

## Report to CABINET

# Oldham Green New Deal Strategy

### Portfolio Holder:

Councillor Abdul Jabbar, Cabinet Member for Finance and Corporate Services

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### 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

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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 / CO<sub>2</sub> per annum. This figure includes Council buildings and street lighting. The breakdown (measures in tonnes of CO<sub>2</sub> equivalent) is shown in the table below:-

<b>Emissions source</b>	<b>Carbon emissions CO<sub>2</sub>e</b>
Council buildings	6,185 tonnes per annum
Street lighting	2,210 tonnes per annum
<b>Total</b>	<b>8,395 tonnes per annum</b>

- 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

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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 ktCO<sub>2</sub>. This is made up of 227.9 ktCO<sub>2</sub> for the Industrial & Commercial sector, 323.5 ktCO<sub>2</sub> for the domestic housing sector, and 247.8 ktCO<sub>2</sub> 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

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- 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

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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 -**

<b>Proposal</b>	<b>Actions</b>	<b>Funding £000s</b>
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
<b>Total</b>		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

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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]

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## 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?**



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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
<b>Developing the Green Economy</b>	Creating the conditions to support development of the Oldham green business sector: <ul style="list-style-type: none"> <li>• development of Oldham’s approach to community wealth building</li> <li>• identification of ways to attract and support GTS businesses</li> <li>• identification of potential financial and other incentives</li> <li>• building a local GTS business community</li> <li>• identification and development of sites for clustering</li> </ul>	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	
<b>Low Carbon</b>	Development of a local energy market / virtual energy company <ul style="list-style-type: none"> <li>• scope and assess the options, in conjunction with GMCA</li> <li>• develop feasibility study (via Innovate UK funded project)</li> <li>• undertake soft market testing (year 2)</li> </ul>	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"> <li>• Stage 1, 2 and 3 feasibility, already completed</li> <li>• planning stage commissioned Dec 19 and grid connection deposit, development budget agreed (Corporate Priorities Reserve)</li> <li>• planning application submitted 4 March 2020</li> <li>• final design work June 2020 – Mar 2021</li> <li>• construction Apr 2021 – June 2021</li> </ul>	

Workstream	Project Summary – Year 1 (2020 - 2021)	Progress / Comments	TR funding £ 20/21
<b>Low Carbon</b>	Greening Public Assets <ul style="list-style-type: none"> <li>identifying and assessing requirements to decarbonise the Council's estate</li> <li>developing proposals and related costs/savings of a decarbonisation programme for the Council</li> </ul>	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"> <li>Ensure that new and refurbished buildings include renewable energy and Green Infrastructure wherever feasible / viable</li> </ul>	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
<b>Low Carbon</b>	<p>Coal mine heat / Town Centre district heat network</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• first stage is feasibility, then if the concept proves feasible and viable, developing a business model for delivering it</li> </ul>	<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"> <li>• at this point an aspiration to establish a zero carbon, high quality digital ‘Green Business Centre’ where Green Technology &amp; Services businesses can ‘cluster’, in order to attract these businesses to Oldham</li> </ul>	<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"> <li>• RED WoLF is an Interreg North West Europe funded project of around 12 international partners;</li> <li>• 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;</li> <li>• Oldham Council is a partner and has responsibility for promoting the system at GM level and wider. The Council has recently</li> </ul>	<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"> <li>• 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</li> </ul>		
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<b>Workstream</b>	<b>Project Summary – Year 1 (2020 - 2021)</b>	<b>Progress / Comments</b>	<b>TR funding £ 20/21</b>
<b>Low Carbon</b>	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>	

<b>Northern Roots</b>	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	
<b>Embedding Green Approaches</b>	<p>Work has already taken place to embed the GND approach in:-</p> <ul style="list-style-type: none"> <li>• Our approach to Business Engagement</li> <li>• The Council's buildings rationalisation programme and Medium Term Property Strategy</li> <li>• Regeneration programmes, in particular Oldham Town Centre</li> <li>• Housing Strategy and Strategic Planning</li> </ul>	<p>Further work to embed the GND approach will take place with:-</p> <ul style="list-style-type: none"> <li>• Business Engagement</li> <li>• Creating A Better Place programme</li> <li>• Work and Skills Strategy</li> <li>• Place Marketing Strategy</li> <li>• Public sector procurement and Local Wealth Building</li> <li>• Warm Homes Oldham</li> <li>• Regeneration</li> <li>• Strategic Transport</li> <li>• Air Quality</li> <li>• Waste Management</li> <li>• Strategic Planning and Housing Strategy</li> <li>• Finance &amp; the Council's investment portfolio</li> </ul>	