
Report to CABINET

United Utilities Green Recovery Fund – additional Funding – Grant Acceptance

Portfolio Holder:

Councillor Arooj Shah, Leader of the Council and Cabinet Member for Building a Better Oldham

Officer Contact: Emma Barton, Deputy Chief Executive, Place

Report Author: Alex Shaw Principal Engineer, Highways & Engineering Ext. Teams

3rd March 2025

Reason for Decision

Cabinet Members are asked to approve and accept an additional £600,000 United Utilities Green Recovery Fund (UUGRF) grant allocation following confirmation of award from United Utilities Plc in February 2025.

Executive Summary

Oldham Council Highways & Engineering Team submitted applications seeking financial support with increasing the National Capital Value (NCV) of Oldham. The previous successful submissions were:-

West Street	£441,000
Rock Street	£700,000
Market Street	£600,000
Curzon Street	£250,000
Sub Total	<u>£1,991,000</u>
Snipe Gardens	<u>£600,000</u>
Total	<u>£2,591,000</u>

All initiatives are to be delivered by March 2025 and are works supplemented and match funded by the Mayor's Cycling & Walking Challenge Fund.

Recommendations

Cabinet are asked to:

- i) Approve the acceptance of the £0.6m UUGRF grant against the increased National Capital Value criteria specified by Ofwat in collaboration with United Utilities Plc.
 - **Snipe Gardens** – allocation **£600,000** – Increase sustainable urban drainage capacity and reduce surface water volume entering the combined sewerage system,
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increase amenity space i.e. dwell space, pedestrian/cycle provisions and increase soft landscaping infrastructure.

- ii) Delegate authority to the Executive Director for Place and Economic Growth or their nominated representative to agree the terms of the Legal Agreement in respect of the grant award in consultation with the Director of Legal Services and approve appointments of professional teams and contract award in respect of the agreed budgets.
- iii) Delegate authority to Director of Legal Services or their nominated representative to finalise and enter into the Legal Agreement issued by United Utilities Plc in respect of the grant award subject to the completion of any necessary due diligence on subsidy control compliance and authority to agree and complete any project change requests under the Agreement.
- iv) Delegate authority to the Director of Environment or their nominated representative to agree monitoring and evaluation of defined outputs and negotiations thereupon as required over the grant delivery period of 2024/2025.
- v) Note that as accountable body for UUGRF, United Utilities Plc has issued a Legal Agreement in respect of the grant, along with supporting documentation, which is currently under review by the Council's Legal Services Team.
- vi) Note and endorse that the internal governance and administration for the UUGRF grant will be performed via the Creating a Better Place Programme Board (CAPB) structures alongside a dedicated Delivery Group for which Terms of Reference will be agreed by the Director of Environment or their nominated representative.

UUGRF Grant Acceptance**1 Background**

- 1.1 In 2020 Ofwat approached UK Water Companies to submit a business case to either accelerate existing spend or propose innovative solutions to identify ways to support the country's green economic recovery from Covid-19.
- 1.2 The ambition is to build back greener from the pandemic: delivering lasting environmental improvements for current and future generations, whilst meeting the economic and social challenges England faces.
- 1.3 As part of their bid, United Utilities Plc included a section on "Accelerating Partnerships to Deliver Natural Solutions" and secured £15m, of which around £9m was allocated to delivering green Sustainable Drainage Systems and Natural Flood Management in the selected strategic catchments.
- 1.4 Selected catchments/areas include – all ten GMCA Districts, Fylde Coast and Eden.
- 1.5 Greater Manchester received approximately £4m with respective allocations being generated via a 'Call for Schemes' submission which were evaluated against a funding formula.
- 1.6 Following approval and support from the Portfolio Holder for Place, Oldham's Highways & Engineering Team submitted four schemes that promoted innovation on the strength of emerging Mayor's Cycling & Walking Challenge funded projects which provided adequate match funding opportunities to support the evaluation process.
- 1.7 There are three key investment priorities/objectives the fund aims to provide:-
 - i) Manage water quantity better and reduce flood impacts on the Customer.
 - ii) Help adapt to a changing climate and environment through the installation of nature-based solutions, which not only deliver water management benefits but also the wider natural capital benefits.
 - iii) Learn from these schemes and use the results in the upcoming price review where United Utilities Plc aim to be ambitious in how blue green infrastructure and sustainable water management should be embraced in tackling the challenges and drivers associated with climate change, development, and urban creep.

2. Current Position

- 2.1 Oldham Council's initial proposals were submitted for evaluation in 2023 after seeking views from the Local Lead Flood Alleviation Officer, United Utilities Plc's Studies, and Investigations Lead Officer.
- 2.2 In December 2023 United Utilities Plc issued a series of Funding Contribution Agreement (FCA) setting out the terms of the UUGRF grant for each of the four projects. These documents were reviewed and sealed by the Council's Legal Services and Finance Officers. The FCA letter confirms the UUGRF grant is to be fully utilised on the agreed infrastructure improvements by March 2025 totaling £1,991m of additional external funding.
- 2.4 The Mayor Cycling & Walking Challenge funded projects identified as the key beneficiaries are currently funded and in various stages of delivery or complete, namely:-
 - a. West Street – completed.
 - b. Rock Street – completed.
 - c. Market Street – in advanced stages of delivery
 - d. Curzon Street – in preliminary stages delivery
- 2.5 Snipe Gardens is currently on site and has been identified as another key beneficiary of the initiative. The additional funding supports both Mayor's Cycling and Walking Challenge Fund and Green Recovery objectives.
- 2.6 The designs encapsulate current active travel and sustainable drainage initiatives derived from Streets for All guidance.
- 2.7 All projects will be delivered within the permissible timescales of both funding streams.
- 2.8 All projects will be delivered via the Accessible Oldham Strategic Partnership Agreement.
- 2.9 All budgets will be allocated to their respective Capital Cost Centre in collaboration with Finance Colleagues within the Transport Capital Budget.

3 Options/Alternatives

- 3.1 Option 1: do nothing. Failure to accept the grant allocation of United Utilities Green Recovery Fund would reflect negatively on the perception of the town and its ambitions. It would have significant implications for delivery on the project budgets and, therefore, the achievement of regeneration ambitions and objectives.
- 3.2 Option 2: Formally accept the additional UUGRF award allocation for £600,000 and enter the FCA as set out in this report.

4 Preferred Option

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

5 Consultation

- 5.1 Approval to pursue the funding opportunity was granted via the Portfolio Holder for Neighbourhoods on 8th December 2022.

6 Financial Implications

- 6.1 The Council has been awarded an additional £600,000 in grant funding for the Snipe Gardens capital scheme. The scheme will increase sustainable urban drainage capacity, reduce surface water volume entering the combined sewerage system, and increase space for pedestrians and cyclists.

The scheme is already in the transport capital programme (M1317) and the works will be fully defrayed by 31 March 2025.

(Leonnie Wharton-Brown, Senior Accountant)

7 Legal Implications

- 7.1 The service must ensure that it can meet the grant conditions, reporting obligations, and funding milestones imposed by United Utilities Plc. This includes obligations related to project delivery, financial monitoring, reporting, and compliance with subsidy control rules.

The procurement of goods, services, and works related to the funded projects must comply with the Council's Contract Procedure Rules, Public Contracts Regulations 2015, and Financial Procedure Rules. Any contracts awarded using this funding must align with both Council policies and the grant conditions to avoid non-compliance issues that could lead to financial clawback or reputational risks. Officers should ensure that all procurement activities and contract awards are properly documented and approved in accordance with Council procedures.

The funding allocation of £600,000 for Snipe Gardens is intended to increase sustainable urban drainage capacity, improve amenity space, and enhance cycle and pedestrian provisions. It is important to confirm that the design and delivery of these works align with the FCA terms and that any long-term maintenance obligations, aligns with existing budgetary provisions. The projects must be delivered within the permissible timescales of both funding streams, with a spend deadline of March 2025. If delays occur, there is a risk that funding may be withdrawn or reallocated. Officers should ensure that any potential project delays or variations are managed within the contract terms to avoid financial or legal exposure

The report states that no IT, property, or environmental implications have been identified, but officers should confirm that the funded improvements do not create future liabilities, particularly regarding property ownership, land rights, or maintenance responsibilities.

Officers should also confirm that all monitoring and evaluation commitments required by United Utilities are feasible within existing Council resources. If further legal support is required in drafting or reviewing associated contracts, please confirm.

(Pamela Nsofor– Solicitor)

8 Equality Impact, including implications for Children and Young People

- 8.1 Yes – refer to Appendix C.

9 Key Decision

- 9.1 Yes

10 Key Decision Reference

- 10.1 ESR-12-25

11 Background Papers

11.1 None

12 Appendices

12.1 Appendix A – delegated sign off from Portfolio Holder for Neighbourhoods

12.2 Appendix B – (draft) Funding Contribution Agreement – Snipe Gardens

12.3 Appendix C – Equality Impact Assessment