

## Delegated Cabinet Member Decision Report

<b>Decision Maker and Portfolio area:</b>	<b>Cllr Abdul Jabbar MBE, Cabinet Member for Finance and Low Carbon</b>
<b>Date of Decision:</b>	<b>5 October 2022</b>
<b>Subject:</b>	<b>Redemption of shares in Oldham Community Power</b>
<b>Report Author:</b>	<b>Andrew Hunt</b>
<b>Ward(s) Affected:</b>	<b>N/A</b>

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**Reason for the decision:** To note for Council records the decision of Oldham Community Power at their most recent Annual General Meeting (AGM) to buy back some of the Council's shareholding.

**Summary:** Background

In 2016, the Council supported a local Community Benefit Society, Oldham Community Power, to install solar panels on five schools and one community building in Oldham borough. The Council became a Member of the Society, initially with an investment of £15,000 in Pioneer Shares (which are actually the same class of share as normal community shares – the term 'Pioneer' indicates 'at risk' capital used in the project development phase of the scheme).

The Council also issued a short-term loan facility of £250,000 to the Society, most of which was drawn down to fund the installation of the solar panels. Oldham Community Power then refinanced the scheme with the issue of community shares, and repaid the Council the majority of the loan. The remainder of the outstanding loan amount was converted into normal community shares at the end of the two-year loan period, leaving the Council with a £100,000 shareholding which included the original £15,000 of Pioneer Shares.

A summary of repayments to date and the holding as at 31/3/2022 - £83,494.

Initial Purchase	£15,000
Loan Conversion to Purchase	£85,000
Buy-Back 1 (20/21)	(£8,750)
Buy-back 2 (21/22)	(£7,756)
<b>Position at 31/3/2022</b>	<b>£83,494</b>

#### Current position

At the 2022 Annual General Meeting of the Society, Oldham Community Power put forward a motion to pay interest to Members and also to repay a proportion of Members' investment capital, thus effectively 'buying back' shares from Members. The motion was carried and payments have now been issued. For Oldham Council, this means a payment of £10,022.88, comprising £8,353 in returned capital and £1,669.88 in share interest. This will leave the Council with a residual shareholding in the Society of £75,141.

***What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):***

Oldham Community Power has the authority to unilaterally decide to buy back shares from its members. Therefore, there are no options and the only requirement is that the Council formally records this decision.

**Recommendation(s):**

To note the decision of Oldham Community Power to buy back £8,353 the Council's shareholding and to pay £1,669.88 in interest on the shareholding.

**Implications:**

***What are the financial implications?***

The disposal of shares will realise a capital receipt of £8,353 which is not included in current or future estimates, which in turn would be wholly available to support the Council's capital programme.

The disposal would reduce the Oldham Community Power shareholding under long-term investments to £75,141.

The interest received of £1,669.88 will be credited to the Council's Interest Receivable budget to offset on-going revenue costs.

[J Kara / L Walsh]

**What are the procurement implications?**

N/A

What are the **legal** implications? There are no legal comments for this report.  
Sarah Orrell

What are the **Human Resources** implications? N/A

What are the **Children and Young People** Implications? N/A

**Equality and Diversity Impact Assessment** attached or not required because (please give reason) N/A

What are the **property** implications N/A

**Risks:** N/A

**Co-operative agenda** The Council continues to hold shares in both Oldham Community Power and Saddleworth Community Hydro, and continues to support the growth of community owned renewable energy in the borough.  
[Andrew Hunt]

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Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget? Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

**There are no background papers for this report**

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<b>Report Author Sign-off:</b>	
Andrew Hunt	
<b>Date:</b> 5 October 2022	

In consultation with

(Relevant Strategic Director/Director

 \_\_\_\_\_ Date: \_\_\_\_\_ 14/10/22 \_\_\_\_\_

Cabinet Member for Finance and Low Carbon



Cllr Abdul Jabbar

Date: 11/10/202