

Creating a Better Place

Portfolio Holder:

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Economy and Enterprise

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Purpose of the Report

Cabinet approval was obtained in January 2020 for the vision and strategic framework for the Council's 'Creating a Better Place' strategic programme.

It was agreed that this programme should be reviewed to confirm alignment with the borough's economic recovery in support of the financial implications associated with responding to the Covid-19 virus. PVFM Scrutiny Committee helped confirm the review principles and it was agreed to report back to Committee in the near future with the updated programme and financial implications.

Executive Summary

'**Creating a Better Place**' sets out a comprehensive vision and strategic framework for the borough, which includes the Oldham Town Centre Vision, the Housing Strategy, and utilisation of the Council's corporate estate (land and property) to support development and open space requirements across the borough.

In light of the pandemic, the Council has had to respond with the provision of significant funding support to ensure the safety and welfare of Oldham's local communities. In addition, the national policy landscape changed significantly in March 2020 with the publication of a HM Treasury consultation setting out proposals for revising PWLB lending terms. Therefore, it was appropriate that the programme was reviewed to ensure that priorities were correct and that the projects supported economic recovery (post-covid). This report provides an overview of the review process and the findings, together with an update for the town centre vision following feedback from the local community, members and town centre businesses.

Following previous discussions at Scrutiny Committee, a set of principles were applied to the programme to check:

- *contribution towards performance targets for homes, jobs and apprenticeships*
- *business case development – risks, issues, opportunities, value for money*

The results and findings of applying these principles to the Creating a Better Place programme are outlined later in this report for members to note.

Oldham Council is ambitious and bold and this remains unchanged following the review to support economic recovery across the borough and reinforces the importance of green open space in alignment with Council priorities to remain the Greenest Borough. Focus areas continue to include: creating 2,400 (previously 2,000) new homes for our residents with a range of different budgets and needs; the importance of creating 1,000 new jobs through regeneration is now associated with economic recovery, especially in light of the impact on redundancies caused by the pandemic; and, supporting and creating skilled pathways for 100+ new apprenticeships to help ensure residents of any age can learn new skills to help them secure the employment opportunities available across the economy. More than ever we need to ensure Oldham is a great place to visit with safety prioritised and with lots of family friendly and accessible places to go.

The review has provided an opportunity to think again about the Council's property portfolio as a catalyst for building new homes, creating job opportunities, re-skilling residents through new apprenticeship opportunities, and re-engaging communities and partners through property / estate co-location and collaboration. This strategic work also supports the Council's ambitions for inclusive growth, thriving communities and co-operative services, a further paper will be brought back to Cabinet for consideration when more work has developed to explore the possibilities of accelerating placed-based working across the five districts.

In the report considered by Cabinet in January 2020, Members will recall that the programme included £306m of priority schemes to deliver Creating a Better Place programme: in turn this generated c£10.5m revenue savings. Following the review, this report confirms the new capital allocation required to deliver the priority schemes for economic recovery has reduce by c£100m, but continues to generate revenue savings of c£8.5m.

Importantly, the review findings have confirmed that with a reduction on the capital programme, a reduction in the amount needed from prudential borrowing, the Council can still deliver the ambition while providing much needed savings to support the post-covid financial stability of the Council and future service delivery. The review and findings take into account external funding streams, which will continue to be targeted to support and enable project delivery, (ie Towns Fund, High Street Fund, Growth Deal, Decarbonisation Fund etc).

Recommendations

Members are asked to review and endorse:

- 'Creating a Better Place' as a revised comprehensive vision and strategic framework for the borough to deliver the ambition for regeneration, homes, jobs and skills-pathways.
- the proposed amendments to the Council's capital programme to accelerate economic recovery; and
- to accelerate the potential for contributing revenue savings to the Council's financial plans.

Creating a Better Place

1.0 Background:

- 1.1 'Creating a Better Place' strategic framework was approved by Cabinet in January 2020 before the Covid-19 pandemic arrived in the UK.
- 1.2 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.
- 1.3 In light of the pandemic, the Council has had to respond with the provision of significant funding support to ensure the safety and welfare of Oldham's local communities.
- 1.4 This resulted in a serious funding impact on the Council's financial plans, and therefore we previously sought endorsement from this Committee on the review principles to consider whether:
 - the programme is able to respond to support the post-CV19 recovery plans,
 - the use of public capital funds is still justified, and
 - the original savings proposals are at risk or could be accelerated / enhanced in any way to reduce the demands and pressures being considered on service baseline budget allocations.
- 1.5 The report before Committee today provides an overview of the programme, the review findings, together with an update for the town centre vision and new priorities following feedback from the local community, members and town centre businesses about the importance of green open space and is in alignment with Council ambitions and covid recovery plans.

2.0 Creating a Better Place

- 2.1 The very best towns and cities around the world have one thing in common – they are both people and quality focused. Quality of place is paramount to thriving communities and we want Oldham to be a place where people feel they belong, an exciting place where people can live, work and spend time. Quality design and attention to the public realm will be critical to this success.
- 2.2 Local authorities across the UK have been prioritising resources, (funding and services) to ensure local communities were supported since the start of the during the lockdown period. While the virus has not gone away, the country is starting to focus on recovery and as such Creating a Better Place programme was reviewed through the lens of accelerating economic recovery whilst coping with financial challenges. Importantly, the programme needed to continue to align with providing an inclusive economy, thriving communities and our co-operative agenda to deliver the ambition at scale and pace.
- 2.3 The ambition and vision is that we will be ***'Creating a Better Place'...***
 - ... by building quality homes**
 - ... by providing opportunities to learn & gain new skills**
 - ... by providing opportunities to grow local businesses and create jobs**
 - ... by ensuring Oldham is the greenest borough**

... by embedding sustainability, energy efficiency & low (zero) carbon
... by improving life-chances and the health / well-being of our residents
and local communities

2.4 Housing Development

With a new focus on economic recovery, alignment with ensuring Oldham meets its housing need continues to be of paramount importance. The review has provided opportunities to review additional brownfield sites in the town centre and across the borough to help bring forward these opportunities for housing development within the Greater Manchester's Plan for Homes, Jobs, and the Environment (a.k.a. Greater Manchester Spatial Framework (GMSF)), and Oldham's Local Plan.

Our aim is to provide a diverse housing offer that meets the needs of different sections of the population at different times in their lives. Our proposals go beyond numbers alone with a focus on the significant contribution a quality housing offer makes to quality of life. For example, helping an older person to meet their need for a smaller more manageable home which, with the right adaptations, can protect and enhance independence.

Oldham's Housing Strategy was approved at full council in July 2019. The Strategy highlights the priorities and needs for the borough and is supported by a robust delivery plan that sits behind it to enable its objectives to be achieved. The new Housing Strategy was developed in line with Oldham Plan, the GMSF and the Greater Manchester housing strategy. The strategy included a new Local Needs Housing Assessment to provide evidence-based insights into how the housing economy currently works, forecasts future needs and identifies gaps.

There are many projects identified in the delivery plan that accompanies the Housing Strategy - funding for the development and delivery of these projects and activities will be required to meet these strategic priorities.

2.5 Economic Development

With a new focus on economic recovery, alignment with GM strategies such as the GM Local Industrial Strategy and the emerging new Greater Manchester Strategy has allowed us to set out a new vision for Oldham town centre which recognises that the purpose of town centres is changing at scale and pace linked to the renewed purpose for town centre living, growing our own local economy, close to green open space and leisure activities.

The pandemic has seen national retailers close their doors and decisions made not to reopen, due to more residents choosing the shop on line for safety and convenience. This contributes to a cycle of disappearing shops, reduced visitor numbers and a potential rise in anti-social behavior. However, the changing focus on social enterprise, starting new business ventures, apprentice opportunities for work and skills development, and 'building back better' through development and construction employment opportunities is increasingly more important to ensure residents have access to paid work to support themselves and their families.

Our vision for Oldham town centre is aligned with national regional and local priorities by ensuring that it has a focus for everyone has a place to live, work, visit and enjoy. Our approach will see us strengthen the town centre by creating new homes, jobs and business opportunities. We are also looking to actively encourage more walking and cycling to the town centre by improving access routes and connectivity through a series of public realm improvements linked to the Local Growth Deal.

There are a number of further priority areas which will be developed, to continue to meet our ambitions for town centre living, employment creation, skills development, the green environment, green energy, accessible public realm, family friendly activities, enticing night-

time economy and enhanced safety / security are progressed to instigate the catalytic transformation of the town centre with the ambition for housing at its core.

2.6 Corporate Estate / Accommodation

The pandemic saw instant / overnight changes to office requirements and commercial accommodation and a renewed reliance on technology. This is true for the Council too, and therefore provides an opportunity to holistically review land and property assets, Council owned across Team Oldham / public sector partners, to ensure that we can:

- ensure scrutiny of its own accommodation (in alignment with workforce reform and transformation) to ensure value for money and best utilisation for staff and services, especially as so many service now operate online or remotely;
- deliver against ambitions for energy efficiency;
- deliver against ambitions for public buildings to be carbon neutral;
- considers the views of Ward Members / Portfolio holders are considered as part of any proposal to declare an asset within the Council's Land & Property Portfolio as being surplus to the Council's operational requirements.

The Corporate Property Board (CPB) remains a new governance forum to support the strategic alignment and scrutiny of all property decisions / service activity going forward. The Board will comprise Directors of Finance, Legal and Economy, Deputy Chief Executive and Portfolio Holders for Covid Recovery, Finance and Corporate Services, and the Leader of the Council. A quorum of at least 3 members of the Board will be required to conduct business, including finance, economy and Member representation.

3.0 Investment Policy Changes

- 3.1 In November 2019, CIPFA published guidance titled 'Prudential Property Investment' which included a response to an increasing trend for authorities to purchase property solely to make an investment return. The CIPFA guidance explains the provisions in the Prudential Code that relate to the acquisition of properties intended to make investment returns and confirms their implications in the light of growing activity and the changes to statutory guidance.
- 3.2 On 16 December 2019, Cabinet approved the Council's Commercial Property Investment Strategy (CPIS). This updated the original strategy approved in December 2017 and took full account of the CIPFA guidance published the previous month. The 2019 strategy was broadened to allow the Council to pursue alternative investments in areas such as equity, debt financing and green technologies to support the ambitions of the Creating a Better Place strategic programme.
- 3.3 The national policy landscape changed significantly in March 2020 with the publication of a HM Treasury consultation setting out proposals for revising PWLB lending terms. The document was a direct response to the NAO's report regarding local authority investment in commercial property. The Government wishes to continue providing PWLB loans to support local authority investment in service delivery, regeneration, and housing, without impinging on the powers and freedoms that Councils use to deliver local services in innovative ways. However, they want to strongly discourage the acquisition of investment property primarily for rental income (referred to as 'debt for yield' activity).
- 3.4 Given the additional financial challenges associated with the covid-19 response, this change in financial policy highlighted the requirement to review the whole programme, the use of capital and by association the future revenue implications.

4.0 Review Principles

- 4.1 As stated earlier, the Council's ambition has not changed, however it is intended that the revised programme will support post-covid recovery while supporting the financial challenges that have significantly increased for both capital and revenue.
- 4.2 The principles applied to the programme are as follows:
- is the programme is able to respond to support the post-CV19 recovery plans,
 - is the use of public capital funds is still justified, and
 - are the original savings proposals at risk or could they be accelerated / enhanced to reduce the demands and pressures being considered on service baseline budget allocations.
- 4.3 The principles were considered and reviewed by the Corporate Property Board, the Community Wealth Building Board and PVFM Scrutiny Committee to help ensure all considerations were made and that the key parameters were being correctly reviewed and considered.

5.0 Review Findings: Financial Implications for Creating a Better Place

- 5.1 In the report considered by Cabinet on 27 January 2020, the programme included £306m of priority schemes to support the delivery of the vision for the Creating a Better Place programme. When taking account of the wider capital strategy (approved by Council on 26 February 2020) including previously approved property schemes, the gross value of the programme rises to £375m.
- 5.2 The review of Creating a Better has reduced the value of the programme by c£100m.
- 5.3 The delivery profile for the revised savings target is heavily dependent on the profile for the design and delivery of the revised programme. As many schemes are in the early stages of development it is likely that savings will be delivered towards the end of the current Medium-Term Financial Planning period.
- 5.4 It is important to note that the revised savings estimates contained in this report are indicative at this stage. If the proposed approach contained in this report is approved, more detailed project specific information, feasibility and business case details will be presented as required to the Corporate Property Board.
- 5.5 As there are many interdependencies between the various themes and work programmes, decisions will need to be made holistically, in alignment with the Council's Medium-Term Financial Strategy and Capital Programme.

6.0 Consultation

- 6.1 Extensive consultation has taken place over the last 48 months through the development of the Greater Manchester Spatial Framework. More in-depth consultation and engagement has taken place on the Town Centre Vision (refresh), the Housing Strategy, and more recently the Locality Asset Review (linked with the One Public Estate work), these latter documents are now formally adopted.
- 6.2 Consultation and engagement work took place with stakeholders, partners, Council teams and services, elected members, public sector organisations and different voices from our

local communities to help clearly define regeneration ambitions, and to ensure that a vision was in place that was alignment with national, regional and local strategic priorities.

- 6.3 Portfolio Holders have been consulted on the findings, and both staff and elected members have been engaged throughout this process to allow ideas and suggestions to be fed into the review work.
- 6.4 Project consultation will take place at the applicable time in conjunction with standard practice for project development / planning application considerations.

7.0 Town Centre Vision Update

- 7.1 These are unprecedented times and the full impact on Oldham Town Centre is not yet fully known, but the Covid-19 pandemic will mostly likely alter and possibly displace aspects of the town centre following further increases in online shopping behaviours. However, assumptions need to be made in relation to the challenges facing the town centre, especially in terms of visitor experience, night time economy, family friendly culture and connectivity between sites to help ensure the town centre vision supports a new wave of place-making and post-covid economic recovery.

The 'Creating a Better Place' review has provided opportunities to review additional brownfield sites in the town centre and across the borough to help bring forward opportunities for housing development. Simpson Haugh were commissioned to review a number of key Council owned sites with a view to considering additional housing capacity and density within the town centre boundaries.

The new vision for the town centre is appended to this report, which incorporates details about the proposals for green open space to complement a diverse housing offer that meets the needs of different sections of the population at different times in their lives with access to local services, shops, employment and skills/training centres.

8.0 Co-operative Agenda

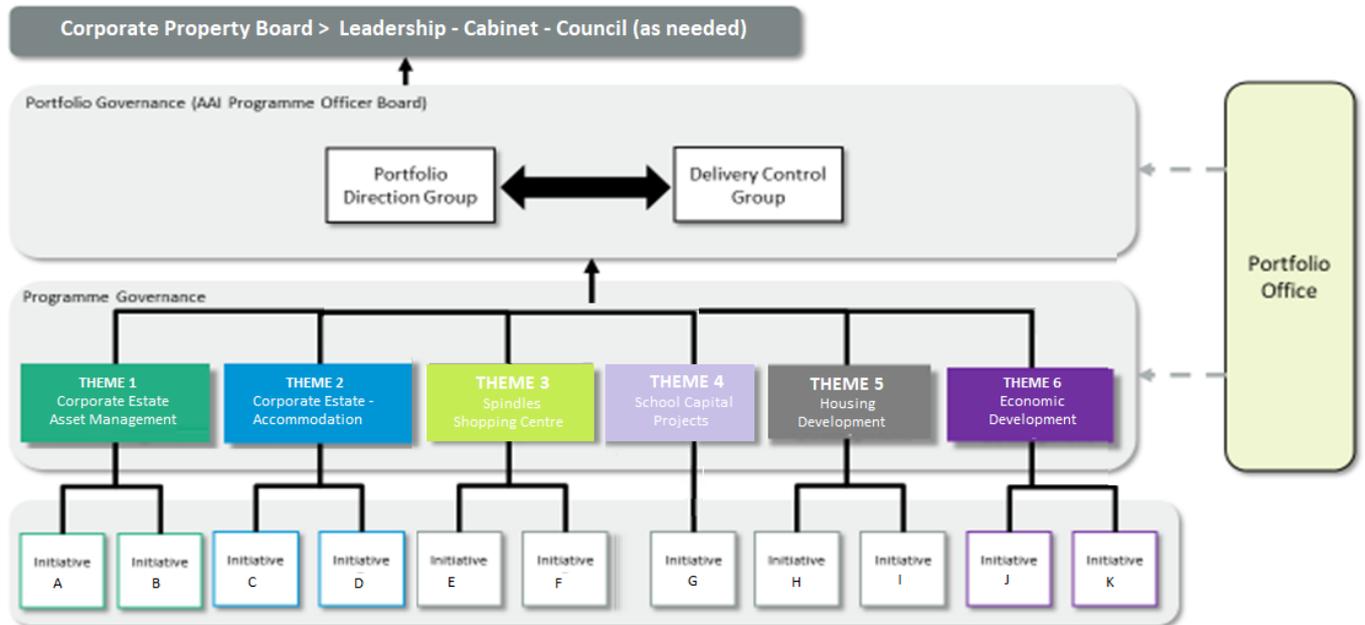
- 8.1 The revised programme, the new vision, direction and approach provides numerous opportunities to support the development of a Co-operative Borough both through how decisions are taken and the engagement of key partners, service providers and communities in this; and the creation of new opportunities for development that includes more co-operative businesses. (Jonathan Downes)

9 Key Issues for Overview and Scrutiny to Discuss

- 9.1 It is important for members of PVFM Scrutiny Committee to note the revised financial programme and savings contained in this report. They are indicative at this stage, however as there are many interdependencies between the various themes and work programmes, business cases for each project will clearly map out the costs and savings associated with progression in alignment with the Council's Medium-Term Financial Strategy and Capital Programme.
- 9.2 The Governance for monitoring financial and project management performance is through the Corporate Property Board, which provides the first engagement and endorsement before Portfolio, Cabinet or Council consideration as required. The diagram below maps out visually how the programme is governed:

Governance Forums

MTPS governance for portfolio direction and delivery



As at Sept 2020

9.3 Following the application of the principles above to each project within the Creating a Better Place programme, the results are summarised as below:

| Status / Project | Recommendation | Financial / Programme Status |
|--|---|--|
| Town Centre Homes Flexible Housing Fund Town Deal Fund Growth Fund Spindles Broadway Green Hollinwood Kaskenmoor Schools capital programme Accommodation review | Cabinet - approved projects Proceed / accelerate where possible Each to come forward for Cabinet consideration with its own business case and decision making timeline. | c£285m capital investment Revenue savings target c£8m External Funding: Homes England GMIF Future High Street Fund Bid Town Deal Fund Brownfield Land Fund Decarbonisation Fund Other Govt bids to support economic recovery |
| Investment Portfolio | Cabinet - approved that these projects stop in line with new financial regulations | |
| New civic hub | Current project is not viable. | Explore public estate for other accommodation options |
| Town Centre Car park(s) | Current project is not viable. | |
| New-build market | Other options being explored | Market traders fully engaged |

| | | |
|-------------------------|---|--|
| Health Centres | Continue with outline business case and review in conjunction with place-based working | Business case to be reviewed and external funding sought as part of a wider asset review |
| Royton Town Hall | Revised business case to be developed which links to place based working. | |
| Alex Eco Centre | Urgent H&S works and viability assessment for enhanced eco works will come forward as a separate report for Cabinet | External funding sought as part of a wider Green New Deal Programme. |
| Wrigley Head Solar Farm | Further work needed | Confirm external funding opportunities. |
| Hotel | Outline business case not yet complete | |
| OMA | | External funding sought – await confirmation |

Appendices

A - Town Centre Vision Update

Oldham Town Centre: potential development sites / zones August 2020

