

**Report to PLACE SCRUTINY BOARD**

# **Oldham Green New Deal / Climate Adaptation & Resilience Update**

**Portfolio Holder:**

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**Purpose of the Report**

To provide an update on the Oldham Green New Deal delivery programme and work on a new Climate Adaptation and Resilience Strategy.

**Recommendations**

That the Committee notes progress on both of the areas in the report, which in turn support delivery of the Greater Manchester 5-Year Environment Plan.

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**Oldham Green New Deal / Climate Adaptation & Resilience Update****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 For the financial year 2022/23, the Council's in-scope carbon footprint for the 2025 target was 6,379 tCO<sub>2</sub>e, made up of 4,718 tCO<sub>2</sub>e (Council Buildings) and 1,661 tCO<sub>2</sub>e (Street Lighting). This figure is a fall of around 25% on the 2018/19 baseline. Of this figure, 2,764 tCO<sub>2</sub>e was from the consumption of gas, and most of the rest (3,545 tCO<sub>2</sub>e) was from consumption of electricity (with a small amount from water and oil, 69 tCO<sub>2</sub>e). It is likely that to meet the 2025 carbon neutrality target, the Council will need to undertake some 'carbon offsetting'.

1.4 For the borough as a whole, total emissions for 2021 (latest year available) were 841.5 ktCO<sub>2</sub>, and per capita emissions were 3.5 t. The figures for 2021 are an increase on 2020 of 10%. The reason for the increase is not clear but is likely due to increased economic activity after the Covid19 lockdown in 2020. The 2021 figures are a cut on 2019 of around half of a percentage point.

1.5 This report gives an update on the following Green New Deal activities:-

- Oldham Green New Deal Delivery Partnership
  - DESNZ Local Net Zero Accelerator programme
  - Innovate UK Net Zero Living Pathfinder Places programme
  - Green New Deal Delivery Group
  - Appointment of Independent Assurance Provider
  - Potential anchor projects for procurement of Delivery Partner
  - Expansion of Community Led Energy Planning approach
  - Embedding of Community Wealth Building outcomes and social value
- Oldham Low Carbon Heat Network
  - Outline Business Case summary
  - Application to Green Heat Network Fund
  - Market engagement exercise
- Wrigley Head Solar Farm
- Net Zero Spindles
- Area-Based Housing Retrofit scheme for the Able to Pay sector
- Training for Council staff

1.6 The Oldham Green New Deal addresses 3 of the 6 strands outlined in the Greater Manchester Environment Strategy. The 3 remaining sections are addressed by the Oldham Council Environment Strategy. These are:

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- Natural Environment
  - Resilience & Adaptation
  - Production & Consumption of Resources

- 1.7 The purpose of the Oldham Environment Strategy is to outline the key areas that need to be considered by the council, its partners and residents; what these mean for the borough, to understand the work done to date, and what more can be done at a local level by working with a range of partners. The strategy also recognises that alignment with the GM plan will result in greater learning, knowledge sharing and benefits for Oldham, its residents and environment.
- 1.8 Climate adaptation and resilience is significantly important to Oldham and its residents – both of which are already being affected by extreme temperatures, localised flooding and moorland fires – all of which are likely to increase in the future. In order to enable our residents, communities, businesses and infrastructure to have the capacity to survive, adapt and grow in the face of these challenges, efforts and investments need to be underpinned by robust action on climate adaptation (and resilience) to protect our economy, key infrastructure and our natural environment.
- 1.9 Climate Change is also more likely to have a greater impact on those residents who are already dealing with fuel or food poverty, those on low incomes and those with disabilities and an ageing population. Therefore, it is vitally important that we strengthen our adaptation actions, so that we may protect the most vulnerable within our communities.
- 1.10 It is recognised that climate adaptation, reduction in consumption of resources and protection and improvement of the natural environment are all interlinked, and therefore, need to be considered and approached in a holistic manner but also in conjunction with elements of the Green New Deal that are already being delivered across Oldham and the Greater Manchester Region.

#### Link to Corporate Plan and Priorities

- 1.11 The Oldham Green New Deal Delivery Partnership will support “working with a resident focus” through the Community Led Energy Planning approach, which will put residents at the heart of the development of low carbon energy infrastructure in their neighbourhoods.
- 1.12 Corporate Plan priorities: Healthy, safe and well supported residents / quality homes for everyone – the Oldham Green New Deal Delivery Partnership could support efforts to help residents cut their energy bills through the energy efficient retrofit of their homes.
- 1.13 Corporate Plan priority: A clean and green future – the Oldham Green New Deal Delivery Partnership aims to bring in up to £5.6bn of investment in low carbon infrastructure in Oldham, supporting the aim set out in the Oldham Green New Deal Strategy to achieve carbon neutrality for the borough by 2030. It will also contribute to the improvement of green infrastructure in the borough such as parks and local green spaces.
- 1.14 Corporate Plan priorities: A great start and skills for life / better jobs and dynamic businesses - the Oldham Green New Deal Delivery Partnership will support the creation of jobs and training opportunities for Oldham’s residents and young people in the growing Green Technology and Services sector, as it secures inward investment in low carbon infrastructure schemes and involves Oldham’s local supply chain in delivery. It will also help businesses to become more competitive by cutting their energy costs, through investments in energy efficiency and decarbonisation. The new low carbon heat network

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will provide cost certainty for heat supply for Town Centre businesses and residents, as well as an environmentally friendly source of heating.

## 2 Current Position

### Oldham Green New Deal Delivery Partnership

- 2.1 *DESNZ Local Net Zero Accelerator programme.* In November 2023, the GM Combined Authority was notified that it will be awarded up to £7m from the new DESNZ Local Net Zero Accelerator programme. The grant funding will enable the delivery of a three-tier project to demonstrate different delivery models at three levels in GM – city regional (GMCA Strategic Outline Business Case for low carbon infrastructure), local authority level (Oldham Green New Deal Delivery Partnership) and neighbourhood level (Net Zero Wythenshawe, Manchester City Council). Oldham’s share of this grant funding will be up to £1.5m. The project will run for 29 months from February 2024 to June 2026, and will see the Council procure a strategic investment and delivery partner to deliver low carbon infrastructure across the borough, in support of the 2030 carbon neutrality target.
- 2.2 *Innovate UK Net Zero Living Pathfinder Places programme.* The Council has been invited to apply for £150K from the Innovate UK Net Zero Living Pathfinder Places programme, to fund innovative extra work which will complement the DESNZ Local Net Zero Accelerator funding. The Council will apply to this fund in January 2024, and if successful will use the funding to ensure that Community Wealth Building and social value outcomes are embedded into the Oldham Green New Deal Delivery Partnership.
- 2.3 *Green New Deal Delivery Group.* A new Green New Deal Delivery Group has been established to provide governance to the OGND Delivery partnership. The Delivery Group is a sub-group of the Oldham Partnership Economic Board and is focused on realising the economic benefits of investment in and delivery of low carbon infrastructure in Oldham. The group meets on a monthly basis and includes stakeholders from the Council, the Oldham Partnership, local businesses, the GMCA, Electricity North West and other key local, regional and national stakeholders as appropriate. The Delivery Group will oversee the implementation of the OGND Delivery Partnership and will have oversight of the activities of the main infrastructure delivery partner.
- 2.4 *Appointment of Independent Assurance Provider.* The Council has procured an Independent Assurance Provider – an industry expert consultant who will support the Council through the process of procuring the main OGND Delivery Partner (infrastructure provider) and the ongoing process of building a pipeline of low carbon infrastructure projects in the borough, as well as providing assurance on the viability and value for money for residents of individual projects and schemes. The winning bidder has been selected but not yet notified, although it is the Council’s intention to appoint them as soon after 1<sup>st</sup> February 2024 as possible, to begin work on the DESNZ grant funded programme.
- 2.5 *Potential anchor projects for procurement of Delivery Partner.* Although the OGND Delivery Partnership is intended to deliver projects right across the borough for a wide range of stakeholders and organisations, the Council can provide a number of ‘anchor’ projects for the procurement of the main Delivery Partner, to give bidders assurance that there is a commercial opportunity here for them in Oldham and to demonstrate to other Oldham organisations that the Council is committed to the process and the 2025 / 2030 carbon neutrality targets set out in the Oldham Green New Deal Strategy. Potential ‘anchor’ projects for the Delivery Partner procurement include:-

- Oldham Low Carbon Heat Network

- Crompton Moor Wind Farm
- Spindles solar PV 500kW
- St Anne's Crescent solar PV 1.7MW
- Roundthorn Road solar PV 3.7MW
- Greenacres Fold solar PV 400kW
- Millbrow solar PV 830kW
- Hobson St solar car ports 274kW
- St Chad's Crescent solar car ports 348kW
- Electric Vehicle Charging Infrastructure on Council-owned car parks, depots and community sites
- Electrical infrastructure for Town Centre Linear Park
- Area-Based Able to Pay Housing Retrofit Scheme

2.6 *Expansion of Community Led Energy Planning approach.* The DESNZ grant funded project will aim to expand the Community Led Energy Planning approach which was developed in Oldham by Carbon Co-op as part of the £250K ICLEI-funded Oldham Energy Futures project. The CLEP approach has resulted in two Community Led Energy Plans, one for Sholver and another for Westwood, in which local residents set out their priorities and needs in terms of low carbon and other green infrastructure. The aim of the DESNZ funded project will be to revisit the Sholver and Westwood CLEPs and test a streamlined version of the methodology in one additional ward. The CLEPs will then feed into the governance of the OGND Delivery Partnership to enable low carbon infrastructure schemes to be scoped and co-produced with local communities, to ensure that the Council's primary aim of 'working with a resident focus' is achieved in delivery of the OGND programme.

2.7 *Embedding of Community Wealth Building outcomes and social value.* The opportunity to apply for £150K via the Innovate UK Net Zero Living Pathfinder Places programme means that work which may not be eligible under the DESNZ grant terms and conditions can still be included in Oldham's programme. The intention will be to engage the Centre for Local Economic Strategies (CLES) to ensure that Community Wealth Building outcomes and social value are built into the OGND Delivery Partnership structure and the procurement and ultimate JV with the strategic commercial partner.

#### Oldham Low Carbon Heat Network

2.8 *Outline Business Case summary.* The project has now reached Outline Business Case stage (RIBA Stage 2 design) and the main headlines from the OBC document are as follows:-

- Expansion of the existing district heat network at St Mary's, bringing into use the currently redundant 3.5MW biomass boiler and augmenting it with an additional energy centre at Rhodes Bank providing 1.8MW of Air Source Heat Pumps, which will also be able to take heat inputs from minewater and wastewater (sewer water) as and when available
- 27 building connections across 5 phases including new and existing public, commercial and residential sites for a total of 30GWh/annum heat demand and around 4.6km of new pipework. Will include the new Muse residential developments
- Will be delivered via a Joint Venture with the new Oldham Green New Deal Delivery Partner (see above)
- The scheme is expected to be eligible for £8.8m of grant funding from the Green Heat Network Fund, which will provide a 10% Internal Rate of Return to the OGND Delivery Partner
- The scheme will deliver carbon savings of around 3,700 tCO<sub>2</sub>e per annum – more than the Council's entire carbon footprint from the use of gas for heating

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- The scheme will have expansion potential as Oldham is part of the DESNZ Advanced Zoning Programme. Oldham's Local Area Energy Plan shows potential for around £340m of heat network opportunities in the borough

2.9 *Application to Green Heat Network Fund.* As above, the Council has applied for £8.8m of grant funding from the Green Heat Network Fund. If successful, this grant will cover the costs of further feasibility work taking the project to RIBA Stage 3 design ("Commercialisation" consultancy at around £650K contract value) and the costs of invasive feasibility for minewater heating at Rhodes Bank (£350K for the drilling of test boreholes and the carrying out of tests) as well as providing around £7.8m in capital grant towards the construction cost of the scheme – this latter portion of the grant will be transferred to the OGND Delivery Partner once appointed. The Council expects to receive confirmation imminently on this grant.

2.10 *Market engagement exercise.* In September 2023, a market engagement exercise was conducted to establish interest in the heat network project as part of an OGND Delivery Partnership. The market engagement exercise was the third such exercise as part of scoping the OGND Delivery Partnership concept, and indicated significant market interest in both the overall JV opportunity and the heat network project specifically. The results of the market engagement are included in the Outline Business Case document for the project.

#### Wrigley Head Solar Farm

2.11 The Council's first solar farm project, at Wrigley Head in Failsworth, was given Planning Permission in December 2021. The project must have commenced on site by December this year. The project is to construct a 1MW ground-mounted solar array on a former industrial landfill site. Ground investigations have already been completed which show a requirement for remediation measures due to soil contamination, but at present the project is expected to be able to be delivered within budget. The Council has appointed an "Owner's Engineer" – Arup – who will support the Council in the procurement and management of the main design and build (Engineer, Procure & Construct or EPC) contractor. Work is expected to commence onsite by the summer. The project has a number of key objectives including: bringing a poor quality, land-locked Council-owned site into a productive use and improving the ecology of the site; generating renewable electricity to cut the Council's carbon footprint; demonstrating community leadership on development of low carbon infrastructure; and returning a modest financial return to the Council.

#### Net Zero Spindles

2.12 The Council has secured £2.1m in grant funding from the Public Sector Decarbonisation Scheme Phase 3a to deliver decarbonisation measures in the Spindles, as part of the overall refurbishment of the complex. The grant-funded decarbonisation works include improved glazing, improved wall and roof insulation, and a switch from gas Air Handling Units to efficient electrical heating systems. The Spindles is currently on its own electricity supply contract separate from the Council's main energy supply contracts, and this means that there is potential to supply electricity generated by Wrigley Head Solar Farm and other future renewable energy schemes to the Spindles via the grid by means of a 'sleeving' Power Purchase Agreement – this option is currently being explored with Savills who manage the energy contracts for the Spindles.

#### Area-Based Housing Retrofit scheme for the Able to Pay sector

2.13 In 2023, the Council was successful in applying for a £140K grant from Connected Places Catapult, to work with the Catapult and our local partner Carbon Co-op to develop an Area Based Retrofit scheme for the 'Able to Pay' sector in Oldham. The feasibility study is currently being developed and will be finalised by the end of March this year. The output will be a delivery plan and strategic business case, and the scheme will aim to deliver

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outcomes around carbon emissions reduction, improvement in health outcomes and increased resilience to the effects of a changing climate. The delivery plan will identify financing mechanisms which Oldham residents can use to fund the retrofit of their homes. Owner-occupied homes constitute the vast majority of homes in the borough with the largest share of carbon emissions from the domestic sector, and although the Council's award-winning Warm Homes Oldham programme can address homes where the owners qualify for grant funding, the majority of households in the borough do not qualify and so a new approach is needed.

#### Training for Council staff

- 2.14 All Council officers are required to take a mandatory e-learning package around Carbon Literacy, and at the time of writing 1,559 staff have taken the course. The Organisational Development Team are also looking to introduce a new Net Zero Awareness course for senior managers.

#### Climate Adaptation and Resilience

- 2.15 It is anticipated that the strategy will be issued in February or March 2024 – publication was delayed to take account of recent legislative and policy changes. After adoption, the benchmarking exercise and embedding of the strategy across council departments will be a priority before eventual review and alignment with the GM 5-year environment plan which will see a new strategy being issued for the region, lasting until 2030.
- 2.16 The aim of the benchmarking will be to determine the current position/performance for a range of environmental parameters (e.g. green coverage/tree planting/recycling targets) and be able to accurately measure the improvements made as a result of work on the three areas listed above. Work is already being undertaken to expand green coverage, plant additional trees and to increase and improve the blue/green infrastructure to better manage and support urban water systems, prevent localised flooding and saturation of the urban water/sewer network.
- 2.17 In addition to the above, the Environment Strategy will also take account of other Council policies, national requirements and legislative changes that will have a direct impact on Climate Adaptation and resilience – this includes the Biodiversity Strategy, Biodiversity Net Gain, Local Nature Recovery Strategy, and the work proposed by United Utilities as part of its 5-year investment plan. This approach recognises the various areas of work which feed into environmental improvement and resilience.
- 2.19 Finally, the Environment Strategy will also see the creation of an Environment Board in Oldham. This Board will include a range of partners, voluntary, community and interest groups to engage, understand and to embed the wider message regarding Climate Adaptation, Resilience, resource management and protection/improvement of the natural environment. It is anticipated that this will take place in late Spring or early Summer 2024.