Report to Chief Executive

Zonal Boundary Consultation for Oldham District Heat Network

Officer Contact: Emma Barton, Executive Director of Place (Deputy Chief Executive)

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5th October 2026

Reason for Decision

The purpose of this report is to seek approval to publicly consult on the draft Zonal Boundary associated with the Oldham District Heat Network Zone which will be designated as part of forthcoming national Heat Network Zoning legislation.

Recommendations

1. That the draft Zonal Boundary (provided at Appendix A) be approved for public consultation.
2. That once the Zonal Boundary Consultation is complete, authority be delegated for implementation of the results of the consultation and finalisation of the Zonal Boundary to the Deputy Chief Executive (Place) in consultation with the Leader of the Council and Directors of Legal Services and Growth, in line with any adopted process in respect of the forthcoming Zoning Co-ordination Body

Pre-Decision Governance, Strategy & Resources Scrutiny Board 28th September 2026
Leader's Consultative Session 5 October 2026

Zonal Boundary Consultation for Oldham District Heat Network

1 Background

1.1 Oldham Council is seeking to establish a Strategic Energy Partnership. The 'anchor' project for the Partnership will be the £27m Oldham Town Centre Heat Network, which will serve a range of Council buildings, The Oldham College, the new Muse housing developments and other new developments across the town centre. The new heat network is intended to also incorporate the existing heat network at St Mary's, which is currently owned by First Choice Homes Oldham. The new extended heat network will utilise local heat sources such as air source, biomass, minewater source and wastewater source to provide energy security and heat cost stability to town centre businesses and residents.

1.2 This £27m town centre heat network is intended to constitute the "Reference Scheme" for a much larger district heat network across a new Heat Network Zone in Oldham. In autumn 2026, new national legislation will create new Heat Network Zones across the UK, where feasibility work has shown that district heating is the most cost-effective solution for providing locally sourced, sustainable heat for public, commercial and residential buildings. The new national legislation will introduce powers for large heat users and new developments within Heat Network Zones to be mandated to connect to heat networks. Oldham's Heat Network Zone is centred around Oldham Town Centre and the Outline Business Case for this Heat Network Zone shows potential for around £265m of heat network infrastructure.

1.3 Oldham is one of three Greater Manchester Local Authorities (along with Trafford and Stockport) taking part in the national Advanced Zoning Programme (AZP) for Heat Networks, working with the GM Combined Authority (GMCA) and the Department for Energy Security and Net Zero (DESNZ). As part of this programme, it is intended that Oldham's Strategic Energy Partner (currently in procurement) will inherit the rights to develop Oldham's Heat Network Zone.

1.4 Oldham Council is also participating in the design process for a new Zoning Co-ordination Body (ZCB) to administer the development of Heat Network Zones in the. Design work so far will aim to establish GMCA as the primary ZCB, with decision-making authority on specific local Heat Network Zones to be delegated to individual AZP Local Authorities including Oldham Council. The GMCA has submitted to DESNZ an indicative request for funding to resource the ZCB within GMCA and the three AZP Local Authorities of £4.5m for the first three years of operation. The ZCB will oversee the designation of the Heat Network Zones and various required activities associated with the development of the Heat Network Zones, including enforcement of heat network connections for large energy users and new developments.

1.5 One of the required activities before a Heat Network Zone can be formally designated is that the proposed Zonal Boundary should be subject to a public consultation. Once the Zone is designated, all qualifying buildings with the Zone will be mandated to connect to heat networks. This report therefore seeks approval for Oldham Council to carry out a public consultation in respect of the proposed boundary for the Oldham AZP Zone.

2 Current Position

2.1 At this point in time, the decision required is one to agree to publicly consult on the draft Zonal Boundary. Once the consultation has concluded and the results of the consultation incorporated into the final Zonal Boundary, it is expected that a further Cabinet decision

would be required to implement the Zonal Boundary as part of the expected wider Zoning Co-ordination Body approvals process which will be approved separately via future decisions at GMCA and Oldham Council Cabinet, along with a resourcing budget. However, this report seeks delegated approval for the Zonal Boundary implementation process once the consultation is complete and ZCB process approved.

2.2 A map of the draft Zonal Boundary is included in this report at Appendix A.

3 Options/Alternatives

3.1 Option 1 – Approve a public consultation on the draft Zonal Boundary for the AZP Heat Network Zone in Oldham. Under this option, the Council will be able to progress work to designate Oldham's Heat Network Zone under the forthcoming national Heat Network Zoning legislation and remain compliant with the requirements of the forthcoming Zoning Co-ordination Body, as well as maximising the probability that the Council's procured Strategic Energy Partner will inherit the rights to develop the Heat Network Zone in Oldham.

3.2 Option 2 – Do not approve a public consultation on the draft Zonal Boundary for the AZP Heat Network Zone in Oldham. Under this option, the Council will not be able to progress work to designate Oldham's Heat Network Zone under the forthcoming national Heat Network Zoning legislation and will not be able to remain compliant with the requirements of the forthcoming Zoning Co-ordination Body. Consequently it will not be possible for Oldham's procured Strategic Energy Partner to inherit the rights to develop the Zone in Oldham, significantly limiting the potential local economic benefits associated with investment in this key energy infrastructure.

4 Preferred Option

4.1 Option 1 – Approve a public consultation on the draft Zonal Boundary for the AZP Heat Network Zone in Oldham. Under this option, the Council will be able to progress work to designate Oldham's Heat Network Zone under the forthcoming national Heat Network Zoning legislation and remain compliant with the requirements of the forthcoming Zoning Co-ordination Body, as well as maximising the probability that the Council's procured Strategic Energy Partner will inherit the rights to develop the Heat Network Zone in Oldham.

5 Consultation

5.1 Public consultation will be carried out by the Council with the support of the consultants who are advising on the District Heat Network.

6 Financial Implications

6.1 Approval to progress to a public consultation on the draft Zonal Boundary for the AZP Heat Network Zone will have minimal financial implications.

6.2 Any costs incurred will be funded from within existing budget provision.
[John Hoskins]

7 Legal Implications

7.1 Procurement has confirmed that this is not a procurement matter. The Report seeks approval to undertake a public consultation. Responsibility for the consultation process, decision making route and proposed delegations rests with the Report author and sponsoring service who should ensure these matters are appropriately reflected within the Report and comply with any applicable statutory, constitutional and governance requirements.

7.2 Any future procurement or contractual arrangements relating to the Strategic Energy Partnership and/or Heat Network Zone will be subject to separate governance and approval processes

[Sukie Kaur – Solicitor]

8. **Procurement Implications**

8.1 N/A

9 **Equality Impact, including implications for Children and Young People**

9.1 EIA provided at Appendix B.

10 **Key Decision**

10.1 Yes

11 **Key Decision Reference**

11.1 FCR-27-26

12 **Background Papers**

N/A

13 **Appendices**

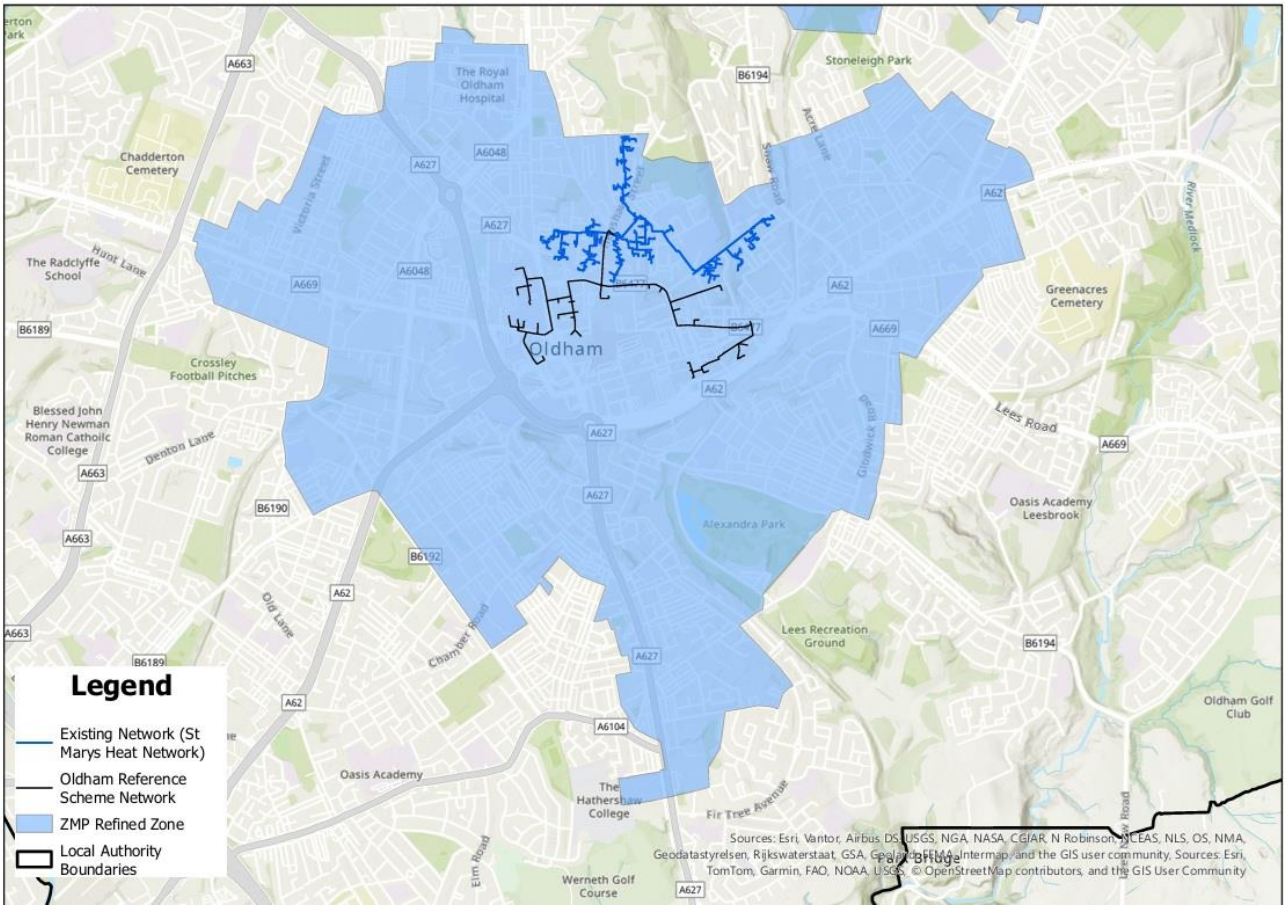
A – Draft Zonal Boundary for consultation

B – Equality Impact Assessment

Approved by the Chief Executive following consultation with the political group leaders who were in attendance as follows:- Councillors Hurley, Woodvine, Kenyon, Shah, Elaine Taylor, Tarbuck, Paul Taylor, Ghafoor, Sharp, Kouser & Al-Hamdani Decision made under the authorisation contained in Section 9C (5) Delegations of Specific Officers of Part 3 (Responsibility for Functions) and Section 3.6 of Part 4 (Executive Procedure Rules) of the Council Constitution for the Chief Executive to take emergency decisions in respect of the Council's executive functions.
Signed: Dated: 6th October 2026

Date of Group Leaders meeting: 5th October 2026
Summary of feedback from the political group leaders: Group Leaders sought clarity on the consultation process including any expected costs to the Council and how we will seek to ensure the consultation is clear given the complexity of the project and the lack of clarity about key areas including pricing. Leaders asked whether there would be an obligation to connect to the Heat Network for those buildings within the Boundary - both business and residential and asked about the Council representation on the proposed GM Zonal Co-ordination Board.

Appendix A – Draft Zonal Boundary for consultation

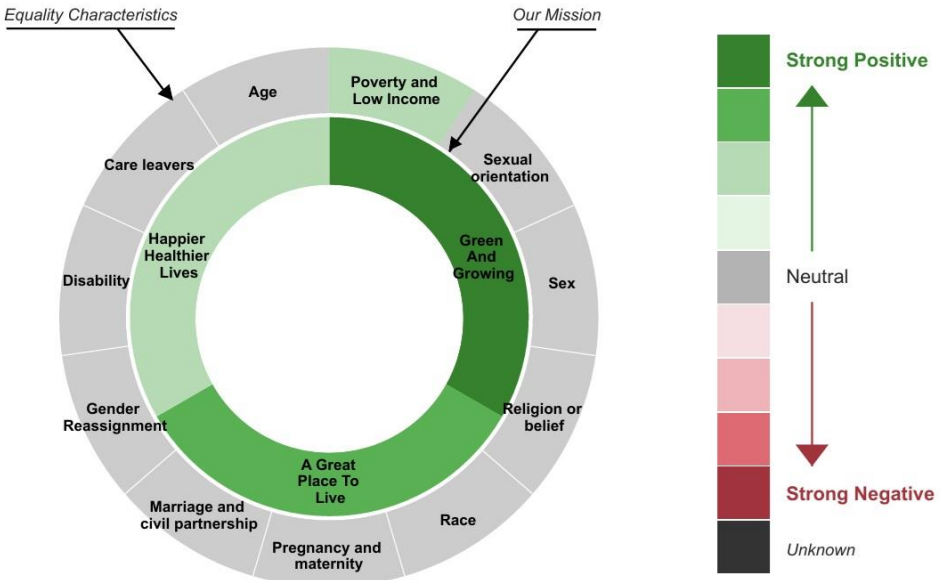


Appendix B – Equality Impact Assessment

Portfolio
Growth
Directorate
Place
Service/Team
Growth
Is this IA related to a Budget Reduction proposal? **No**

Oldham Heat Network

completed/last updated by Andrew Hunt on 29/07/2026



Our Mission / Corporate Priorities

Category	Impact	Likely	Duration	Impact Score	Comment
Happier Healthier Lives	Moderate Positive	Possible	Long Term	2	The project will help to stabilise energy costs for Town Centre residents and so help to control levels of fuel poverty
A Great Place To Live	Moderate Positive	Very Likely	Long Term	4	The project will provide a critical piece of energy infrastructure to support the wider regeneration of Oldham Town Centre
Green And Growing	Strong Positive	Very Likely	Long Term	8	The project will make a major contribution to energy security and carbon emissions reduction through the provision of locally sourced, sustainable heat to town centre businesses and residents

Equality Characteristics

Category	Impact	Likely	Duration	Impact Score	Comment
Age	Neutral	Very Likely	Long Term	0	
Care leavers	Neutral	Very Likely	Long Term	0	
Disability	Neutral	Very Likely	Long Term	0	
Gender Reassignment	Neutral	Very Likely	Long Term	0	
Marriage and civil partnership	Neutral	Very Likely	Long Term	0	
Pregnancy and maternity	Neutral	Very Likely	Long Term	0	
Race	Neutral	Very Likely	Long Term	0	
Religion or belief	Neutral	Very Likely	Long Term	0	
Sex	Neutral	Very Likely	Long Term	0	
Sexual orientation	Neutral	Very Likely	Long Term	0	
Poverty and Low Income	Moderate Positive	Possible	Long Term	2	The Outline Business Case for the project shows an expected fall in the price of heat to social housing customers at St Mary's