	Rephase to future years
Greenfield Primary School -temp Kitchen pod and temp classroom	(106)	106	Rephase to future years
Holy Trinity - Expansion to 30 PAN	(20)	20	Rephase to future years
SEND - Oasis Limeside	6	(6)	Accelerate from future years
Clarksfield Primary (Oasis Academy) Expansion	(500)	500	Rephase to future years
St Herbert's Expansion	7	(7)	Accelerate from future years
Mayfield Academy Expansion	(759)	759	Rephase to future years
Crompton House - Additional 4FE	164	(164)	Accelerate from future years
The Oldham Academy North - Additional 2FE	(204)	204	Rephase to future years
Oasis Academy - Additional 2FE	(10)	10	Rephase to future years
North Chadderton School Expansion	(75)	75	Rephase to future years
Kingfisher School - Expansion of PAN and Hydro Pool Replacement	(57)	57	Accelerate from future years
Saddleworth School New Build	(307)	307	Rephase to future years
Devolved Formula Capital Grant (Various Schools)	(459)	459	Rephase to future years
Children's Services Total	(2,857)	2,857	

Portfolio / Service / Cost Centre	2019/20	2020/21	Proposed Action
	£000	£000	
Community Services & Adult Social Care			
Disabled Facilities Grant- Boroughwide	13	-	Additional Private Contribution
Community Services & Adult Social Care Total	13	-	
Housing Revenue Account			
PFI2 Extra Care Housing Scheme	(5)	5	Rephase to future years
Supported Housing for adults with a Learning Disability and/or complex behaviour	436	-	Additional HRA Funding
HRA Capital Strategy	(250)	250	Rephase to future years
Housing Revenue Account Total	181	255	
People and Place			
Corporate Property - Legislative Repair Works (DDA/Legionella/H&S)	556	(556)	Accelerate from future years
Disposal Programme – Pre-sales Expenditure (Corporate Property)	(135)	135	Rephase to future years
Backlog Maintenance- Phase 2- Medlock Vale Aqueduct- structural defects / health & safety	(59)	59	Rephase to future years
Backlog Maintenance- Phase 2- Thornley Brook Bridge- structural defects / health & safety	(76)	76	Rephase to future years
Holy Trinity Church, Bardsley - Boundary wall	(40)	40	Rephase to future years
Greenacres Cemetery - entrance lodge, boundary walls, archway and roof	(22)	22	Rephase to future years
Valley New Rd, Back Lee St, Ladcastle Rd and Pingot Lane - Flooding /Env. Pollution	-	-	Rephase to future years
Backlog Maintenance. - Acorn Centre – Asbestos encapsulation works to roof	(129)	129	Rephase to future years
Backlog Maintenance - Civic Centre 2nd Lift	(56)	56	Rephase to future years
Backlog Maintenance - Civic Centre Security Phase 2	(24)	24	Rephase to future years
Backlog Maintenance - Moorhey Street Depot Roof	(28)	28	Rephase to future years
Backlog Maintenance - Moorhey Street Depot - Re-wire	(230)	230	Rephase to future years

Portfolio / Service / Cost Centre	2019/20	2020/21	Proposed Action
	£000	£000	
Backlog Maintenance - Cemetery Pathways	4	(4)	Accelerate from future years
Backlog Maintenance - Medlock Vale and Edward Road, Shaw Flooding Alleviation	(49)	49	Rephase to future years
Backlog Maintenance - Huddersfield Road, Diggle - Retaining Wall	43	(43)	Accelerate from future years
Link Centre	(79)	79	Rephase to future years
Central Records Relocation to Meridian Business Centre	(102)	102	Rephase to future years
Tommyfield Market - Essential Heating Works	(49)	49	Rephase to future years
Ferney Field, Chadderton - Flood/Drainage Defences	(60)	60	Rephase to future years
Alexandra Park North Lodge and Conservatories	(269)	269	Rephase to future years
Old Mill Lane, Grotton - Burghley Close Greenacres	(281)	281	Rephase to future years
Queen Elizabeth Hall - Electrical upgrade	(235)	235	Rephase to future years
Holyrood Street - Derker	(136)	136	Rephase to future years
Oldham Failsworth Royton Saddleworth Sports Centre	(54)	54	Rephase to future years
Civic Centre - Heating Hot Water Level 2	(74)	74	Rephase to future years
Hilton Arcade Roofing	(20)	20	Rephase to future years
New Barn changing Rooms - Essential repairs	20	(20)	Accelerate from future years
Essential Condition Works - General Provision	(317)	317	Rephase to future years
Primary School Kitchens - upgrades	(1)	1	Rephase to future years
Knowsley Primary School - Essential DDA works	86	(86)	Accelerate from future years
Backlog Maintenance - Stanley Road Electrical/Alarm	(220)	220	Rephase to future years
Early Years Estate Rationalisation	(10)	10	Rephase to future years
Backlog Maintenance - South Failsworth Primary - External Cladding & Playground	(100)	100	Rephase to future years
South Failsworth Primary School - Phase 1 Heating Upgrade	(250)	250	Rephase to future years
Saddleworth School - Essential Electrical Rewiring and Circuit Replacement Works	(123)	123	Rephase to future years
Springhead Primary School - Re-roof	85	(85)	Accelerate from future years
Delph Primary School - Safeguarding Works	25	(25)	Accelerate from future years
Community Schools Kitchens - Equipment Upgrade	(85)	85	Rephase to future years

Portfolio / Service / Cost Centre	2019/20	2020/21	Proposed Action
	£000	£000	
Blackshaw Lane Heating	(171)	171	Rephase to future years
Greenfield St Marys Retaining Wall	(167)	167	Rephase to future years
South Failsworth Primary Roofing	(110)	110	Rephase to future years
Disposal Programme - Pre Sales Expenditure (Strategic Regeneration)	(28)	28	Rephase to future years
Hollinwood / Langtree Regeneration	346	(346)	Accelerate from future years
Royton Town Hall	(371)	371	Rephase to future years
Leisure Review - Boroughwide Sports Provision	(28)	28	Rephase to future years
Alexandra Park Depot	10	(10)	Accelerate from future years
Oldham Magistrates Court	(295)	295	Rephase to future years
Shaw & Lees District Centres Business Support (Neighbourhood Developments)	(23)	23	Rephase to future years
A62 Oldham Road Corridor- Manchester Boundary to M60 Motorway- District Centres Business Support (Neighbourhood Developments)	(15)	15	Rephase to future years
Boroughwide Business Grants Programme	(30)	30	Rephase to future years
Purchase of machinery (environmental services)	(71)	71	Rephase to future years
Incline Rd Hollinwood - Install New Play Equipment	15	(15)	Accelerate from future years
Lees Village Centre	-	-	Accelerate from future years
IT Developments	(88)	88	Rephase to future years
Investments in IT	(123)	123	Rephase to future years
IT- Server Refresh	(31)	31	Rephase to future years
Resident First - Phase 3	110	(110)	Accelerate from future years
IT - Creating an Agile & Efficient Council	94	(94)	Accelerate from future years
IT - Harnessing the Power of Data	(52)	52	Rephase to future years
IT - Strengthening Governance & Capability	(3)	3	Rephase to future years
IT - Business Systems	(206)	206	Rephase to future years
Granby St Pitch	(21)	21	Rephase to future years
Cottam Street Pocket Park	(2)	2	Rephase to future years
Equity Homes Loans	(90)	90	Rephase to future years
Foxdenton - Broadway Green Phase 2	(66)	66	Rephase to future years

Portfolio / Service / Cost Centre	2019/20	2020/21	Proposed Action
	£000	£000	
Yorkshire Street Triangle	(132)	132	Rephase to future years
Oldham Town Centre Pedestrian and Cyclist Signage	4	(4)	Accelerate from future years
Kingsland School Kitchen replacement	(3)	3	Rephase to future years
Investment Property Purchase	(1,314)	1,314	Rephase to future years
Oldham Heritage & Arts Centre – Off Site Storage	(125)	125	Rephase to future years
Princes Gate Site C	85	(85)	Accelerate from future years
A669 Middleton Road / Garforth Street / Peel Street	(34)	34	Rephase to future years
Wellyhole Street / Constantine Street Traffic Calming	(17)	17	Rephase to future years
Bridge Work - King Street Roundabout Footbridge	(185)	185	Rephase to future years
Br 504 Union Street West Footbridge	(12)	12	Rephase to future years
Minor Drainage Works - Localised Wet Spot Treatment	(1)	1	Rephase to future years
A62 Huddersfield Road (opposite Heywood Ave) Retaining Wall	(2)	2	Rephase to future years
Daisy Nook Bridge Parapet	-	-	Accelerate from future years
Fleet Replacement Vehicles 7 years	(1)	1	Rephase to future years
Specific schemes to support BSF projects	(10)	10	Rephase to future years
Transport Investment	(83)	83	Rephase to future years
Unclassified Network - Thin Treatment Schemes	17	(17)	Accelerate from future years
Incentive Fund 2017/18	(64)	64	Rephase to future years
Featherstall Road Roundabout (Signalisation and Provision of Pedestrian Facilities)	1	(1)	Accelerate from future years
REP - Secondary Corridor Schemes	22	(22)	Accelerate from future years
REP - Accident Reduction Schemes	(54)	54	Rephase to future years
2019/20 HIP Schemes – Amber	(204)	204	Rephase to future years
2019/20 HIP Schemes – Red	143	(143)	Accelerate from future years
Stannybrook Road (Daisy Nook Farm to Boundary)	(37)	37	Rephase to future years
A672 Ripponden Road (Dumfries Avenue to Boundary)	(91)	91	Rephase to future years
A669 Lees Road/Moorhey Street/Mount Pleasant Street Junction	(8)	8	Rephase to future years
Acorn Street, Lees	11	(11)	Accelerate from future years
Partington Street, Failsworth – Traffic Calming	3	(3)	Accelerate from future years

Portfolio / Service / Cost Centre	2019/20	2020/21	Proposed Action
	£000	£000	
DfT Safer Roads Fund	(262)	262	Rephase to future years
Pot Hole Funding	170	(170)	Accelerate from future years
Public Rights of Way (PRoW) Improvements	(10)	10	Rephase to future years
Eastern Gateway Improvements (Prince's Gate)	(226)	226	Rephase to future years
Flood Defence: Delph New Road Oldham	16	(16)	Accelerate from future years
Growth Deal 3 - Programme Management Support	(24)	24	Rephase to future years
Haven Lane - Traffic Calming / 20 mph zone	(21)	21	Rephase to future years
Growth Deal 3 - Waterloo Street - Rhodes Bank Traffic Signal Junction	(7)	7	Rephase to future years
Growth Deal 3 – Town Centre Hunters Lane Improvements	(1)	1	Rephase to future years
Corridor Improvement Schemes	(26)	26	Rephase to future years
People and Place Total	(6,394)	6,394	
Reform			
DIF - Chadderton District Partnership (3 wards)	9	(9)	Accelerate from future years
DIF - Oldham District Partnership (7 wards)	23	(23)	Accelerate from future years
DIF - Royton District Partnership (2 wards)	12	(12)	Accelerate from future years
DIF - Saddleworth & Lees District Partnership (3 wards)	13	(13)	Accelerate from future years
DIF - Shaw & Crompton District Partnership (2 wards)	17	(17)	Accelerate from future years
DIF- Coalshaw Green MUGA	(2)	2	Rephase to future years
Reform Total	72	(72)	
Grand Total	(11,897)	12,346	



Report to Cabinet

Charging Order and Insolvency Policy

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Services

Officer Contact: Anne Ryans, Director of Finance

Report Author: Adam Parsey, Exchequer Client Manager (Revenues) and Caroline Lee, Head of Revenues, Benefits and Business Support

Ext. 1656

23 March 2020

Reason for Decision

To present an updated Charging Order and Insolvency Policy for Cabinet approval.

Executive Summary

This report sets out an updated policy for the use of Charging Orders and Insolvency to recover unpaid Council Tax, Business Rates (also known as Non-Domestic Rates), Housing Benefit Overpayments and Sundry Debt.

The report advises of:

- Legislative changes
- Details of the process for enforced sale
- Details of the process for determining the vulnerability of the debtor prior to taking action

Recommendations

It is recommended that the updated Charging Order and Insolvency Policy attached at Appendix 1 of the report is approved.

Charging Order and Insolvency Policy**1 Background**

- 1.1 The Council is responsible for the collection of Council Tax, Business Rates (also known as Non-Domestic Rates), Housing Benefit Overpayments, and Sundry Debts. The Unity Partnership Ltd. administers debt collection on behalf of the Council.
- 1.2 Most taxpayers and businesses in Oldham meet their local tax obligations as required. For those who do not engage with the Council to meet their liability, payments can be enforced using a range of methods including use of enforcement agents (formerly known as bailiffs), and deductions from earnings or benefits.
- 1.3 There are also instances where it is appropriate to recover arrears owed to the Council through other methods. In those instances, legislation provides that Authorities can seek alternative routes for recovering debts. These include Charging Orders and Insolvency proceedings. These methods are used principally when debtors have the means to pay, such as owning capital assets, but are refusing to engage with the Council to do so.
- 1.4 The law relating to Insolvency, both personal and corporate, is principally contained in the Insolvency Act 1986 and the Insolvency Rules 1986. Bankruptcy proceedings are taken against individuals and liquidation (or winding-up) proceedings are taken against Limited Companies.
- 1.5 Bankruptcy action can be taken against any debtor who owes in excess of £5,000 to creditors and who, for whatever reason, is unable to satisfy the creditor's claims in full. A debtor may also initiate action by petitioning for their own bankruptcy.
- 1.6 The Charging Order Act 1979 enables the Council to secure the value of debt owed by a debtor against equity in a property owned by the debtor through a County Court Judgement. This is known as a Charging Order. This means that the Council can recover money owed to it from the sale price of the property when it is sold, if there is enough equity to do so.
- 1.7 The Law of Property Act 1925 enables the Council to request that the Court enforces the sale of a property on which the Council has secured Charging Order(s). This is known as an Order for Sale or Enforced Sale. If this action is instigated, the Council may obtain possession of the property in order to sell it. The proceeds of the sale will be used to pay debts owed to the Council if there is enough equity to do so.
- 1.8 There is no legal requirement for the Council to have a policy regarding the use of Charging Orders and Insolvency Action. However, Local Government and Social Care Ombudsman decisions on cases involving the user of Bankruptcy make clear they expect Local Authorities to have a policy in place. This is specifically highlighted in the Manchester City Council Case (07B10432 FR) where the investigator determined that they 'consider it maladministration for an authority not

to have such a policy for the guidance of its staff in such an important area of public decisions’.

2 **Current Position**

- 2.1 The current Charging Order and Insolvency policy was introduced in November 2011 and now requires updating to reflect the most recent changes in legislation. The updated policy, set out at Appendix 1, reflects current legislative arrangements.
- 2.2 Most cases considered for Charging Order action relate to long term empty properties. Properties are deemed Long Term Empty if they are unoccupied and unfurnished for over two years. Long Term Empty properties are subject to a 100% Council Tax premium (200% Council Tax payable).
- 2.3 All cases considered for Charging Order and/or Insolvency Action are subject to approval by the Debt Recovery Panel. The Debt Recovery panel is a cross service Council panel who consider and approve enforcement action for proposed cases for Insolvency, Charging Order and Enforced Sale and consists of representatives from The Unity Partnership Ltd, Corporate Governance, Legal, and Finance.
- 2.4 It is important to consider vulnerability issues prior to taking Bankruptcy action or Order for Sale and this forms part of the decision-making process. The proposed policy sets out the procedure to be followed to check that vulnerability issues have been taken into account prior to considering action against the debtor. For cases where there may be potential vulnerability, a representative from the Adult Social Care service will be invited to attend the Debt Recovery Panel to provide advice and guidance to ensure that all matters are given due consideration with regard to a decision as to the appropriate course of action
- 2.5 Although Charging Orders secure the outstanding debt against equity in the property, the Council cannot recover the debt until the property is sold. In some cases, Charging Orders are applied for over many years, often against empty properties and Enforced Sale may be appropriate in these cases. The Council has identified properties for potential Enforced Sale; the properties initially identified are long term empty properties (for example, the owners of 2 long-term empty properties identified for this action have collective Council Tax arrears in excess of £40k). It is hoped that legal action taken to force the sale of these properties will result in payment of the arrears in full. This also aligns with the initiatives that the Council has approved to bring empty properties back into use and hence be re-occupied.
- 2.6 Any action taken to enforce sale to collect debt will be recommended by the Debt Recovery Panel and agreed with the Cabinet Member for Finance and Corporate Services before proceedings are begun. The proposed policy details the updated procedure for Enforced Sale.
- 2.6 It is important to note that the enforcement actions set out in this report will only apply to a small number of cases overall. The Council’s overarching approach to debt recovery is to encourage early payment and engagement with the debtor. It is only in cases where this approach fails and the debtor has the means to pay, that the Council will enforce payment of the debt.

3 Options/Alternatives

3.1 The following two options are available:

Option 1 - Do nothing

3.2 Members could choose to do nothing. In this case the Council would continue to use the Charging Order and Insolvency Policy approved by Cabinet in November 2011. However, the Council would likely face criticism from the Courts, debtors and the Local Government and Social Care Ombudsman for the continued use of an outdated policy and lack of clarity about the process for enforced sale and checking vulnerability issues.

Option 2 – Approve the Charging Order and Insolvency Policy

3.3 Members could choose to approve the revised Charging Order and Insolvency Policy as presented at Appendix 1. This would ensure that the practices adopted by the Council reflect and include:

- Legislative changes
- Details of the process for Enforced Sale
- Determining the vulnerability of the debtor prior to commencing action.

The updated policy will provide transparency for debtors, the Courts, and the Local Government and Social Care Ombudsman about the process followed by the Council in pursuing cases for Charging Order and Insolvency action.

4 Preferred Option

4.1 The preferred option is Option 2 – Approval of the proposed updated Charging Order and Insolvency Policy.

5 Consultation

5.1 During the review of the policy, feedback has been obtained from officers involved in the decision process across the relevant services.

5.2 As the report provides transparency on existing back office processes as opposed to introducing new procedures, it is considered that there would be no negative impact on residents or individuals and thus further or public consultation is not required.

6 Financial Implications

6.1 As outlined above, the enforcement actions set out within this report will be limited to a small number of cases. Whilst the updates to the Charging Order and Insolvency Policy are primarily aimed at creating greater transparency to the process, further benefits may include the potential faster realisation of recovery through enforced sales (where applicable) and general improved collection from an improved understanding of the process. (John Hoskins)

7 **Legal Services Comments**

- 7.1 It is important that all policies are as accurate as possible and reflect what the Council is intending to do. The fact that the November 2011 policy does not contain the recent legislative changes could render the Council susceptible to a Legal Challenge / criticism from the LGO. The policy would also need to reflect the intention of the Council to progress an Order for Sale through the court on the relevant properties. A failure to do so could again mean that we are acting in a way not in line with our policies and result in a legal challenge, criticism and / or reputational damage. (Alex Bougatef – Group lawyer- Litigation)

8. **Co-operative Agenda**

- 8.1 Not applicable

9 **Human Resources Comments**

- 9.1 Not applicable

10 **Risk Assessments**

- 10.1 The Council needs to ensure its Policies and Processes in place to support the collection of revenue it is owed reflect current legislation to minimise the risk of future legal challenge when on the occasions they are utilised to collect debts. (Mark Stenson)

11 **IT Implications**

- 11.1 Not applicable

12 **Property Implications**

- 12.1 Not applicable

13 **Procurement Implications**

- 13.1 Not applicable

14 **Environmental and Health & Safety Implications**

- 14.1 Not applicable

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

- 15.1 Not applicable

16 **Equality Impact Assessment Completed?**

- 16.1 In taking financial decisions the Council must demonstrate that it has given “due regard” to the need to eliminate discrimination, promote equality of opportunity and promote good relations between different groups.

16.2 Demonstrating that “due regard” has been given involves:

- assessing the potential equality impacts of proposed decisions at an appropriate stage in the decision-making process - so that it informs the development of policy and is considered before a decision is taken;
- ensuring that decision makers are aware of the equality duties and any potential equality issues when making decisions.

NB – having due regard does not mean the Council cannot make decisions which have the potential to impact disproportionately, it means that we must be clear where this is the case and must be able to demonstrate that we have consulted, understood and mitigated the impact.

16.3 To ensure that the process of impact assessment is robust, it needs to:

- Be specific to each individual proposal
- Be clear about the purpose of the proposal
- Consider available evidence
- Include consultation and involvement with those affected by the decision, where appropriate
- Consider proposals for mitigating any negative impact on particular groups
- Set out arrangements for monitoring the actual impact of the proposal.

16.4 The Equality Act 2010 extends the public sector equality duties to cover eight protected characteristics, namely: age, disability, gender, gender reassignment, pregnancy and maternity, race, religion and belief and sexual orientation.

16.5 There is no duty to undertake an equality impact assessment (EIA) but an EIA is recognised as a useful tool in performing and recording the duty to have due regard. Given the nature of the proposed change a stage one EIA review is considered adequate. This is attached for reference at Appendix 2.

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 FCS-04-20

19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref:	Background papers are provided at Appendices 1-2
Officer Name:	Caroline Lee
Contact No:	0161 770 4905

20 **Appendices**

Appendix 1 – Charging Order and Insolvency Policy
Appendix 2 – Equality Impact Assessment

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Charging Order and Insolvency Policy

Guidelines for the use of Charging Orders, Orders for Sale, and Insolvency for the recovery of unpaid Council Tax, Non-Domestic Rates, Housing Benefit Overpayments, and Sundry Debts.

March 2020

1 Introduction and Scope

- 1.1 This policy sets out the Council's approach to the use of Charging Orders, Orders for Sale, and Insolvency for the recovery of Council Tax, Business Rates (also known as National Non-Domestic Rates), Housing Benefit Overpayments and Sundry Debts.
- 1.2 The Council is committed to using the most effective recovery methods available to it. This policy will ensure use of Insolvency and Charging Order proceedings is consistent and complies with the relevant legislation and best practice.
- 1.3 The Unity Partnership Ltd (UPL) manages the collection and administration of Council Tax, Business Rates, Housing Benefit Overpayments and Sundry Debts on behalf of Oldham Council. This includes the administration of Charging Orders, Orders for Sale and Insolvency proceedings, although the final decision to pursue any one of these courses of action lies with the Council.

2 Insolvency (Personal and Corporate)

2.1 Legislative Framework

- 2.1.1 The law relating to Insolvency, both personal and corporate, is principally contained in the Insolvency Act 1986 and the Insolvency Rules 1986.
- 2.1.2 Bankruptcy proceedings are taken against individuals and liquidation (or winding-up) proceedings are taken against Limited Companies.
- 2.1.3 Bankruptcy action can be taken against any debtor who owes in excess of £5,000 to creditors and who, for whatever reason, is unable to satisfy creditor's claims in full. A debtor may also initiate action by petitioning for their own bankruptcy.
- 2.1.4 Insolvency frees the debtor from overwhelming debts in order that they can make a fresh start, subject to some restrictions, and makes sure the assets belonging to the debtor are shared out fairly among all creditors. The consequences can be severe and can involve the loss of the debtor's home or business and considerable legal and Trustee costs. The level of costs reflects the complexity of the matters involved and the extent to which the customer co-operates with the Trustee who is administering the debt.
- 2.1.5 A winding up order is a Court Order that forces a company into compulsory liquidation – a process in which the Court appoints an Official Receiver to liquidate all of the company's assets in order to repay creditors. Winding Up proceedings can be taken against a limited company that owes in excess of £750 to creditors.

2.2 Use of solicitors to undertake Insolvency Proceedings

- 2.2.1 The Council may choose to use its in-house legal team or external solicitors to carry out Insolvency proceedings as appropriate. Solicitors acting on behalf the Council are authorised to deal with all matters connected with Insolvency from the issue of the statutory demand or winding up petition to dealing with contested matters. Insolvency action takes place in the County Court.

2.3 Use of Insolvency Action

2.3.1 The Council will consider using Insolvency proceedings under the following circumstances (this list is not exhaustive or limiting);

- Where the debt exceeds £5,000 and the debtor has sufficient assets or equity to ensure the debt is recoverable by the Official Receiver or Trustee.
- Where the debtor is not making regular and mutually agreed payments that are sufficient to clear accruing debt and the arrears within an acceptable timescale.
- Where Insolvency action is considered most effective in recovering from a particular debtor.
- Where the debt has arisen as a result of fraud.
- Where specific assets cannot be identified but there are indicators that the debtor is one of high material worth, for example renting high value property or having a high salaried profession.
- Where Insolvency action would encourage payment from specific groups of debtors where their credit rating is important to them, for example company directors, self-employed people and those people needing finance.

2.3.2 If made aware of the following circumstances prior to a Bankruptcy Order being obtained, the Council will consider withdrawing proceedings in favour of alternative enforcement action.

- Where a debtor, as a result of age, severe mental illness or serious learning difficulties cannot deal with their affairs (in such instances the Adult Social Care team will provide advice and guidance to ensure that all matters are given due consideration with regard to an appropriate course of action).
- Where the debtor is currently in receipt of the maximum Council Tax Reduction with no accruing debt.

2.4 Making a decision

2.4.1 The more information held about a debtor, the more efficient the process will be in terms of selecting the most effective enforcement option.

2.4.2 Prior to making a recommendation for Bankruptcy, the Council will attempt to build a picture of the debtor and their circumstances including overall arrears position, income and equity and previous payment history. This list is not exhaustive.

- For each alternative recovery method, the Council has set out in detail the reasons why other methods have been discounted;
- All Council records available have been checked to see if there is a reason why bankruptcy would not be appropriate;
- Information requests have been issued following the granting of each liability order.
- Confirmation the debtor has been warned in writing of potential bankruptcy action.
- That the debtor has been signposted to relevant advice services such as Citizen Advice or Stepchange debt charity.
- Benefit records have been checked, where applicable, to ensure maximum Council Tax Reduction entitlement has been awarded;
- An appropriate H.M. Land Registry check has been undertaken to confirm property assets;
- A recent credit check has been performed for information on expenditure and arrears outside Council records;
- A Companies House check, where applicable, has been for records of business information;

- For each case, the Adult Social Care team has been contacted to check whether there is a record held for the debtor (to determine vulnerability).
- 2.4.3 Information collated by the Council must be recorded against the debtor account, similarly it must be recorded where checks for information have been made and no information found. This is to ensure transparency and to evidence that the relevant necessary checks set out within this policy have been undertaken.
- 2.4.4 If the Council becomes aware of vulnerability issues that the debtor may be experiencing, enquiries must be fully exhausted to establish whether this is the case and evidenced in full. In such instances the Adult Social Care team will be asked will provide advice and guidance to ensure that all matters are given due consideration with regard to a decision as to the appropriate course of action.
- 2.4.5 Any cases believed to be appropriate for Bankruptcy action will be presented to the Debt Recovery panel for a decision. (See section 4).
- 2.4.6 If the Council decides to pursue Bankruptcy action, the debtor must be issued with a copy of guidance compiled by the Insolvency Service. This must be issued prior to or with the relevant statutory demand.
- 2.4.7 An overview of the Bankruptcy and Winding Up process can be found at Annex A. However, it is recognised that these processes may vary in practice dependant on the circumstances of individual cases, and/or potential legal advice.

3 Charging Orders and Orders For Sale

3.1 Legislative Framework

- 3.1.1 The Charging Order Act 1979 enables the Council to secure the value of debt owed by a debtor against equity in a property owned by the debtor through a County Court Judgement. This is known as a Charging Order. This means that the Council can recover money owed to it from the sale price of the property when it is sold, if there is sufficient equity to do so.
- 3.1.2 Once a Charging Order is granted, a record is held at HM Land Registry for 12 years. This can be removed at the discretion of the Council once the order has been settled in full. The record of the County Court Judgement remains on the debtor's credit record for a period of 6 years.
- 3.1.3 This means that Charging Orders are not considered a method of enforcement in that the debt remains unpaid until the property is sold, the debtor pays in full, or the expiration of the 12-year limit. As a result, the Council may be required to commence Enforced Sale proceedings to recover the monies owed.
- 3.1.4 The Law of Property Act 1925 enables the Council to request that the Court enforces the sale of a property on which the Council has secured Charging Order(s). This is known as an Order for Sale or Enforced Sale. If this action is instigated, the Council may obtain possession of the property in order to sell it. The proceeds of the sale will be used to pay debts owed to the Council if there is sufficient equity to do so.

3.2 Use of solicitors to process Charging Orders and Orders For Sale

3.2.1 The Council may choose to use its in-house legal team or external solicitors to carry out this work as appropriate. Solicitors acting on behalf the Council are authorised to deal with all matters connected with obtaining Charging Orders, and Orders for Sale.

3.3 Making a decision (Charging Orders)

3.3.1 The more information held about a debtor, the more efficient the process will be in terms of selecting the most effective enforcement option.

3.3.2 The Council will consider obtaining a Charging Order in the following circumstances, (this list is not exhaustive or restrictive):

- If the aggregated balance on Council Tax liability orders exceeds £1,000.
- Where a property is currently for sale voluntarily and a Charging Order is used as a way of securing the debt by agreement with the Council.
- Where the property is owned by a debtor who resides outside UK jurisdiction.
- Where the debtor's whereabouts are unknown, making service to allow Bankruptcy action difficult.
- Where a payment arrangement has been agreed on the basis that the debt is secured via a Charging Order.

3.3.3 Any cases believed to be appropriate for Charging Order action will be presented to the Debt Recovery panel for a decision. (See section 4)

3.3.4 In the event that the Council has good reason to believe that a property is about to be or has recently been put up for sale, the UPL Revenues Manager, in agreement with the Council's Exchequer Client Manager, may implement action to impose a Charging Order without waiting for the next meeting of the Debt Recovery Panel. This will be regarded as a special urgency decision and will be reported retrospectively to the Debt Recovery Panel at the next available meeting. This action will help to ensure that the Council uses every available opportunity to maximise efficient collection of Council debts.

3.4 Making a Decision (Order for Sale)

3.4.1 Enforced Sales Proceedings will be used only in exceptional circumstances, but the Council will be proactive in pursuing Orders for Sale where such action is in the best interests of Oldham's Council Taxpayers.

3.4.2 The Council will prioritise Order for Sale action against long term empty properties, which complements and aligns to the Councils policy and initiatives it is undertaking aimed at bringing empty property back into use. It should be noted that action is not restricted to long term empty properties and each case will be considered on its own merits and on a case by case basis.

3.4.3 The Council will consider pursuing an Order for Sale in the following circumstances (this list is not exhaustive or restrictive):

- For Council Tax debts, the aggregated balance on liability orders exceeds £5,000.
- There is enough equity in the property to pay debts in full, after all other financial obligations which take precedence over Council debts have been paid;

3.4.4 Prior to making a recommendation for an Order for Sale, the Council will attempt to build a picture of the debtor and their circumstances including overall arrears position, income and equity and previous payment history. This list is not exhaustive.

- For each alternative recovery method, the Council has set out in detail the reasons why other methods have been discounted;
- All Council records available have been checked to see if there is a reason why an Order for Sale would not be appropriate;
- Information about the Debtor's income and outgoings have been issued, received and considered following the granting of each Liability Order.
- Confirmation the debtor has been given notice in writing of potential Order for Sale action.
- That the debtor has been signposted to relevant advice services such as Citizen Advice or Stepchange debt charity.
- Benefit records have been checked, where applicable, to ensure maximum Council Tax Reduction entitlement has been awarded;
- A recent Credit check has been performed for information on expenditure and arrears outside Council records;
- A Companies House check, where applicable, has been carried out for records of business information;
- For each case, Adult Social Care team has been contacted to check whether there is a record held for the debtor (to determine vulnerability).

3.4.5 Information collated by the Council must be recorded against the debtor account, similarly it must be recorded where checks for information have been made and no information found. This is to ensure transparency and to evidence that the relevant necessary checks set out within this policy have been undertaken.

3.4.6 If the Council becomes aware of vulnerability issues that the debtor may be experiencing, enquiries must be fully exhausted to establish whether this is the case and evidenced in full. In such instances the Adult Social Care team will provide advice and guidance to ensure that all matters are given due consideration with regard to a decision as to the appropriate course of action.

3.4.7 Any cases believed to be appropriate for Order for Sale action will be presented to the Debt Recovery panel for a decision. The final decision to proceed will be taken in consultation with Cabinet Member for Finance and Corporate Services. (See section 4).

3.4.8 An overview of the Order for Sale process can be found at Annex B. However, it is recognised that this process may vary in practice dependant on the circumstances of individual cases, and/or potential legal advice.

4 Debt Recovery Panel

4.1 The Debt Recovery Panel consists of nominated Council officers who convene to consider cases recommended for Insolvency proceedings Charging Orders, or Orders for Sale.

4.2 The UPL Revenues Manager or their delegated representative will make recommendations as to which debts should be considered for Charging Orders, Orders for Sale, or Insolvency proceedings, according to the criteria laid out in this policy.

4.3 This panel will consist of the following officers¹:-

¹ These titles are correct at the time of approving this policy

- Head of Revenues and Benefits (Chair)
- Head of Corporate Governance
- Exchequer Client Manager (Revenues)
- A senior representative of the Oldham Council Finance Division
- A senior representative of the Oldham Council Adult Social Care service (as required)

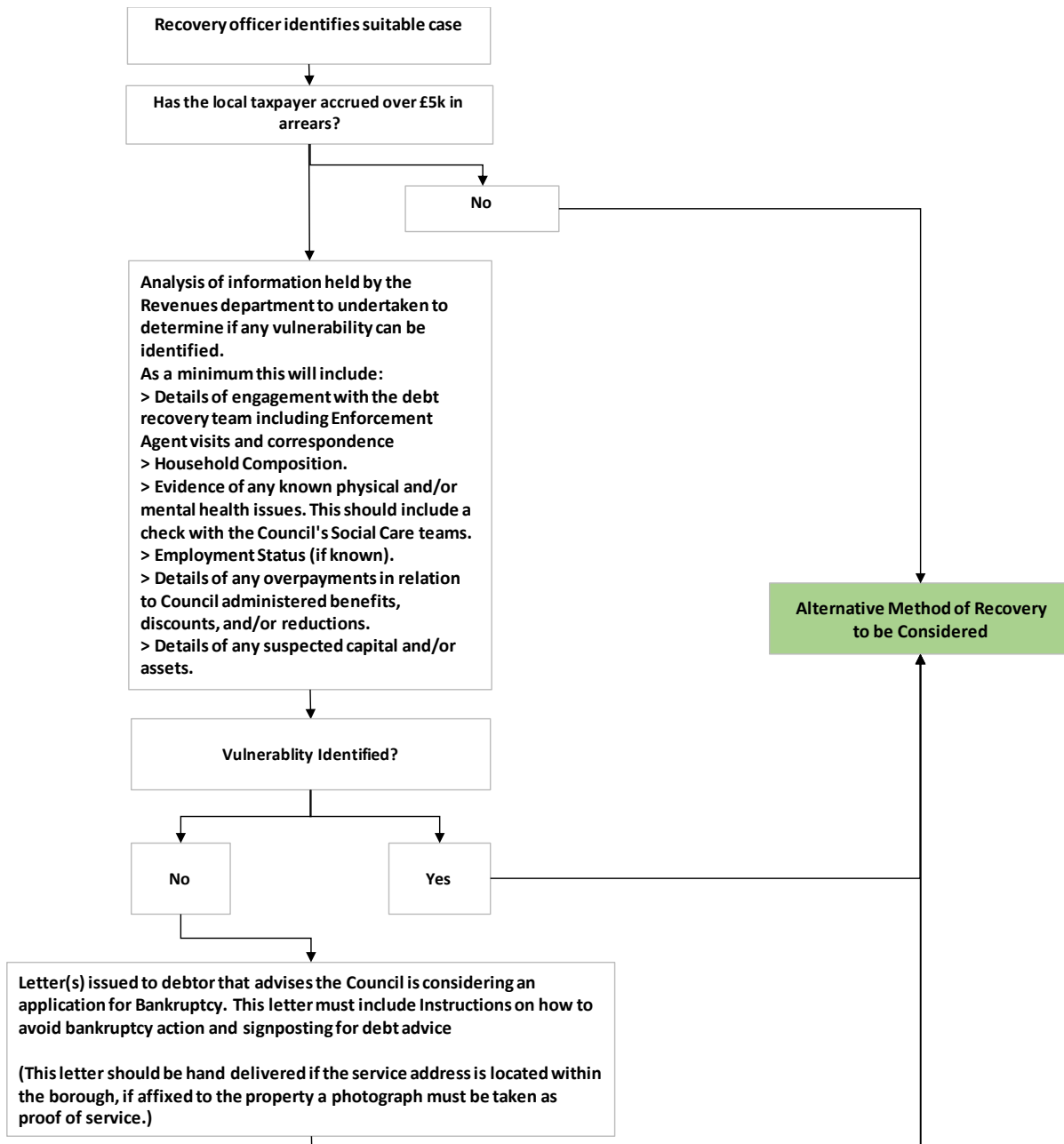
- 4.4 Additional officers or partners may be invited to attend the Debt Recovery Panel to offer evidence or provide explanation regarding the cases under review, but only the members of the Debt Recovery Panel can determine which course of action to take.
- 4.5 This panel will meet monthly to consider recommendations. The quorum for the Debt Recovery Panel is three members.
- 4.6 The Debt Recovery Panel can make decisions on a majority basis, where there is no majority the chair of the panel will have the final decision.
- 4.7 For cases where there may be potential vulnerability, the representative of the Adult Social Care service will be invited to attend the Debt Recovery Panel to provide advice and guidance to ensure that all matters are given due consideration with regard to a decision as to the appropriate course of action.
- 4.8 If the Debt Recovery Panel agrees to seek a Charging Order, this action can be implemented without further consultation.
- 4.9 If the Panel approves the imposition of an Order for Sale or Insolvency Action, the Exchequer Client Manager (Revenues) or the Head of Revenues and Benefits will prepare a detailed report for the attention of the relevant Cabinet portfolio holder.
- 4.10 Should the panel disagree with a recommendation, the panel will advise the UPL Revenues Manager of the reasons why and the next steps the Panel recommends in terms of remedy.

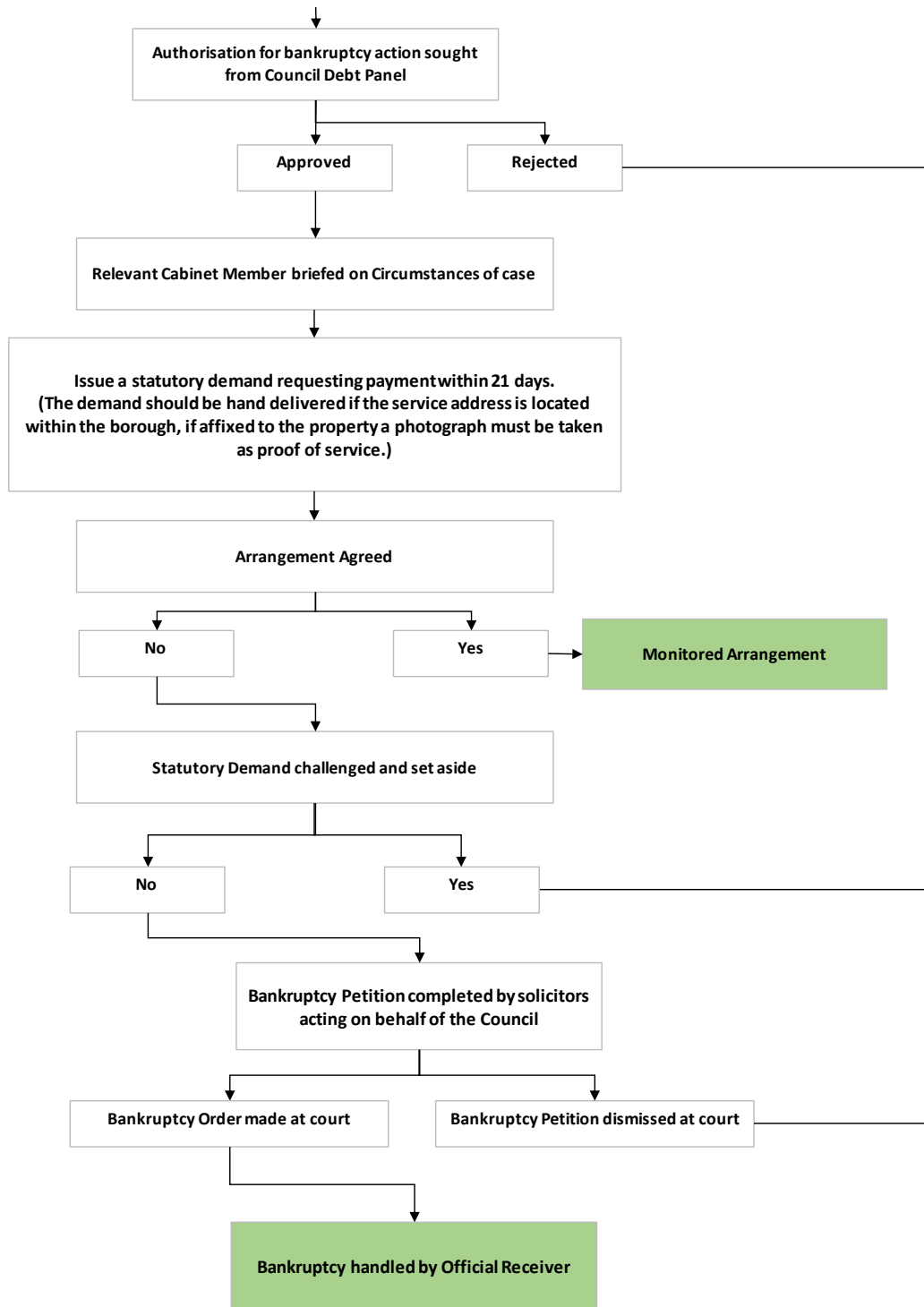
5 Policy Review

- 5.1 The Council reserves the right to review and revise the policy at any time as a result of information gained through operating the policy.
- 5.2 The Cabinet Member for Finance and Corporate Services in conjunction with the Director of Finance are authorised to agree any revisions to the policy.

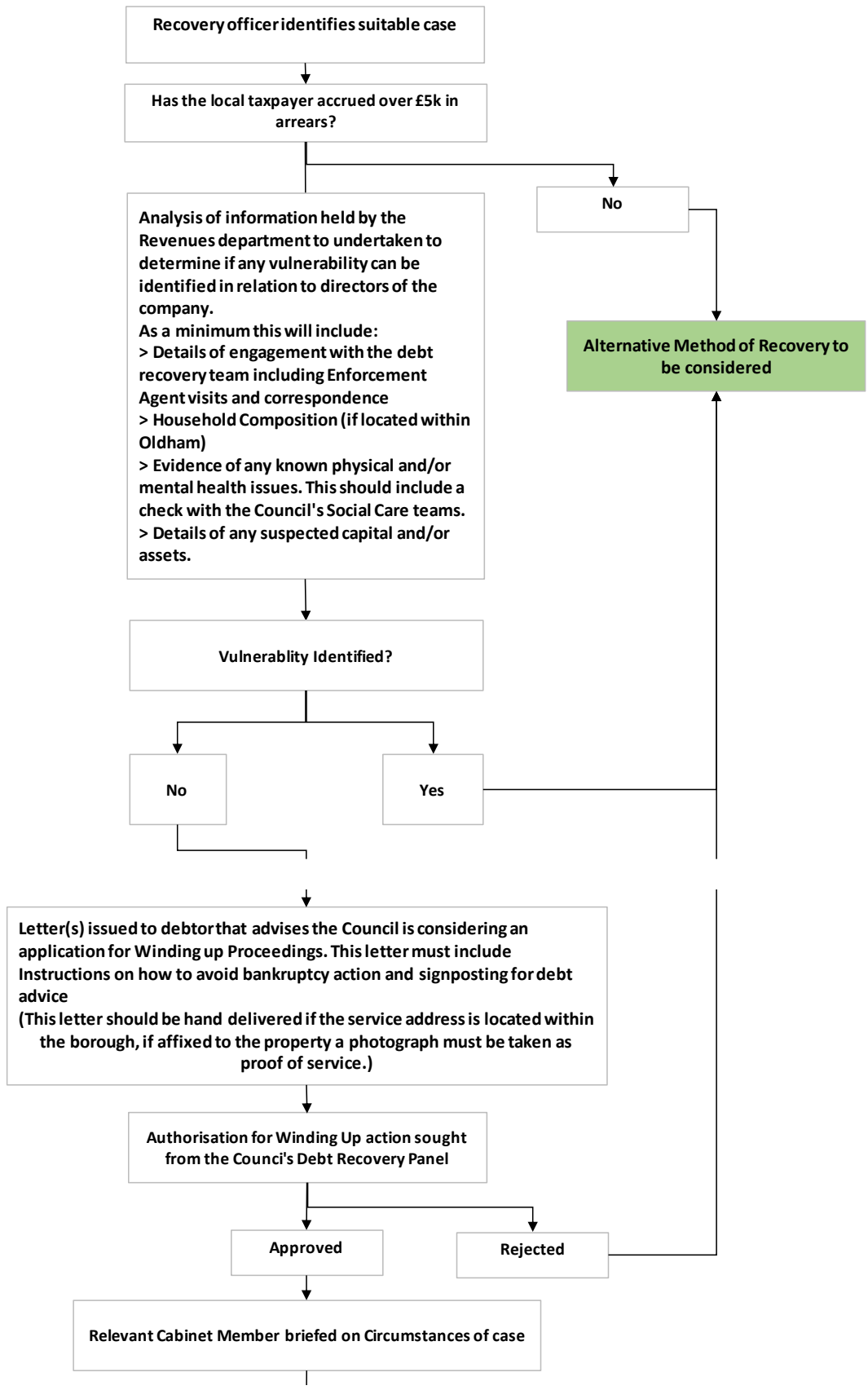
Annex A – Insolvency Action

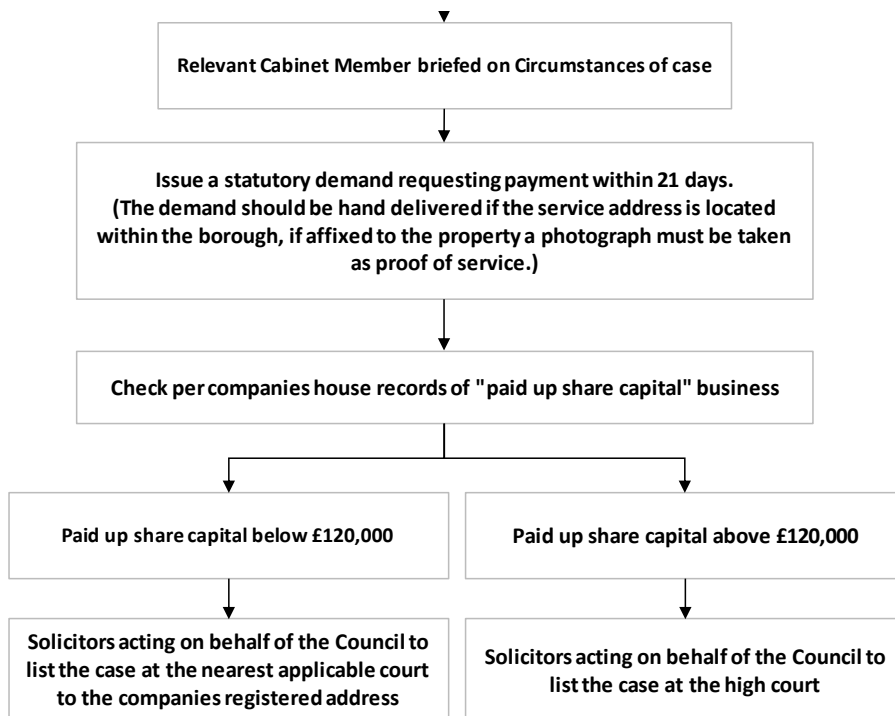
Bankruptcy Process



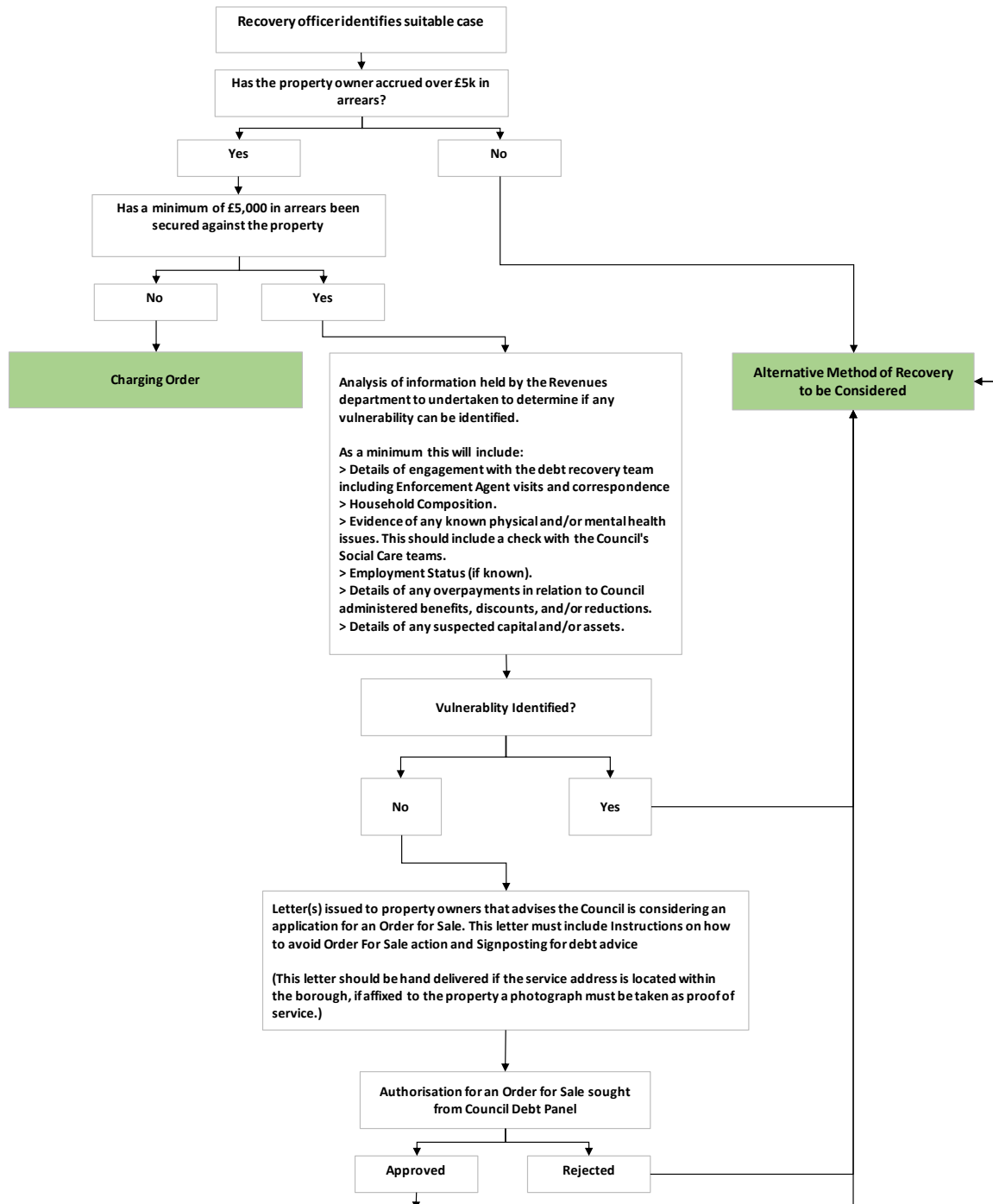


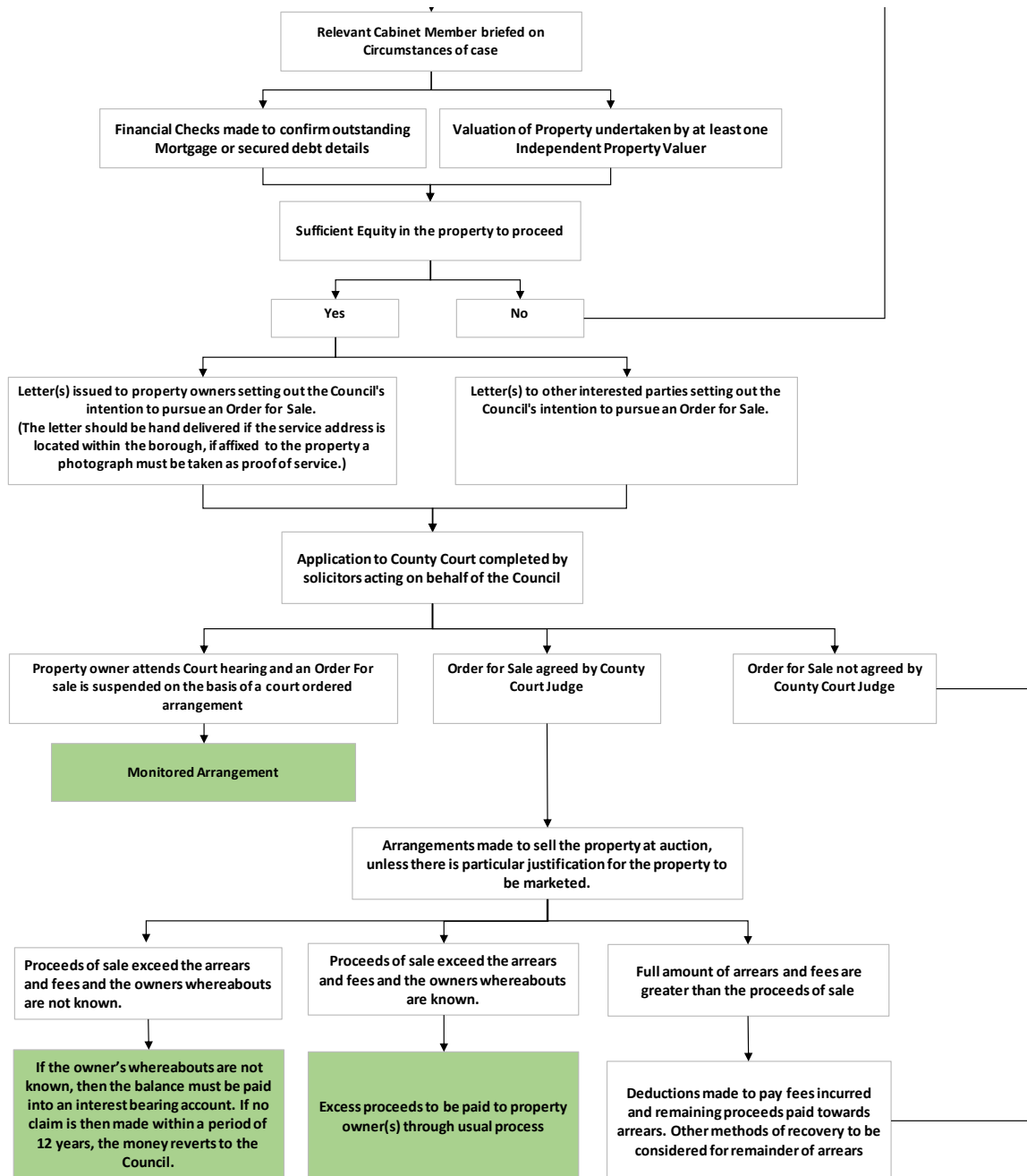
Winding Up Process





Annex B – Order for Sale Process





APPENDIX 2

Equality Impact Assessment

EIA Ref: Charging Order and Insolvency Policy

Lead Officer:	Caroline Lee
People involved in completing EIA:	Adam Parsey
Is this the first time that this project, policy or proposal has had an EIA carried out on it? If no, please state date of original and append to this document for information.	<p>The Charging Order and Insolvency Policy was first approved by Cabinet in November 2011.</p> <p>The proposed revised Charging Order and Insolvency Policy has been developed as a replacement of the original policy to consider changes due in legislation, and best practice as set out by relevant decisions made by the Local Government and Social Care Ombudsman.</p>

General Information

1a	Which service does this project, policy, or proposal relate to?	The Charging Order and Insolvency Policy
1b	What is the project, policy or proposal?	This policy sets out the Council's approach to the use of Charging Orders, Orders for Sale, and Insolvency for the recovery of Council Tax, Business Rates (also known as National Non-Domestic Rates), Housing Benefit Overpayments and Sundry Debts.
1c	What are the main aims of the project, policy or proposal?	This policy aims to ensure that the use of Charging Orders and Insolvency action to recover monies owed to the Council is consistent and complies with the relevant legislation and best practice.
1d	Who, potentially, could this project, policy or proposal have a detrimental effect on, or benefit, and how?	<p>This policy will benefit Council Officers by providing guidance on the use of Charging Orders and Insolvency.</p> <p>The Council has a statutory duty to collect local taxes and will enforce against debtors who choose not to pay but have the means to do so through capital and/or assets. publication of this policy allows the Council to be transparent with these residents on how Charging Orders and Insolvency action is used.</p>

1e. Does the project, policy or proposal have the potential to <u>disproportionately</u> impact on any of the following groups? If so, is the impact positive or negative?				
	None	Positive	Negative	Not sure
Disabled people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Particular ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Men or women (include impacts due to pregnancy / maternity)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People of particular sexual orientation/s	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People on low incomes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People in particular age groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Groups with particular faiths and beliefs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any other groups that you think may be affected negatively or positively by this project, policy or proposal?				
		<input type="checkbox"/>	<input type="checkbox"/>	

1f. What do you think that the overall NEGATIVE impact on groups and communities will be?	None / Minimal	Significant
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	None	

1g	Using the screening and information in questions 1e and 1f, should a full assessment be carried out on the project, policy or proposal?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
1h	How have you come to this decision?	A small number of cases overall are subject to this type of recovery action. Vulnerability issues will be considered before action with the Adult Social Care team an essential element of such consideration. There are independent appeal processes available to those who dispute that arrears are owed.
1i	Review date	January 2021

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Report to CABINET

Fitton Hill– Selection of Developer Partner

Portfolio Holder:

Cllr Hannah Roberts, Cabinet Member for Housing

Officer Contact: Emma Barton, Director of Economy

Report Author: Ben Hill

Ext. 5261

23rd March 2020

Reason for Decision

To report the outcome of the selection process for a developer partner for vacant land at Fitton Hill and recommend the selection of Bidder A as the preferred developer to work in partnership with Oldham Council and ForViva.

Executive Summary

'**Creating a Better Place**' incorporates significant programmes of work that have been progressed over the past eighteen months in order to set out a comprehensive vision and strategic framework for the borough. These include the:

- Updated vision for Oldham Town Centre;
- Housing Strategy 2019; and
- Updated Medium Term Property Strategy.

Creating a Better Place focuses on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go.

The proposed development is in accordance with the strategic framework to **Create a Better Place** approved by Cabinet in January 2020 and is also in accordance with the Housing Strategy adopted in 2019.

Recommendations

Cabinet is recommended to:

1. A contract to be awarded to Bidder A as the preferred bidder for the development of Fitton Hill.
2. That the finalisation of the legal documentation to be delegated to the Leader of the Council in consultation with the Director of Economy and Skills and the Director of Legal Services or his nominated representative to be authorised to seal the development agreement and any incidental and ancillary documentation referred to in this report and/or required to give effect to the recommendations in this report.
3. The land is sold on a freehold basis.
4. To support the partnership with ForViva who also own vacant land in the area that will jointly be developed at the same time.

Redevelopment of Fitton Hill**1 Background**

- 1.1 Fitton Hill was transferred from Oldham Council to Villages Housing Association (now known as ForViva) in the late 1990's. Built in the 1950's and 60's, the estate consists of around 2,000 properties. Villages manage approximately 900 general needs properties (mostly 2 and 3 bed houses) and also have 143 sheltered bungalows. The remaining 950 properties are either stock that have been bought through the Right to Buy, have been built separately and are owner occupied, or are owned by other Registered Providers.
- 1.2 A new Neighbourhood Centre was built in 2013 and houses a library, youth centre and other community facilities. ForViva have an on-going investment programme into the existing the stock and also run a range of training and regeneration initiatives. However, the estate has issues including a lack of variety of property type and tenure and poor retail provision.
- 1.3 Oldham Council and the ForViva Group propose to work together to ensure that the Fitton Hill neighbourhood is improved to benefit both existing residents and newcomers and thereby contribute substantially to the wider sustainability of the area.
- 1.4 Both parties own significant land that currently lies vacant and in need of redevelopment. The respective land ownerships can be seen at Appendix 1 and could accommodate around 350 to 400 new homes. The respective land ownerships are 8.43 hectares (53.3%) with Oldham Council and 7.38 hectares (46.7%) with ForViva.
- 1.5 In recognition of joint objectives around providing a broader tenure mix and in helping to deliver the comprehensive regeneration of the area, Oldham Council and ForViva propose to pool their respective landholdings. This approach was approved by the Lead Member for Housing in November 2018. The joint objective is to ensure the delivery of a comprehensive development solution that will enhance the neighbourhood, improve housing choice and deliver a sustainable long-term outcome.
- 1.6 The proposed disposal is also in accordance with Oldham's Housing Strategy, approved by full Council in July 2019 and sets out the councils aims to provide an attractive housing offer and help deliver more new homes providing greater choice in type, size, tenure and affordability.

2 Current Position

- 2.1 In order to impose positive development obligations, including design quality and to prevent land banking, the council has procured the developer using the Homes England's Developer Partners Panel 3 (DPP3) - a pre-qualified European Union procurement legislation procedure. DPP3 contains 35 major housebuilders and contractors who operate in the North West region.
- 2.2 An Expression of Interest Document (EoI) was published in December 2018 and 8 companies returned bids
- 2.3 Following the expression of interest, a sifting brief was issued to all companies to enable the council and ForViva to select 5 or 6 companies through to the Invite to Tender Stage.

- 2.4 After careful evaluation and consideration of the responses, officers from Strategic Regeneration, Procurement and ForViva agreed that the 5 companies should be invited to the Invite to Tender stage (ITT) – where developers are required to submit designs and a financial offer.
- 2.5 Three developers returned tenders and as part of the evaluation and clarification process further information on both the financial and design elements of the bid was received.
- 2.6 Evaluation of the ITT enables the Council to access the offers for the specific opportunity. As agreed with the Lead Member for Housing in November 2018, bids are assessed against a combination of quality and price criteria to ensure that non-financial aspects of an offer can be given full recognition within any bid.
- 2.7 The summary results of the submissions are outlined below:

	Bidder A	Bidder B	Bidder C
<i>Number of Homes</i>	363	323	391
<i>House Types</i>	24 x 1 bed appts 74 x 2 bed houses 240 x 3 bed houses 24 x 4 bed houses	42 x 2 bed houses 223 x 3 beds houses 58 x 4 bed houses	10 x 1 bed appts 48 x 2 bed houses 169 x 3 bed houses 123 x 4 bed houses
<i>Tenure</i>	Mix of Private for Sale, Private Rent and Affordable Rent.	Mix of Private for Sale and Affordable Rent.	Mix of Private Sale, Private Rent and Affordable Rent.
<i>Programme</i>	Start on site within 6 months of selection, Completion within 5 years with 50% of homes completed in 19 months.	Start on site within 6 months of selection completion within 5 years.	Start on site within 12 months of selection with completion within 6 years.
<i>Local Labour/ Apprenticeships/ Training</i>	10 full time training places. 30 months work experience placements offered. Partnering with Get Oldham Working.	Minimum of 24 apprenticeships. Range of other initiatives including Kickstart Programme with 12 participants per year.	8 full time apprenticeships and continued support for 20 existing apprenticeships. Working with Upturn.
<i>Local Interventions and Community Benefit</i>	£10,000 to set up a Community Development Fund.	Investment of £20,000 and will support a range of initiatives including healthy eating, fitness, loneliness.	Commitment of £100,000 for greenspace and £87,000 for community fund.

All proposals are NPSS Space Standards for Homes compliant and will achieve Building for Life and Secure by Design status.

- 2.8 Site Investigation reports were provided as part of the tender process but all bidders have stated that they require specific investigations to their design. All bidders reserved the right to make further deductions after they had undertaken their own site investigations, but these will be accessed independently to ensure any deductions are reasonable and accurate.

2.9 Regarding the sharing of the Financial Offer between the Council and ForViva, it is proposed that an independent Quantity Surveyor will be jointly appointed to agree the split of the land value taking into account the tenure of homes, the location of the public open space and the relative value of land in each ownership. All costs incurred in setting up be split between equally between the Council and ForViva.

2.10 After careful evaluation by two Officers from Regeneration, one from Procurement against the above criteria Countryside were ranked as the best submission.

3 Options/Alternatives

3.1 Option 1 – Appoint Bidder A to develop the site as proposed within their bid. This would enable 363 high quality new homes to be built in a mix of tenures and a capital receipt that would be split between the Council and ForViva.

3.2 Option 2 - Do not appoint. The site could be remarketed. This would result in lengthy and costly delays with no guarantee that a better offer would be received. It would also result in reputational damage with developers who have invested time and resources in the bidding process.

3.3 Option 3 – Do nothing. The brownfield sites would remain vacant and continue to be a maintenance liability to the Council and ForViva.

3.4 Option 4 – Appoint Bidder B or Bidder C. Whilst both bids were satisfactory, neither scored as highly as Bidder A when accessed against the pre-agreed criteria.

4 Preferred Option

4.1 The preferred option (Option 1) is for Cabinet to approve the recommendations as outlined above and appoint Bidder A as the preferred developer partner.

5 Consultation

5.1 Local Members have been briefed on in November 2018, February 2019 and January 2020 and are supportive of the proposals. (Ben Hill)

6 Financial Implications

6.1 Cabinet are asked to note the contents of the report only, with a further, restricted report due for consideration under Part B of the agenda.

7 Legal Services Comments

7.1 Cabinet are asked to note the contents of the report only, with a further, restricted report due for consideration under Part B of the agenda.

8. Co-operative Agenda

8.1 The proposals embrace the Council's co-operative agenda will ensure that the aims, objectives and cooperative ethos of the Council are enhanced. When delivered they will help create an ambitious and thriving community where people are proud to live, work, visit and invest. (Ben Hill)

9 Human Resources Comments

9.1 None arising from this report.

10 **Risk Assessments**

10.1 Cabinet are asked to note the contents of the report only, with a further, restricted report due for consideration under Part B of the agenda.

11 **IT Implications**

11.1 None arising from this report.

12 **Property Implications**

12.1 The property implications have been covered in the main body of this report.

13 **Procurement Implications**

13.1 Cabinet are asked to note the contents of the report only, with a further, restricted report due for consideration under Part B of the agenda.

14 **Environmental and Health & Safety Implications**

14.1 The proposals will bring vacant land back into use which have been vacant and subject to fly tipping. (Ben Hill)

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

15.1 The development will achieve Secure by Design Accreditation. The affordable homes will be let to people in housing need and allocated to those on Council's Housing Register. (Ben Hill)

16 **Equality Impact Assessment Completed?**

16.1 No.

17 **Key Decision**

17.1 Yes. Forward Plan Ref ECEN-19-19.

19 **Background Papers**

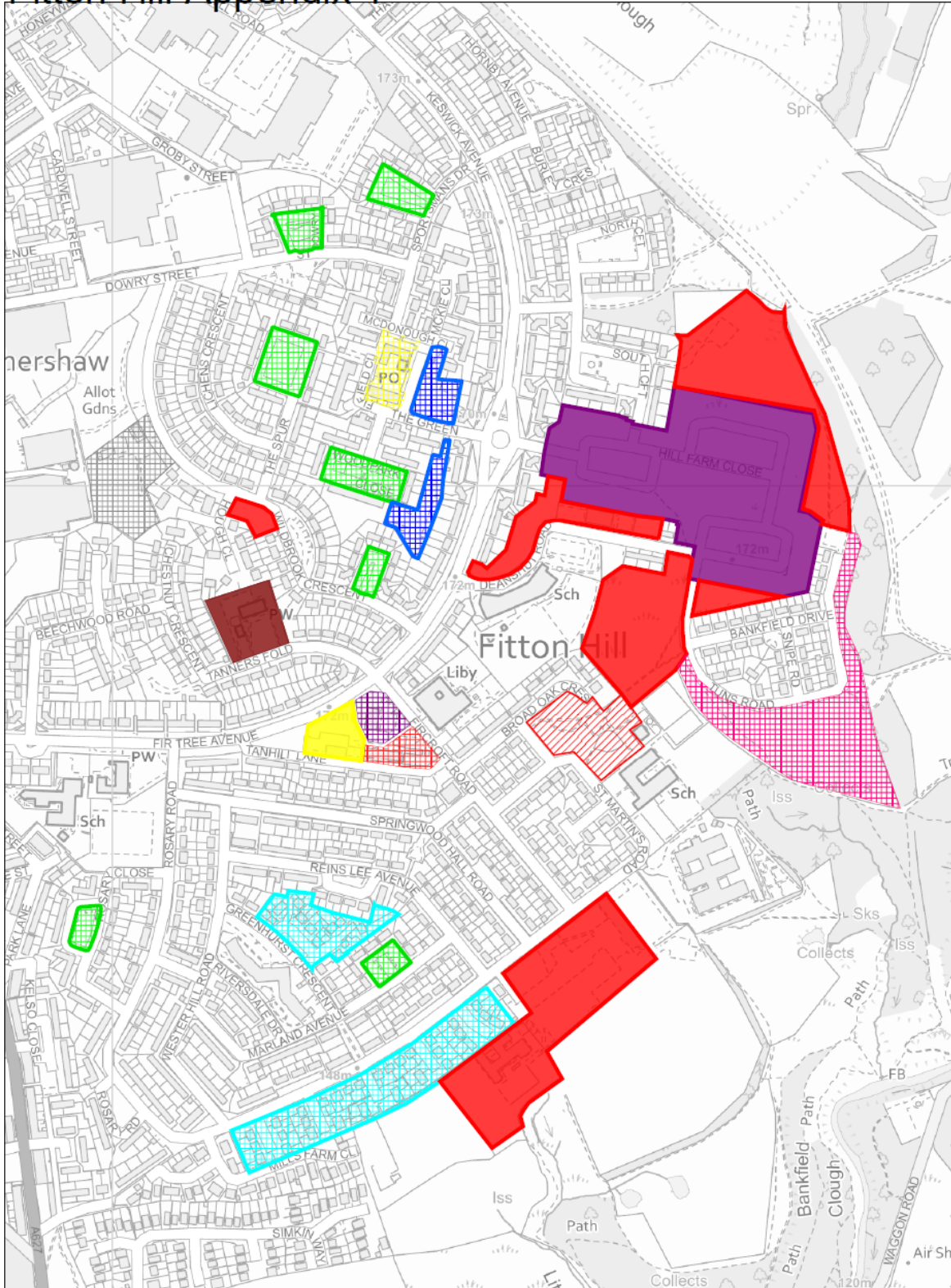
19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

19.2 File Ref : Fitton Hill/ ForViva
Name of File : Fitton Hill
Records held in Civic Centre, Oldham
Officer Name : Ben Hill
Contact No : 0161 770 5261

20 **Appendices**

20.1 1: Land Ownership Plan

Fitton Hill Appendix 1



Drawn by:	JW
Division:	
Drawing no:	
Date: 14.01.20	Scale: 1:4000 @A3

Oldham Council
Civic Centre
West Street
Oldham
OL1 1UH

- ForViva land for residential development
- OMBC Land for residential development
- New dental surgery
- Private site coming to the market
- Land already developed by third party
- OMBC shopping parade
- Land to be developed by third party
- Allotments-possible future development opportunity
- ForViva owned green spaces for improvement
- ForViva offices
- Greenbelt-possible future development opportunity
- OMBC Owned POS

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