

Report to CABINET – Part A

Towns Fund Grant Acceptance

Portfolio Holders:

Councilor Arooj Shah, Leader of the Council and Portfolio Holder for Economic and Social Reform

Councilor Abdul Jabbar, Deputy Leader of the Council and Portfolio Holder for Finance and Low Carbon

SRO: Helen Lockwood, Deputy Chief Executive – People and Place

Officer Contact: Emma Barton, Director of Economy

Report Author: Roger Frith, Head of Regeneration and Development
Ext. 4120

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Reason for Decision

Cabinet Members are asked to note the £24.4m Towns Fund capital grant allocation following confirmation of award the Ministry of Housing, Communities and Local Government (MHCLG) in June 2021. Four projects from the submission were selected by MHCLG for progression and financial support from the Towns Fund, and with both political approval and approval of the Oldham Town Deal Board, the four projects were allocated an equal share of the allocation:

- £6.134m for Tommyfield Market,
- £6.133m for Making Space for Live Performance
- £6.133m for and Northern Roots, and
- £6.0m for the Flexible Workspace (the maximum allocation permitted in the grant offer letter).

A further report which outlines the full details of the grant award – will be considered under Part B of the agenda.

Recommendations

Cabinet is asked to note the contents of the report.

Report on Towns Fund Grant Acceptance

1 Background

- 1.1 In December 2020, Oldham Council ('the Council') submitted a Town Investment Plan (TIP) requesting a Town Deal worth £41m for five projects in Oldham Town Centre. The development of this document was overseen by partners on the Oldham Town Deal Board ('the Board'). In a press release dated 7th June 2021, the Government announced that Oldham had secured £24.4m from the Towns Fund. The Heads of Terms document that followed on 8th June 2021 is appended to the part b report, confirming four of the five projects within the funding envelope being offered:
- i) **Relocating Tommyfield Market** from its existing site into Spindles Town Square Shopping Centre: funding will facilitate the relocation of traders into the shopping centre as part of wider efforts to deliver the Oldham Town Centre Vision.
 - ii) **Making Space for Live Performance:** this project will provide a new flexible performance space in the town centre for use by local arts and culture providers including Oldham Coliseum Theatre. Based within a redeveloped Old Post Office and former Quaker Meeting House at 84 Union Street, which will both be retained as part of the project, it will provide additional creative arts and performance spaces that meet modern requirements. It will play a significant role in post-Covid-19 recovery.
 - iii) **Flexible Workspace:** like the relocation of Tommyfield Market, the introduction of the town centre's first Grade A office accommodation to Spindles Town Square Shopping Centre will diversify the space into a thriving economic and social hub with increased levels of footfall. The contemporary office space will appeal to new entrepreneurs and growing sectors like creative design and media, to deliver new jobs for local people and replicate successes elsewhere in Greater Manchester.
 - iv) **Northern Roots:** the UK's largest urban farm and eco-park. This nationally significant project will create 160 acres of high-quality green space and environment enhancement for community use, a short stroll from Oldham town centre. Funding will support the cost of enabling works and access routes and the construction of key infrastructure including the visitor centre, education centre, market garden and mountain biking hub
- 1.2 Bid assessors declined support for a fifth project: a minewater heat network to convert water from flooded coal mines into energy to create an environmentally friendly power source for Oldham Town Centre. The assessors felt the project offered limited alignment with the intervention framework and the objectives of the Towns Fund. They cited limited links to 'remediation and/or development of abandoned or dilapidated sites' due to the development being underground and to 'skills infrastructure'. They also stated that the high-level delivery plan did not provide confidence that a project of that scale and/or complexity could be delivered as planned and commented that the benefits accrued from the investment were contingent on the feasibility exercise being successful. Alternative funding sources for the project in support of the Green New Deal sustainability goals are being explored with the Department for Business, Energy and Industrial Strategy (BEIS).
- 1.3 The £24.4m grant funding for the four approved projects is subject to successfully completing Phase 2 of the Towns Fund process comprising detailed project development and business case assurance at the local level; the funding offer is subject to Government approval of project (full) business cases to be developed over 12 months from receipt of Heads of Terms in June 2021. The grant will be approximately 90% capital and will need to be contractually committed by March 2026.

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- 1.4 The Town Deal will represent the agreement in principle between Government, the Council and the Board, confirmed in a Heads of Terms document. It will set out a vision and strategy for the town, and what each party agrees to do to achieve this vision. The document will be signed by the Secretary of State for Housing, Communities and Local Government on behalf of Government. The other signatories will be the Council Chief Executive or Council Leader, and the Board Chair.

2 Current Position

- 2.1 Excluding the Minewater Heat Network, the grant award of £24.4m is £12.6m lower than the bid for the four supported projects (£37m).
- 2.2 It is therefore proposed that the four projects were allocated an equal share of the grant allocation:
- £6.134m for Tommyfield Market,
 - £6.133m for Making Space for Live Performance
 - £6.133m for and Northern Roots, and
 - £6.0m for the Flexible Workspace (the maximum allocation permitted in the grant offer letter).

3 Options/Alternatives

- 3.1 Option 1: do nothing. Do not accept the grant award. This would have major implications for delivery of the projects to original timescales and budgets and, therefore, the achievement of regeneration ambitions and objectives.
- 3.2 Option 2: Formally accept the Town Fund award allocation for £24.4m and share equally (as set out in this report and in alignment with maximum award values) amongst the four projects identified.

4 Preferred Option

- 4.1 Option 2 is the preferred option to help ensure delivery of the projects to original timescales and budgets and, therefore, the achievement of regeneration ambitions and objectives.

5 Consultation

- 5.1 At a meeting on 28th June 2021, the Oldham Town Deal Board voted unanimously to accept the £24.4m Towns Fund grant award and to return signed Heads of Terms to MHCLG by 29th June 2021.
- 5.2 Consultation and engagement work has taken place over the last two years 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 the projects referenced in this report align with local priorities, ideas and suggestions.
- 5.3 There will be more community engagement taking place now that the Government have confirmed the next step in the recovery roadmap: this will allow Oldham's local communities to continue to shape, steer and co-design the next stages of the developments.

5.4 Specific detailed project consultation will take place at the applicable time in conjunction with standard practice for project development / planning application considerations.

6 Financial Implications

6.1 Financial implications are covered in Part B of the report

7 Legal Services Comments

7.1 Legal implications are covered in Part B of the report.

8 Co-operative Agenda

8.1 The acceptance of the Towns Fund grant award to deliver four projects in Oldham town centre supports the Co-operative Agenda by achieving outcomes that contribute to making Oldham a place to invest and do business, and a regenerated town which grows the business base to ensure our local residents and communities can thrive via access to new jobs and training opportunities.

(Roger Frith, Head of Regeneration and Development)

9 Human Resources Comments

9.1 N/A

10 Risk Assessments

10.1 As set out in Part B of the report.

11 IT Implications

11.1 N/A

12 Property Implications

12.1 Property implications are covered in Part B of the report.

13 Procurement Implications

13.1 Procurement implications are covered in Part B of the report.

14 Environmental and Health & Safety Implications

14.1 None at the present time

15 Equality, Community Cohesion and Crime Implications

15.1 None

16 Implications for Children and Young People

16.1 None

17 Equality Impact Assessment Completed?

17.1 Not at this stage of the projects

18 Key Decision

18.1 No

19 Key Decision Reference

19.1 N/A

20 Background Papers

20.1 None