
Report to POLICY OVERVIEW AND SCRUTINY COMMITTEE

Green New Deal Strategy and Generation Oldham - further update on funding

Portfolio Holder:

Cllr Abdul Jabbar, Cabinet Member for Finance & Low Carbon,
Deputy Leader

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Wealth Building

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Purpose of the Report

To provide an update on funding arrangements for activities in the Oldham Green New Deal delivery programme.

Recommendations

That the Board:-

1. Notes that most of the activity in the Oldham Green New Deal programme is currently funded, with potential for further funding in the future from external sources
2. Notes that “Championing a green recovery” is one of the priorities in Oldham’s Covid Recovery Plan, and that national government is also prioritising public sector investment in the low carbon and environmental sectors as part of its overall economic recovery strategy
3. Agrees to receive a report at a future meeting focusing specifically on the potential for a strategic partnership with a commercial low carbon infrastructure provider, to support delivery of the 2030 Net Zero target for Oldham borough

Green New Deal Strategy and Generation Oldham - further update on funding

1 Background

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

- Growing the green economy
- Low carbon infrastructure and a Local Energy Market
- Northern Roots

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

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

1.3 An update report was presented to the Overview and Scrutiny Board in December 2020, summarising progress against the carbon neutrality targets, the impact of COVID19 on the delivery programme, targeted activities in areas of potential employment growth, achievements so far and the current status of the Generation Oldham community energy programme.

1.4 The Board noted that the success of the Oldham Green New Deal programme depends to a large degree on external funding, since the capacity of the Council to finance many of the proposed initiatives has been impacted year on year by budget cuts, and in particular over the last 12 months by the COVID19 pandemic crisis.

1.5 This report provides an update on funding arrangements for activities within the Oldham Green New Deal delivery programme, which sits as part of the Council's overall Creating A Better Place strategic programme.

1.6 Additionally, the Council's Covid Recovery Plan includes "Championing a green recovery" as one of its key priorities, as shown in the diagram below – although Green New Deal activities also support many of the other recovery priorities.

Covid Recovery Plan 2021-2022



2 Current Position

2.1 Delivery of the Oldham Green New Deal programme sits as part of the Council's overall Creating A Better Place strategic programme for the borough, and OGND activities are organised under the main Creating A Better Place themes. The current position and future outlook in respect of funding for these activities is as follows:-

2.2 Economy theme:-

- Wrigley Head Solar Farm (currently paused)
A £1.1 million project which is currently unfunded. The scheme requires 60% or higher grant funding to make the scheme viable as it currently stands. Potential exists to sell on the project to a third-party developer who could directly use the electricity generated themselves – the next step will be soft market testing to gauge the appetite of potentially interested parties.
- Minewater Town Centre District Heat Network
The Council has secured £70K in revenue funding to develop the business cases for two of the Towns Fund projects, and it is anticipated that the heat network could be one of these. The Council has applied for £4 million from the Towns Fund to develop the minewater boreholes and energy centre which would supply heat to a future district heat network. The heat network will have an estimated cost of around £20 million which has not yet been identified. If the Council were to invest, this would be subject to a robust business case and approval to include the project in the Capital Programme. Further funding to support the development and delivery of the project is available from the Department of Business, Energy & Industrial Strategy's Heat Network Development Unit.
- Public Sector Decarbonisation Scheme delivery – Alexandra Park Eco-Centre
Around £288K has been secured from the Public Sector Decarbonisation Scheme (PSDS) to cover the cost of supply and installation of Air Source Heat Pumps for the new Alexandra Park Eco-Centre. Future rounds of the PSDS could potentially provide further funding for e.g. biomass Combined Heat & Power at the site, but no details yet exist of future rounds.

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- Town Centre Linear Park and Green & Blue Infrastructure
An external source of funding to cover the design cost of the proposed Linear Park up to RIBA Stage 2 has potentially been identified. This design work could then form the basis of a capital funding bid to any national funds which may be available in the future.
 - Northern Roots
To date external capital funding totalling £700,000 and external revenue funding totalling £155,000 has been secured towards the delivery of Northern Roots. Further proposals to external funders totalling £9 million (capital) and £350,000 (revenue) have been submitted and are awaiting decision.

2.3 Corporate Estate theme:-

- Public Sector Decarbonisation Scheme delivery (GMCA) – LED lighting and solar PV at Oldham Leisure Centre
Around £94K has been secured from the GMCA's application to the Public Sector Decarbonisation Scheme, for LED lighting at Oldham Leisure Centre. There is potential for future rounds of the PSDS to provide grant funding for decarbonisation works in Council buildings.
- Heat Decarbonisation Plan for the Council's estate
£30K in revenue funding has been secured from the Low Carbon Skills Fund to enable Unity Partnership to prepare a Heat Decarbonisation Plan for the Council's estate, which will be a key element in meeting the 2025 carbon neutrality target for Council Buildings and Street Lighting. This plan will help to inform future funding applications to e.g. the Public Sector Decarbonisation Scheme.
- Decarbonisation of existing schools
Decarbonisation in schools is difficult to fund as it is the school which receives the financial benefit of savings on its energy bills, so there is no business case for the Council to invest. However, the GM Combined Authority is putting together a package to enable schools to decarbonise, and once prepared this could be something that the Council could offer to schools in Oldham. Oldham Council is also part of a consortium bid to the Community Renewal Fund, which if successful will secure funding to carry out Investment Grade Audits of all Council-maintained schools in the borough.
- "Go Neutral" – GMCA programme to identify renewable energy projects for public land and assets
The GM Combined Authority has secured funding to conduct an analysis of publicly owned land and assets across the city region, and use this analysis to identify potential renewable energy projects with investable business cases. These projects could be something that the Council could fund in the future on an invest-to-save basis, but work is not yet sufficiently advanced for there to be any detail as to what these projects might be.

2.4 Housing theme:-

- RED WoLF
Around £220K of revenue funding has been secured from the Interreg North West Europe programme towards Council officer time, and around £290K in capital funding to pay for the RED WoLF low-carbon electrical heating systems in 19 pilot homes at Primrose Bank. The remaining match funding requirement for the project is covered by the Housing Renewal Fund.

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- Delivering / expanding Warm Homes Oldham scheme
The Warm Homes Oldham service is funded by an annual grant of £50,000 from Public Health and £125,000 from the CCG. This is supplemented by funding from other bidding opportunities, such as the COVID Winter Grant Scheme that contributed £57,270 in 2020-21. This was used to provide emergency fuel vouchers and boiler repairs / replacements.

The Warm Homes Oldham service has led on bidding for and delivering the Greater Manchester Green Homes Grant (GHG) Local Authority Delivery (LAD) Scheme.

- Phase 1A is delivering £4.7m of measures to 630 homes across Greater Manchester by 30 June 2021;
- Phase 1B is delivering £5.6m of measures by to 821 homes across Greater Manchester by 30 September 2021;
- Phase 2 is delivering £17.6m of measures to 1,885 homes across Greater Manchester by 31 December 2021.

The Government is due to announce a bidding opportunity later this year for Phase 3, which is to be delivered in 2022-23.

2.5 *Spindles theme:-*

- Spindles Sustainability Strategy – including Net Zero, Food Strategy etc
The funding for sustainability measures in Spindles Shopping Centre will form a part of the overall case for investment by the Council once design has been completed for the renovation of the site.

2.6 *Other Green New Deal activities*

- Oldham Energy Futures
Around 300,000 Euro has been secured from ICLEI by the external lead (Carbon Co-op) for this project, which is being delivered in partnership with the Council. The project will engage residents in Sholver and Westwood to work on an energy transition masterplan for their neighbourhoods and includes money to pay residents for the time they spend on the project and also for some pilot projects putting the masterplan into practice.
- Oldham Community Power Phase 2
At the time of writing no funding has been identified to support OCP in developing a business case for a Phase 2 of their project. However, there may be potential to secure funding to produce feasibility studies for the remaining maintained schools in Oldham, via the Community Renewal Fund, as part of a consortium bid with the NHS and other GM councils – which OCP could then use for a future Phase 2 of their community energy scheme.
- 'Green Your Neighbourhood' / Citizens' Assembly on Climate Change
£10K has been identified from the Transformation Reserve to potentially support this work. However, the work is currently paused due to COVID19.
- COALESCCE
Around £60K in revenue funding towards officer time remains in the COALESCCE community energy project, funded by the Interreg Europe programme. COALESCCE supports community energy work in Oldham such as Oldham Energy Futures and Oldham Community Power. There is potential for the COALESCCE project to be extended which could secure further revenue funding towards officer time.

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- Local Energy Market / green Power Purchase Agreements
No funding requirement or source has yet been identified for work to create a Local Energy Market in Oldham. However, Oldham is a participant in the GM Combined Authority's Innovate UK-funded local energy market project and can benefit from that work. Amongst other benefits, the project will generate a Local Area Energy Plan which can then be used to attract inward investment to build Oldham's low carbon infrastructure for the future.
 - Strategic low carbon infrastructure partnership with private sector provider
Development of this work has been 'paused' until later in the year due to a lack of capacity in the Procurement service to progress it at the moment. However, if this initiative goes ahead it has potential to secure significant private sector investment in Oldham borough, which will be a key element of Oldham's overall investment in the low carbon economy. It is proposed that this initiative should be the subject of a future report for consideration by the Policy Overview and Scrutiny Committee.
 - Growing the green economy / jobs & skills
It is envisaged that around £25K from the FOUNDATION Interreg Europe project could cover the cost of a SWOT analysis of Oldham's green economy and produce an action plan to enable the Council to focus on creating jobs and training opportunities in this key sector.

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

3.1 Report is an update, for information only.

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

4.1 Report is an update, for information only.

5. **Links to Corporate Outcomes**

5.1 Corporate Plan:-

Inclusive Economy:-

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

Thriving Communities:-

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

5.2 The Oldham Plan

Inclusive Economy

- Investment:-
 - We will challenge the orthodox investment model at Greater Manchester and beyond where it doesn't benefit the people and the areas that need investment the most

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- We will support the growth of our key employment capabilities seeking and supporting increased innovation and enterprise
 - We will continue to invest in Oldham and stimulate investment
 - Human capital:-
 - We will develop a productive and integrated education, skills and employment offer for Oldham
 - We will ensure a great education and vocational training offer and enable residents to be life ready and work ready
 - We will ensure effective business support to increase investment in enterprise, skills and training including apprenticeships

Co-operative Services

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

Thriving Communities

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

6 **Financial Implications**

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

[James Postle]

7 **Legal Services Comments**

- 7.1 Any Green New Deal Schemes put forward will also need early engagement with Legal, Finance, Procurement and Risk and Insurance officers and appropriate due diligence will need to be undertaken.

Any grant funding should be approved according to the Council's Constitution with advice from Legal Services and a careful eye to grant funding terms and conditions to ensure these can be met and are within budget.

Any contracts entered into and/or works/services procured by or on behalf of the Council must comply with The Council's Contract Procedure Rules and Financial Procedure Rules.

Any land transaction entered into must comply with the Council's Land and Property Protocol.

[Rebecca Boyle – Group Lawyer, Corporate]

8. **Co-operative Agenda**

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

[Andrew Hunt]

9 **Human Resources Comments**

- 9.1 N/A

10 **Risk Assessments**

- 10.1 N/A

11 **IT Implications**

- 11.1 N/A

12 **Property Implications**

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

[Peter Wood]

13 **Procurement Implications**

- 13.1 The Green New Deal Schemes are detailed in the body of the report and will require early engagement of the procurement team. As new schemes are identified and current proposals are developed, there needs to be detailed business planning, in line with current Council procedures, to ensure that all schemes are robust and financially viable supported by business case. All proposed schemes should also be in alignment with other Council strategic objectives and should maximise the use of external funding within the Council's regulatory framework. The use of external funding needs to be in full compliance with the funder's terms and conditions, specifically around the procurement of goods, services, and works.

[Dan Cheetham]

14 **Environmental and Health & Safety Implications**

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

[Andrew Hunt]

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

- 15.1 N/A

16 **Equality Impact Assessment Completed?**

- 16.1 N/A

17	Key Decision
17.1	N/A
18	Key Decision Reference
18.1	N/A
19	Background Papers
19.1	N/A
20	Appendices
20.1	None