

**GREATER MANCHESTER COMBINED AUTHORITY**

**DATE:** Friday, 27 May 2016  
**TIME:** 11:30am  
**VENUE:** Council Chamber, Stockport Town Hall, Edward Street, Stockport, SK1 3XE

**AGENDA**

1. **APOLOGIES** - attached
2. **CHAIR’S ANNOUNCEMENTS AND URGENT BUSINESS**
3. **GMCA CHANGE INMEMBERSHIP**

To note the following changes in membership as nominated by districts:

Local Authority	Member	Substitute
Bury	Councillor R Shori	Councillor J Lewis
Salford	Mr P Dennett	Councillor J Merry
Stockport	To be reported to the meeting	

4. **DECLARATIONS OF INTERESTS** - attached  
To receive declarations of interests in any item for discussion at the meeting. A blank form for declaring interests has been circulated with the agenda; please ensure that this is returned to the GMIST Officer at the start of the meeting.
5. **MINUTES OF THE GMCA MEETING HELD ON 29 APRIL 2016** - attached  
To consider the minutes of the GMCA meeting held on 29 April 2016 as a correct record.
6. **FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA** - attached  
Report of Julie Connor, Head of the Greater Manchester Integrated Support Team.
7. **GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP – MINUTES OF THE MEETING HELD ON 18 MAY 2016** -attached  
To note the minutes of the meeting held on 18 May 2016.

**8. GREATER MANCHESTER COMBINED AUTHORITY ORDER CONSULTATION – to follow**

Report of Tony Lloyd, GM Interim Mayor and Liz Treacy, GMCA Monitoring Officer.

The Chair has agreed, under Part 5A paragraph 7.3 of the GMCA constitution, to this report being submitted as a late item. This is to enable the report to contain the most up-to-date information necessary to aid discussions.

**9. AREA BASED REVIEW – to follow**

Report of Councillor Sean Anstee, Portfolio Lead for Skills, Employment & Worklessness and Theresa Grant, Portfolio Lead Chief Executive for Skills, Employment & Worklessness.

The Chair has agreed, under Part 5A paragraph 7.3 of the GMCA constitution, to this report being submitted as a late item. This is to enable the report to contain the most up-to-date information necessary to aid discussions.

**10. ATLANTIC GATEWAY INFRASTRUCTURE PRIORITIES - attached**

Report of Councillor Richard Leese, Portfolio Lead for Economic Strategy (including Growth Deal) and Simon Nokes, Chief Executive of New Economy.

**11. GREATER MANCHESTER HOUSING PROVIDERS CONTRIBUTION TO PUBLIC SERVICE REFORM AND MEMORANDUM OF UNDERSTANDING - attached**

Report of Eamonn Boylan, Portfolio Chief Executive, Planning and Housing, and Cath Green, Chief Executive, First Choice Homes Oldham, on behalf of Greater Manchester Housing Providers Group.

**12. GREATER MANCHESTER INVESTMENT FUND – STATUS OF FUNDS - attached**

Report of Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance and Eamonn Boylan, Portfolio Lead Chief Executive for Investment Strategy and Finance.

**13. GREATER MANCHESTER HOUSING FUND ANNUAL REPORT 2015/16 - attached**

Report of Eamonn Boylan, Portfolio Lead Chief Executive for Planning and Housing.

**14. GREATER MANCHESTER HOUSING INVESTMENT APPROVAL RECOMMENDATIONS - attached**

Report of Eamonn Boylan, Portfolio Lead Chief Executive for Planning and Housing.

**15. EXCLUSION OF PRESS AND PUBLIC - attached**

To consider the adoption of the following resolution:

“That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following item of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information”.

**PART B**

- 16. GREATER MANCHESTER HOUSING INVESTMENT APPROVAL RECOMMENDATIONS** - attached  
Report of Eamonn Boylan, Portfolio Lead Chief Executive for Planning and Housing.
- 17. AREA BASED REVIEW** – to follow  
Report of Councillor Sean Anstee, Portfolio Lead for Skills, Employment & Worklessness and Theresa Grant, Portfolio Lead Chief Executive for Skills, Employment & Worklessness.

The Chair has agreed, under Part 5A paragraph 7.3 of the GMCA constitution, to this report being submitted as a late item. This is to enable the report to contain the most up-to-date information necessary to aid discussions.

Agenda Contact:  
Sylvia Welsh/Kerry Bond  
Democratic Services Team  
GM Integrated Support Team

D.Hall  
AGMA Secretary

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**GREATER MANCHESTER COMBINED AUTHORITY**

**27 MAY 2016**

**APOLOGIES**

Part 5A, sections 3.1 and 3.2 of the constitution of the GMCA states that:-

- 3.1 *Each Constituent Council shall appoint one of its elected members to be a Member of the GMCA.*
- 3.2 *Each Constituent Council shall appoint another of its elected members to act as a Member of the GMCA in the absence of the Member appointed under sub-paragraph 3.1 above ("the Substitute Member")*

The following members and substitutes were confirmed at the Annual General meeting of the Authority on 26 June 2015.

Any substitute attending today is requested to confirm his/her attendance under this item.

	GMCA Member	GMCA Substitute
Bolton	Cllr C Morris	Cllr L Thomas
Bury	Cllr R Shori	Cllr J Lewis
Manchester	Cllr R Leese	Cllr S Murphy
Oldham	Cllr J Stretton	Cllr A Jabbar
Rochdale	Cllr R Farnell	Cllr P Williams
Salford	Mr P Dennett	Cllr J Merry
Stockport	Cllr A Ganotis	Cllr I Roberts
Tameside	Cllr K Quinn	Cllr J Taylor
Trafford	Cllr S Anstee	Cllr M Young
Wigan	Cllr P Smith	Cllr D Molyneux

Donna Hall  
AGMA Secretary



**GMCA Meeting on 27 May 2016**

**Declaration of Councillors' Interests in Items Appearing on the Agenda**

**NAME:** \_\_\_\_\_

Minute Item No. / Agenda Item No.	Nature of Interest	Type of Interest
		<b>Personal / Prejudicial / Disclosable Pecuniary</b>
		<b>Personal / Prejudicial / Disclosable Pecuniary</b>
		<b>Personal / Prejudicial / Disclosable Pecuniary</b>
		<b>Personal / Prejudicial / Disclosable Pecuniary</b>
		<b>Personal / Prejudicial / Disclosable Pecuniary</b>
		<b>Personal / Prejudicial / Disclosable Pecuniary</b>



**MINUTES OF THE MEETING OF THE GREATER MANCHESTER  
COMBINED AUTHORITY MEETING HELD ON FRIDAY 29 APRIL 2016  
AT GREATER MANCHESTER POLICE HEADQUARTERS**

GM INTERIM MAYOR	Tony Lloyd (in the Chair)
BOLTON COUNCIL	Councillor Cliff Morris
BURY COUNCIL	Councillor Mike Connolly
MANCHESTER CC	Councillor Richard Leese
OLDHAM COUNCIL	Councillor Jean Stretton
ROCHDALE MBC	Councillor Richard Farnell
SALFORD CC	Councillor David Lancaster
STOCKPORT MBC	Councillor Sue Derbyshire
TAMESIDE MBC	Councillor Kieran Quinn
TRAFFORD COUNCIL	Councillor Sean Anstee
WIGAN COUNCIL	Councillor Peter Smith

**JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE**

GMFRA	Councillor David Acton
GMWDA	Councillor Nigel Murphy
TfGMC	Councillor Andrew Fender

**OFFICERS IN ATTENDANCE**

Steven Young	Bolton Council
Mike Owen	Bury Council
Howard Bernstein	Manchester CC
Carolyn Wilkins	Oldham Council
Steve Rumbelow	Rochdale MBC
Jim Taylor	Salford CC
Eamonn Boylan	Stockport MBC
Steven Pleasant	Tameside MBC
Jill Colbert	Trafford Council
Donna Hall	Wigan Council
Andrew Lightfoot	GM Director of Public Service Reform
Rachel Pykett	GM Public Service Reform



Mark Hughes  
Simon Nokes  
Adam Allen

Clare Regan  
Peter O'Reilly  
Ian Hopkins  
Jon Lamonte  
Liz Treacy  
Richard Paver  
Julie Connor  
Sylvia Welsh  
Kerry Bond  
Ross MacRae

Manchester Growth Company  
New Economy  
Office of the Police & Crime  
Commissioner  
Office of the GM Interim Mayor  
GM Fire & Rescue Service  
GM Police  
TfGM  
GMCA Monitoring Officer  
GMCA Treasurer  
Head of GMIST  
) Greater Manchester  
) Integrated Support Team  
GMCA Media Lead

## **55/16            APOLOGIES**

Apologies for absence were received on behalf of Mayor Ian Stewart (Salford), Margaret Asquith (Bolton), Theresa Grant (Trafford), John Bland (GMWDA), Councillor Cath Piddington (GMWDA).

## **56/16            CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS**

The GM Interim Mayor made the following announcements:

- i. The funeral of Derek Bowden, former Leader of Bury Council, was to be held later in the day. The thanks of the GMCA be placed on record, for the contribution Derek made as a member of Association of Greater Manchester Authorities (AGMA) and the North West Regional Assembly (NWRA) during his time as Leader of Bury Council.
- ii. The thanks of the GMCA be placed on record for the contribution GM Police made to the Hillsborough inquest, stressing the importance of ensuring the lessons learned from the tragedy are recognised and strategies implemented to ensure such an incident can never be repeated

GM Police and Crime Commissioner's Ethics Committee has been tasked with examining the ethics of the situation with a view to developing a strategy to respond to such an incident to reassure the public that GM Police is prepared.

The GM Interim Mayor also asked that all the emergency services providers within Greater Manchester undertake a similar review with a view to developing a co-ordinated strategy across emergency service providers. He also emphasised the importance of people having confidence in the Whistle Blowing structures was also highlighted.

**57/16            DECLARATIONS OF INTERESTS**

Councillor Kieran Quinn declared a prejudicial interest, as Chair of the GM Pension Fund, in the Evergreen Loan Book Disposal reports to be considered at Items 15 and 20 on the agenda.

**58/16            MINUTES OF THE GMCA MEETING HELD ON 18 MARCH 2016**

The minutes of the GMCA meeting held on 18 March 2016 were submitted for consideration.

**RESOLVED/-**

To approve the minutes of the GMCA meeting held on 18 March 2016 as a correct record.

**59/16            FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA**

Consideration was given to a report of Julie Connor, Head of the Greater Manchester Integrated Support Team, which set out the Forward Plan of those strategic decisions to be considered over the next four months.

**RESOLVED/-**

To note the Forward Plan of Strategic Decisions as set out in the report.

**60/16            GREATER MANCHESTER DEVOLUTION: UPDATED INTEGRATED IMPLEMENTATION PLAN**

Tony Lloyd, GM Interim Mayor, presented a refreshed version of the Implementation Plan, which reflects the latest agreement announced as part of the March 2016 Budget Settlement and the work underway to implement Greater Manchester's previous agreements.

The plan also brings together all the elements of the four agreements to date and highlights key milestones and tasks, timescales, requirements of Government and risks.

**RESOLVED/-**

To endorse the GM Devolution Integrated Implementation Plan.

**61/16            CLIMATE CHANGE AND LOW EMISSIONS STRATEGIES IMPLEMENTATION PLAN 2016-20**

Councillor Sue Derbyshire presented a report outlining how the responses received from the Climate Change and Low Emissions Strategies'

Implementation Plan (2016-2020) consultation have been taken into account in the revised Plan and to seek final approval of the Plan.

The working relationship between the public and private sector is continuing with work underway to collate and measure information provided by the sector on the metrix.

Work will continue to build on Greater Manchester's success to realise its ambitions and access funding streams. Greater Manchester does now need to focus on measures beyond 2020 and to identify resources going forward to ensure Greater Manchester remains a world leader in the area.

There are numerous examples of good practice across Greater Manchester which does need to be shared to ensure everyone has the ability and knowledge on how to contribute to reducing low carbon emissions. Addressing the gap does need to be recognised as a priority and embedded in working practices, including building standards.

#### **RESOLVED/-**

1. To agree the Draft Climate Change and Low Emissions Strategies' Whole Place Implementation Plan for Greater Manchester, detailed at Annex 1 of the report.
2. To note the consultation feed back and how it has been incorporated into the format and content of the revised draft, detailed at Annex 2 of the report.
3. To agree to delegate authority to Councillor Sue Derbyshire, Portfolio Leader for Planning, Housing and Environment and Steve Rumbelow, Portfolio Chief Executive for Low Carbon to final amendments arising from the GMCA, and to agree the final design of the plan prior to publication,

#### **62/16 INDUSTRY REVIEW BY SHAW AND HENDY - CP5 KEY TFGM PROGRAMMES**

Councillor Richard Leese presented a report detailing Sir Peter Hendy's review on the network rail enhancement delivery programme and the recommendations arising from the review undertaken by Nicola Shaw on the future shape and financing on Network Rail.

The meeting was reminded that there needed to be a balance between increasing capacity across the conurbation as a whole and retaining and developing a level of local services and connectivity to the lines.

The two new rail franchises will include the introduction of new rolling stock, providing bigger and better quality vehicles. The rolling stock for the Transpennine franchise will be sourced from the North East of England.

Greater Manchester does have supply chain for railway manufacture and maintenance providing growth opportunities for businesses in and around the Greater Manchester area.

**RESOLVED/-**

1. To note the content of the Hendy consultation response.
2. To note the summary of contents from the Shaw Report.

**63/16 NORTHERN TRANSPORT STRATEGY SPRING 2016 REPORT**

Councillor Richard Leese introduced a report updating members on the Northern Transport Strategy: Spring 2016 Report and to focus upon specific issues relating to Greater Manchester.

Member's attention was drawn to the National Infrastructure Commission report, which was positive on the whole in relation to short terms measures, however it could have been stronger in terms of longer term investment. The potential new road link from Manchester to Sheffield and a new rail link from Liverpool via Manchester Airport across the Pennines as part of High Speed 3 proposals, which will provide intercity and local rail services were highlighted.

Work has now been concluded on the Independent Economic Review, with a meeting of Leaders and LEP chairs held earlier in the week, where there was a broad consensus of support. The Independent Economic Review will be finalised and launched together with the Northern Powerhouse Economic narrative early in June.

**RESOLVED/-**

To note the content of the report.

**64/16 DEFINING A RAIL PLAN IN 2016**

Tony Lloyd introduced a report outlining the rationale for revising the ten year TfGM Rail Plan, detailing the consultation methods which will be used throughout the course of the study. He emphasised that the rail network does need to be adequate to service the communities of Greater Manchester.

It was suggested that the review should include a review of station patronage, to reflect the growth in Greater Manchester and the requirement for increased access to local services. Potential to consider the utilisation Stockport to Manchester Victoria freight line to access capacity was also highlighted.

The meeting was reminded that rail is only part of the transport solution and does need to be considered in the context of an integrated multi model transport network, requesting partners from across the transport sector to be invited to participate in the stakeholder consultation.

**RESOLVED/-**

1. To note the report and approve the proposed consultation methods and timescale.
2. To agree the review of station patronage and connectivity to local rail services be addressed on the new Rail Plan.
3. To agree that partners from across the transport sector be included in the key stakeholder consultation.

**65/16 HIGHWAYS REFORM UPDATE**

Tony Lloyd introduced a report providing an update on the progress and achievements to date following implementation of the collaborative working arrangement in April 2015 and the next phase of work.

**RESOLVED/-**

1. To note the progress and achievements on Highways Reform in 2015/16 and the on-going work in 2016/17.
2. To agree that a report on Asset Management be submitted to the GMCA in October 2016.

**66/16 AREA BASED REVIEW**

This item was withdrawn from the agenda, a report will be submitted to the GMCA meeting scheduled for 27 May 2016.

**67/16 MANCHESTER GROWTH COMPANY BUSINESS PLAN**

Councillor Richard Leese introduced a report presenting the Manchester Growth Company Business Plan for the 2016-17 financial year.

Good progress has been made since 2014 to bring together Economic Solutions and the Manchester 'family' of companies (Marketing Manchester, MIDAS and New Economy) under a single management, governance and accountability framework, to provide the GMCA and the Local Enterprise Partnership with clear oversight.

The full Manchester Growth Company Business Plan was included in the report to be considered in Part B (confidential) of the agenda, due to the inclusion of commercially sensitive information, and has been approved by the Manchester Growth Company Board with input from Local Authority Chief Executive portfolio leads and chief officers. Alongside the plan was an agreed performance reporting framework to allow oversight on core Manchester Growth Company deliverables.

**RESOLVED/-**

1. To note the report and priorities for 2016/17.
2. To note the information contained within the Part B (confidential) report.

**68/16 GREATER MANCHESTER LAND & PROPERTY UPDATE**

Councillor Sue Derbyshire introduced a report providing an update on the progress on the emerging strategic approach to land and property across the conurbation, following on from the Greater Manchester Land and Estates: Delivering 'One Public Estate' at Greater Manchester Level report submitted to GMCA in December 2015.

The meeting was assured that there will be political oversight of the work by ensuring the GMCA bid to Phase 4 of the One Public Estate is considered by the Planning and Housing Commission in advance of approval by the GMCA.

It was suggested and agreed to rename the proposed GM Land and Property vehicle as Panel rather than a Board.

Councillor Sue Derbyshire undertook to circulate the One Public Estate bid to all Leaders.

**RESOLVED/-**

1. To approve the establishment of a Greater Manchester Land and Property Panel as described at section 2 of the report, and that this Panel reports to the GMCA via the Planning and Housing Commission to allow dissemination of information to Greater Manchester Local Authorities.
2. To agree that officers work up a range of suitable proposals for inclusion in a single GMCA bid to Phase 4 of the One Public Estate Programme for consideration by the Planning and Housing Commission in advance of consideration by the GMCA.
3. To delegate authority to Eamonn Boylan, Lead Chief Executive for Planning and Housing, in consultation with Councillor Sue Derbyshire, Portfolio Leader for Planning and Housing, to finalise and submit the GMCA bid to Cabinet Office, following agreement with the Planning and Housing Commission, Leaders and Chief Executives.
4. To approve the establishment of a two year fixed term post, fully-funded from the Greater Manchester One Public Estate grant award, as set out in section 2 of the report.

**69/16 EVERGREEN LOAN BOOK DISPOSAL**

Eamonn Boylan introduced a report providing an update in relation to the continuity of the North West Evergreen Fund.

A further detailed report was circulated in Part B (confidential) of the agenda providing further details.

**RESOLVED/-**

1. To note the report and to endorse the approach being taken to ensure continuity of investment capacity throughout 2016.
2. To note the information contained within the Part B (confidential) report.

**70/16 GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL APPROVAL**

Councillor Kieran Quinn introduced a report seeking approval for a loan to Access Systems UK Limited and Harworth Estates Investments Limited (Logistics North Phase 2). The loans will be made from recycled Region Growth Fund and Growing Places monies. The report also provided an update on the Smartlife project.

A further detailed report was circulated in Part B (confidential) of the agenda giving further details of the projects.

**RESOLVED/-**

1. To agree that the project funding applications by Access Systems UK Limited, (loan of £900,000) and Harworth Estates Investments Limited (loan of £3,000,000) be given conditional approval.
2. To delegate authority to Richard Paver, GMCA Treasurer and Liz Treacy, GMCA Monitoring Officer, to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transactions, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loans at 1) above.
3. To agree the changes to the commercial terms of the Smartlife funding, as contained within the Part B (confidential) report.

**71/16 GREATER MANCHESTER HOUSING INVESTMENT FUND**

Councillor Sue Derbyshire introduced a report seeking approval of a Greater Manchester Housing Fund loan of £3,577,000.

A further detailed report was circulated in Part B (confidential) of the agenda providing further details of the loan.

**RESOLVED/-**

1. To approve the loan as detailed in this and the accompanying Part B (confidential) report.
2. To agree Manchester City Council be recommended to prepare and effect the necessary legal agreements in accordance with its approved internal processes.





**GREATER MANCHESTER COMBINED AUTHORITY**

**Date:** 27 May 2016

**Subject:** Forward Plan of Strategic Decisions for the GMCA

**Report of:** Julie Connor, Head of Greater Manchester Integrated Support Team

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**1. INTRODUCTION**

1.1 At their meeting on 24 June 2011, the GMCA agreed procedures for developing a Forward Plan of Strategic Decisions for the Authority, in line with the requirements of the GMCA's constitution. The latest such plan is attached as the Appendix to this report.

**2. RECOMMENDATIONS**

2.1 GMCA members are invited to note, comment and suggest any changes they would wish to make on the latest Forward Plan of Strategic Decisions for the GMCA; attached to this report.

**3. FORWARD PLAN: CONSTITUTIONAL REQUIREMENTS**

3.1 In summary the Secretary of the GMCA is required to:-

- prepare a plan covering 4 months, starting on the first day of the month
- to refresh this plan monthly
- to publish the plan fourteen days before it would come in to effect
- state in the plan
  - (i) the issue on which a major strategic decision is to be made;
  - (ii) the date on which, or the period within which, the major strategic decision will be taken;

- (iii) how anyone can make representations on the matter and the date by which any such representations must be made; and
- (iv) a list of the documents to be submitted when the matter is considered

The constitution is also quite specific about the matters which would need to be included within the Forward Plan:-

- any matter likely to result in the GMCA incurring significant expenditure (over £1 million), or the making of significant savings; or
- any matter likely to be significant in terms of its effects on communities living or working in the area of the Combined Authority.

plus the following more specific requirements:-

1. a sustainable community strategy;
2. a local transport plan;
3. approval of the capital programme of the GMCA and TfGM and approving new transport schemes to be funded by the Greater Manchester Transport Fund;
4. other plans and strategies that the GMCA may wish to develop;
5. the preparation of a local economic assessment
6. the development or revision of a multi-area agreement,
7. the approval of the budget of the GMCA;
8. the approval of borrowing limits, the treasury management strategy and the investment strategy;
9. the setting of a transport levy;
10. arrangements to delegate the functions or budgets of any person to the GMCA;
11. the amendment of the Rules of Procedure of the GMCA;
12. any proposals in relation to road user charging

3.3 All the matters at 1-12 above require 7 members of the GMCA to vote in favour, except those on road user charging, which require a unanimous vote in favour

3.4 The attached plan therefore includes all those items currently proposed to be submitted to the GMCA over the next 4 months which fit in with these criteria. GMCA members should be aware that:-

- Only those items considered to fit in with the above criteria are included. It is not a complete list of all items which will be included on GMCA agendas
- Items listed may move dependent on the amount of preparatory work recorded and external factors such as where matters are dependent on Government decisions; and
- In some cases matters are joint decisions of the GMCA & AGMA Executive Board.

**CONTACT OFFICER:**

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## GREATER MANCHESTER COMBINED AUTHORITY

### FORWARD PLAN OF STRATEGIC DECISIONS

1 June 2016 – 30 September 2016

The Plan contains details of Key Decisions currently planned to be taken by the Greater Manchester Combined Authority; or Chief Officers (as defined in the constitution of the GMCA) in the period between 1 June 2016 and 30 September 2016.

Please note: Dates shown are the earliest anticipated and decisions may be later if circumstances change.

If you wish to make representations in connection with any decisions please contact the contact officer shown; or the offices of the Greater Manchester Integrated Support Team (at Manchester City Council, P.O. Box 532, Town Hall, Manchester, M60 2LA, 0161-234 3124; [info@agma.gov.uk](mailto:info@agma.gov.uk)) before the date of the decision.

Subject	Contact Officer	Description	Anticipated Date of Decision
<b>27 May 2016</b>			
<b>Metrolink</b>	<b>Portfolio Lead:</b> Tony Lloyd  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Phase 3 Evaluation	27 May 2016
<b>Area Based Review</b>	<b>Portfolio Lead:</b> Councillor Sean Anstee  Portfolio Lead Officer: Theresa Grant  Contact Officer: Simon Nokes	Development of GM Model	27 May 2016
<b>30 June 2016</b>			

<b>Subject</b>	<b>Contact Officer</b>	<b>Description</b>	<b>Anticipated Date of Decision</b>
<b>GMCA Portfolios – Deputy Lead Members</b>	<b>Portfolio Lead:</b> Tony Lloyd  Portfolio Lead Officer: Julie Connor	Confirmation of Appointments and appointment of Health & Well Being Deputy to the Health & Social Care Strategic Partnership Board Executive	30 June 2016
<b>Revenue and Capital Outturn</b>	<b>Portfolio Lead</b> Councillor Kieran Quinn  Portfolio Lead Officer: Richard Paver  Contact Officer: Janice Gotts	Year end update	30 June 2016
<b>Internationalisation Strategy</b>	<b>Portfolio Lead:</b> Councillor Richard Farnell  Portfolio Lead Officer: Jim Taylor  Contact Officer: John Steward	Progress Update	30 June 2016
<b>Intermediary Body Status</b>	<b>Portfolio Lead:</b> Councillor Kieran Quinn  Portfolio Lead Officer: Simon Nokes  Contact Officer: Alison Gordon	Update on progress of discussions with Government	30 June 2016

<b>Subject</b>	<b>Contact Officer</b>	<b>Description</b>	<b>Anticipated Date of Decision</b>
<b>GM Growth Deal Transport Update</b>	<b>Portfolio Lead:</b> Councillor Richard Leese  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Quarterly Update	30 June 2016
<b>Defra 25 Year Plan - Greater Manchester Urban Pathfinder Proposal</b>	Portfolio Lead: Steve Rumbelow  Contact Officer: Mark Atherton	Funding proposal	30 June 2016
<b>Highways Shared Services – Full Business Case</b>	<b>Portfolio Lead:</b> Tony Lloyd  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener		30 June 2016
<b>2040 Transport Strategy and Delivery Plan</b>	<b>Portfolio Lead:</b> Tony Lloyd  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Simon Warburton	Completion of consultation – update of outcomes and implications	30 June 2016
<b>29 July 2016</b>			

<b>Subject</b>	<b>Contact Officer</b>	<b>Description</b>	<b>Anticipated Date of Decision</b>
<b>Revenue and Capital Update</b>	<b>Portfolio Lead:</b> Councillor Kieran Quinn  Portfolio Lead Officer: Richard Paver  Contact Officer: Janice Gotts	Quarterly Update	29 July 2016
<b>GMRAPS</b>	<b>Portfolio Lead:</b> Tony Lloyd  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Year 3 Update	29 July 2016
<b>Low Emissions Strategy and Air Quality Action Plan</b>	<b>Portfolio Lead:</b> Tony Lloyd  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Action Plan	29 July 2016
<b>26 August 2016</b>			
<b>Metrolink Trafford Park Line</b>	<b>Portfolio Lead:</b> Tony Lloyd  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Outcome of the Procurement of the Works Contract	26 August 2016



<b>Subject</b>	<b>Contact Officer</b>	<b>Description</b>	<b>Anticipated Date of Decision</b>
<b>Metrolink – Results of the Public Enquiry on Trafford</b>	<b>Portfolio Lead:</b> Tony Lloyd  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Results of the Public Enquiry on Trafford	26 August 2016
<b>30 September 2016</b>			
<b>GM Growth Deal Transport Update</b>	<b>Portfolio Lead:</b> Councillor Richard Leese  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Quarterly Update	30 September 2016
<b>Northern Powerhouse Rail – Infrastructure Options for corridors across Manchester and City Centre Stations Options</b>	<b>Portfolio Lead:</b> Councillor Richard Leese  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Infrastructure Options for corridors across Manchester and City Centre Station Options	30 September 2016
<b>Rail</b>	<b>Portfolio Lead:</b> Councillor Richard Leese  Portfolio Lead Officer: Jon Lamonte  Contact Officer: Steve Warrener	Franchise Update	30 September 2016

<b>Subject</b>	<b>Contact Officer</b>	<b>Description</b>	<b>Anticipated Date of Decision</b>
<b>Stations Investment</b>	<p><b>Portfolio Lead:</b> Councillor Richard Leese</p> <p>Portfolio Lead Officer: Jon Lamonte</p> <p>Contact Officer: Steve Warrener</p>	Programme and Asset Management – Proposal for Transfer	To be confirmed
<b>Rolling Stock Provision/ cascade as a result of new franchise and electrification programmes</b>	<p><b>Portfolio Lead:</b> Councillor Richard Leese</p> <p>Portfolio Lead Officer: Jon Lamonte</p> <p>Contact Officer: Steve Warrener</p>	Overview of projects required across the region	30 September 2016
<b>28 October 2016</b>			
<b>Revenue and Capital Update</b>	<p><b>Portfolio Lead:</b> Councillor Kieran Quinn</p> <p>Portfolio Lead Officer: Richard Paver</p> <p>Contact Officer: Janice Gotts</p>	Quarterly Update	28 October 2016
<b>GM Transport Strategy 2040</b>	<p><b>Portfolio Lead:</b> Tony Lloyd</p> <p>Portfolio Lead Officer: Jon Lamonte</p> <p>Contact Officer: Jon Lamonte</p>	Outcomes of Consultation and Implications for the Strategy	28 October 2016
<b>16 December 2016</b>			

<b>Subject</b>	<b>Contact Officer</b>	<b>Description</b>	<b>Anticipated Date of Decision</b>
<b>GM Growth Deal Transport Update</b>	<p><b>Portfolio Lead:</b> Councillor Richard Leese</p> <p>Portfolio Lead Officer: Jon Lamonte</p> <p>Contact Officer: Steve Warrener</p>	Quarterly Update	16 Dec 2016
<b>Stations Devolution</b>	<p><b>Portfolio Lead:</b> Tony Lloyd</p> <p>Portfolio Lead Officer: Jon Lamonte</p> <p>Contact Officer: Jon Lamonte</p>	Outline Business Case	16 December 2016
<b>To be confirmed</b>			
<b>Highways Reform</b>	<p><b>Portfolio Lead:</b> Tony Lloyd</p> <p>Portfolio Lead Officer: Jon Lamonte</p> <p>Contact Officer: Jon Lamonte</p>	Asset Management	To be confirmed
<b>Greater Manchester Energy Company</b>	<p><b>Portfolio Lead:</b> Councillor Sue Derbyshire</p> <p>Portfolio Lead Officer: Steve Rumbelow</p> <p>Contact Officer: Julian Packer</p>	Preferred Model for Greater Manchester	To be confirmed

Subject	Contact Officer	Description	Anticipated Date of Decision
<b>Greater Manchester City Deal : Homes for Communities Agency Receipts</b>	<b>Portfolio Lead:</b> Councillor Sue Derbyshire  Portfolio Lead Officer: Eamonn Boylan  Contact Officer: Bill Enevoldson	Proposed Strategy for equity investment	To be confirmed



**MINUTES OF A MEETING OF THE GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD HELD ON MONDAY 16 MAY 2016 AT THE UNIVERSITY OF MANCHESTER**

**Board Members:**

Mike Blackburn (in the Chair)

Councillor Sean Anstee, Sue Derbyshire, Keith Johnston, Nancy Rothwell, Lou Cordwell, Juergen Maier, David Birch, Richard Topliss and Michael Oglesby

**Strategic Chairs:**

Iwan Griffiths

**Advisors:**

Howard Bernstein & Andrew Lightfoot (GMCA), Mark Hughes (Manchester Growth Company), Eamonn Boylan (Stockport MBC), Alison Gordon & Mark Atherton (New Economy), Jon Lamonte (Transport for Greater Manchester), Tim Newns (MIDAS), James Stanley (Marketing Manchester), Rebecca Heron, David Rogerson and Allan Sparrow (GM Integrated Support Team)

**Apologies:**

Wayne Jones, Vanda Murray, Tony Lloyd and Simon Nokes

**LEP/16/34 DECLARATIONS OF INTEREST**

Keith Johnston declared an interest in the reports regarding the GM Housing Investment Fund as the fund may involve clients from Addleshaw Goddard LLP.

Nancy Rothwell declared an interest in the item concerning the Science and Innovation Audits as the University of Manchester was leading on this work.

Iwan Griffiths declared an interest in the items regarding the Manchester Growth Company as a director of the MGC Board. He also declared interests in the items concerning the GM Land & Property Update and the GM Housing Investment Fund as PriceWaterhouseCoopers provided or may provide services to the GMCA with respect to these items.

**LEP/16/35 REPORT OF AN INQUORATE MEETING**

**AGREED**

That the Report and recommendations of the inquorate meeting of the GM LEP Board held on 10 March 2016 be approved.

#### **LEP/16/36 MATTERS ARISING**

There were no matters arising.

#### **LEP/16/37 HCA UPDATE PRESENTATION**

Marie Hodgson provided the Board with a presentation setting out the role and responsibilities of the HCA and its progress in driving housing growth. The presentation highlighted recent HCA interventions in Greater Manchester and its emerging priorities for the region in the context national housing policy.

The Board discussed the presentation and highlighted a number of key issues.

A director queried how HCA's work contributes to the overall number of new homes required in GM. In response it was reported that GM needs to build around 11,000 new homes per annum to meet current demands and public interventions including those of the HCA support around one third of this requirement. However, the rate of development remains significantly below current requirements. Accelerating housing development is a key priority for GM..

The Board discussed how private developers could be encouraged to build more homes to meet this demand. It was agreed that finalising the forthcoming GM Strategic Framework will be important in setting the context for future development across GM. The Board also highlighted the contribution made by smaller developers, particularly in urban areas as well as the role of volume house builders.

However, it was felt that public intervention would remain important in unlocking potential sites to generate housing supply and that the new Land Commission (jointly chaired by Interim Mayor Tony Lloyd and the Minister for Housing and Planning) would strengthen GM's ability to deliver on this ambition.

The Board requested more detailed house building figures to be supplied including current and planned developments.

#### **AGREED**

1. That Marie Hodgson be thanked for her informative presentation.
2. That further information be provided to the LEP on house building figures.

#### **LEP/16/38 CLIMATE CHANGE AND LOW EMISSIONS STRATEGIES' IMPLEMENTATION PLAN**

A report was submitted that outlined how the responses received from the Climate Change and Low Emissions Strategies' Implementation Plan (2016-2020) (CCLES) consultation had been taken into account in the revised Plan. The report also presented the pre-publication plan for information and comment. This version of the Plan had been approved by GMCA at its meeting in April 2016.

The Board welcomed the plan and suggested that in future it could be taken further with more ambitious carbon reduction targets building on GM's existing achievements.

In response it was reported that the strategies were being developed to reflect the changing environment and to take advantage of any potential opportunities including working with the Environment Agency to refresh GM's flood plans and the development of the Northern Powerhouse Independent Economic Review which would explore the sustainability of renewable energy sources.

A director highlighted the fact that GM's innovative approach to tackling carbon emissions strengthened GM attractiveness as a place to live and work and that this could add value to GM's marketing activity.

#### **AGREED**

1. That the Draft Climate Change and Low Emissions Implementation Plan be noted.
2. To note the consultation feedback and how it has been incorporated into the format and content of the revised draft implementation plan.
3. To note that the Portfolio Holder for Planning, Housing and Environment and Chief Executive responsible for the Low Carbon Hub Board has been delegated responsibility for implementing final amendments arising from the GMCA and LEP Board meetings, and for agreeing the final design of the plan prior to publication.

#### **LEP/16/39 SCIENCE & INNOVATION AUDITS**

The Board received a presentation which set out the Science and Innovation Audit work currently taking place across GM and East Cheshire. The Audits will focus the area's core strengths and fast growth opportunities along with the regional innovation system and any constraints to its development.

The presentation included a number of key issues to be explored and a brief description of the role of Technopolis who have been selected by BIS to provide technical support to the Audits. The Board also noted the proposed SIA report structure, the role of the Strategic Advisory Group and the four stage timetable.



The Board noted that this project complements recent work carried out by the North West Business Leadership Team.

**AGREED**

That the presentation on the Manchester City Region and East Cheshire Science and Innovation Audits be noted.

**LEP/16/40 MANCHESTER GROWTH COMPANY BUSINESS PLAN AND 2016-17 TARGETS**

Consideration was given to a report that presented the third Manchester Growth Company's business plan for 2016-17. The Board was also informed that it would receive the latest MGC performance report at the next Board meeting.

**AGREED**

1. That the Manchester Growth Company Business Plan and 2016-17 targets be noted.
2. That the latest MGC performance figures be submitted to the next meeting of the Board.

**LEP/16/41 ATLANTIC GATEWAY INFRASTRUCTURE PRIORITIES**

The LEP was informed that the Atlantic Gateway Board is currently updating its infrastructure priorities and that this includes the development of an agreed set of criteria to identify LEP area priorities relevant to the Atlantic Gateway.

The report provided the LEP with the criteria for the selection of GM infrastructure priorities in relation to the Atlantic Gateway as well as the identification of a small number of GM priorities within the context of Atlantic Gateway. These will be reflected in the draft Atlantic Gateway Infrastructure Priorities that will be agreed by the Atlantic Gateway Board subject to LEP and Combined Authority agreement.

The Board discussed the role of the Atlantic Gateway and its contribution to the Greater Manchester Strategy and wider regional/northern strategies.

The Board agreed that the appropriate Greater Manchester Strategy priorities had been correctly identified in the context of the Atlantic Gateway and that these will be reflected in the draft Atlantic Gateway Infrastructure Priorities.

**AGREED**

That as the GMS priorities identified in the context of the Atlantic Gateway were appropriately reflected in the draft Atlantic Gateway Infrastructure Priorities that these priorities be recommended to the next meeting of the GMCA.

## **LEP/16/42 GM LAND & PROPERTY UPDATE**

A report was submitted that updated the Board on progress to develop a strategic approach to publicly owned land and property across GM. The Board was informed that further updates on progress would be reported back to the LEP.

The Board recognised that this work would benefit from private sector participation and officers will explore how the private sector can best be represented.

### **AGREED**

That the range of specific delivery arrangements as outlined in the report be endorsed.

## **LEP/16/43 THE NORTH WEST EVERGREEN FUND: POTENTIAL LOAN BOOK DISPOSAL**

Consideration was given to a report that provided an update to the LEP in relation to the continuity of the North West Evergreen Fund.

It was reported that the North West Evergreen Fund had witnessed significant transaction flow in the last few years and achieved considerable success. Evergreen was now substantively committed (over £70m) and there was c.£11.2m of headroom remaining to invest. Of that £11.2m, c.£5.7m was notionally committed to a Stage 1 scheme at Cutacre, with a pipeline of over £40m of investments that would be additive to the economy of the region.

It was noted that discussions around the establishment of the Greater Manchester Fund of Funds were ongoing but progress was slow and it was likely there would be an investment gap before the new funds were established. As such, the report set out a proposal that would enable Greater Manchester to continue to have some investment capacity whilst the new fund was being established.

### **AGREED**

That the contents of the report on the North West Evergreen Fund be noted and the approach being taken to ensure continuity of investment capacity throughout 2016 be endorsed.

## **LEP/16/44 GM HOUSING INVESTMENT FUND: INVESTMENT APPROVAL**

A paper was submitted that set out a GM Housing Fund loan of £3.577.000 to First Step (Ancoats) Limited, which was approved by the GMCA on 29 April 2016. The Board was informed that a further report would come back to the LEP on the performance of the fund and housing challenges going forward.

## **AGREED**

1. That the report on the GM Housing Investment Fund be noted.
2. To note that a further report would be submitted to the next meeting of the Board on the performance of the fund and housing challenges going forward.

## **LEP/16/45 ANY OTHER BUSINESS**

### Manufacturing Champions Network

The Board received a presentation from David Birch on the Manufacturing Champions Network. The Board was informed that the events held to date had been well received and that the future focus will be on strengthening SME participation.

## **AGREED**

That the presentation on the Manufacturing Champions Network be noted.

## **LEP/16/46 PROGRAMME OF FUTURE MEETINGS**

Thursday 14 July 2016  
Monday 19 September 2016  
Thursday 10 November 2016

**The following items contain matters relating to the financial and business affairs of particular persons or organisations. It is therefore agreed that discussions on these items is not held in public.**

## **LEP/16/47 LOCAL GROWTH DEALS: ROUND 3 SCOPING DOCUMENT**

Greater Manchester's first Growth Deal was secured in July 2014 on the basis of the Growth and Reform Plan, which presented a coherent, holistic investment programme, complemented by a strong commitment to public service reforms designed to enhance efficiencies and benefits across the programme. As well as securing a number of freedoms and flexibilities as a precursor to the Devolution Agreement, it also brought a funding allocation from the Local Growth Fund.

In February 2015 Greater Manchester secured a second Growth Deal and was allocated additional Local Growth Funding.

The Board was informed that the Government had recently invited proposals for a third round of Growth Deals, and the purpose of this report was to outline the proposed approach to the development of Greater Manchester's submission, for comment and endorsement by LEP members.

**AGREED**

That the proposed approach to the development of Greater Manchester's submission for a third round of Growth Deal funding be endorsed.

**LEP/16/48 GM HOUSING INVESTMENT FUND: INVESTMENT APPROVAL**

A report was submitted that provided the LEP with further detail on the GM Housing Fund loan to First Step (Ancoats) Limited for the Edinburgh Castle development.

**AGREED**

That the report be noted.

**LEP/16/49 THE NORTH WEST EVERGREEN FUND: POTENTIAL LOAN BOOK DISPOSAL**

A report was submitted that provided a further update to the LEP in relation to the continuity of the North West Evergreen Fund.

**AGREED**

That the report be noted and the approach being taken to ensure continuity of investment capacity throughout 2016 be endorsed.

**LEP/16/50 MANCHESTER GROWTH COMPANY BUSINESS PLAN AND 2016-17 TARGETS**

Consideration was given to a report that presented further information on the Manchester Growth Company's business plan for 2016-17.

**AGREED**

That the MGC Business Plan be endorsed and the targets for 2016-17 be noted.



## **GREATER MANCHESTER COMBINED AUTHORITY**

Date: 27 May 2016

Subject: Atlantic Gateway Infrastructure Priorities

Report of: Sir Richard Leese, Portfolio Lead for Economic Strategy  
and Simon Nokes, Chief Executive, New Economy

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### **PURPOSE OF REPORT**

The Atlantic Gateway Board has an agreed list of infrastructure priorities that it is looking to update. The process to update this included the development of an agreed set of criteria to identify LEP area priorities relevant to the Atlantic Gateway.

This paper provides GMCA members with the criteria for selection of Greater Manchester infrastructure priorities in relation to Atlantic Gateway as well as the identification of a small number of Greater Manchester priorities within the context of Atlantic Gateway. These will be reflected in the draft Atlantic Gateway Infrastructure Priorities that will be agreed by the Atlantic Gateway Board, subject to individual LEP or LEP and CA agreement.

GM LEP agreed to the recommendation below on 16<sup>th</sup> May 2016.

### **RECOMMENDATIONS:**

It is recommended that members:

- Agree that the Greater Manchester Strategy priorities identified in the context of Atlantic Gateway are appropriately reflected in the draft Atlantic Gateway Infrastructure Priorities.

### **CONTACT OFFICERS:**

#### **SIMON NOKES – NEW ECONOMY**

**BACKGROUND PAPERS:**

<b>TRACKING/PROCESS</b>		
Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board		No
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?		
AGMA Commission	TfGMC	Scrutiny Pool

## 1. INTRODUCTION

- 1.1 The Atlantic Gateway is a partnership of the three LEP areas of Liverpool City Region, Cheshire and Warrington and Greater Manchester. The Atlantic Gateway geography is focussed broadly along the route of the Manchester Ship Canal and River Mersey and is at its core about maximising the opportunities for trade access to the Atlantic offers.
- 1.2 In October 2014, the Atlantic Gateway Board agreed a revised membership structure and priorities. This was agreed by the three Local Enterprise Partnerships covering the Atlantic Gateway area (Greater Manchester, Cheshire and Warrington and Liverpool City Region), with each area able to nominate three representatives (two private sector and one public sector) onto the Board. In Greater Manchester it was agreed that these representatives would be Manchester Airport, GMCA and GM LEP – the latter being Roger Milburn. With a refreshed Board and revised terms of reference, the Atlantic Gateway does offer an opportunity to provide a further route to support agreed cross-LEP priorities and ensure a strong input into Northern Powerhouse from this area of the northwest.
- 1.3 Under the revised terms of reference, Atlantic Gateway's focus will be on **transport, science and infrastructure**, supporting LEP priorities in these areas where there is advantage of a collective additional voice. Activity is already underway building an understanding of the science assets across the Atlantic Gateway, although the economic review of the Northern Powerhouse has overtaken this to a degree, as has much of the early work on transport by Transport for the North.
- 1.4 The Atlantic Gateway Board is now keen to refresh and update its list of infrastructure priorities within the Atlantic Gateway area. Explicitly, this is not about duplication of LEP area activity, but clarity on agreed priorities, specifically in relation to Atlantic Gateway, that the Board will support.

## 2. CRITERIA FOR INFRASTRUCTURE PRIORITY SELECTION

- 2.1 On 2<sup>nd</sup> October 2015, the Atlantic Gateway Board agreed a common set of criteria that set out the method by which priorities are identified, agreed and which will result in a limited list of Atlantic Gateway relevant priorities of cross-LEP importance.
- 2.2 The Board agreed that priorities identified should be focussed on the agreed Atlantic Gateway thematic areas of transport and science, but could also consider energy and utility infrastructure if supported by strong evidence. The criteria are as follows:
  - Relevant priorities must be drawn from LEP priorities



- With ability for Atlantic Gateway Board to contribute based upon its wider geographical interests
- Whilst recognising some programmes (e.g. Transport for the North) where Atlantic Gateway may not be best placed NOW to identify priority projects due to stage of evidence gathering/programme development
- That the focus on priorities will be:
  - where Atlantic Gateway can add value
  - with greatest impact on long term growth – to Atlantic Gateway and to the Northern Powerhouse
  - where a pan-LEP approach will maximise economic impact
  - which are deliverable
- Priorities must be based upon a strong evidence base

### **3. PROPOSED GREATER MANCHESTER INFRASTRUCTURE PRIORITIES**

3.1 A number of Greater Manchester priorities can be identified as of a scale, importance and relevance to both Greater Manchester and Atlantic Gateway to fit the criteria outlined above. These Greater Manchester priorities in relation to Atlantic Gateway, are infrastructure to support the development of the following:

- Development of key life science locations – including Alderley Park and Corridor Manchester;
- Development of key logistics sites – including Port Salford and Carrington;
- Transport for the North priorities – under which sits HS2, Strategic Motorway Network, Manchester Airport, east-west connectivity and port links particularly supporting HS2/HS3 developments around Piccadilly, Northern Hub/Mayfield; and
- Manchester Airport Enterprise Zone and Airport Transformation Plan.

### **4. DRAFT ATLANTIC GATEWAY INFRASTRUCTURE PRIORITIES**

Based on input from all three LEP areas, there was broad alignment between Greater Manchester, Cheshire and Warrington and Liverpool city region and therefore five infrastructure priorities are being proposed, namely:

- Connectivity Improvements;
- Development of the freight and logistics sector;
- Development of the science and innovation sector locations;

- Development of key strategic sites across the Atlantic Gateway;  
and
- Creation of a more resilient and adaptive environment for business.

Annex A sets out these priorities in more detail including relevant examples.

## **5 CONCLUSIONS**

- 5.1 There are a small number of Atlantic Gateway relevant Greater Manchester priorities that fit the criteria as set out above. These align well with the Atlantic Gateway related priorities identified by partner LEP areas.
- 5.2 The updated list of draft Atlantic Gateway infrastructure priorities appropriately reflects the relevant Greater Manchester priorities.
- 5.3 The updated list of Atlantic Gateway priorities is now subject to individual LEP and CA (if relevant) agreement in order for LEP nominated Board members to sign off the list. This report seeks GMCA agreement to this.

## ANNEX A

AG infrastructure priorities	AG potential projects
<p><b>1 Connectivity improvements</b>            Focused on the Transport for the North proposals to improve freight and passenger connectivity and local connectivity improvements which may constrain growth</p>	<p>The strategic business case and investment plan for TfN are currently being developed. This includes the gathering of new evidence for passenger and freight connectivity. AG will not try to second guess the conclusions of the various studies and final Plan but will continue to feed into the development of the F&amp;L study and will review the key outputs from TfN to determine specific priorities moving forward</p>
<p><b>2 Development of the freight and logistics sector</b>            Focused on the development of key strategic sites and enabling infrastructure to promote the growth of the sector including essential connectivity improvements associated with port access and key logistics sites across the transport nodes</p>	<p>For example:            Port Salford, Port Warrington and wider use of the MSC Carrington            L2 – Port of Liverpool            Parkside            3MG</p>
<p><b>3 Development of the science and innovation sector locations</b>            Focused on the development of key strategic sites and enabling infrastructure to promote the growth of the sector</p>	<p>For example:            Liverpool's Knowledge Quarter, Corridor Manchester            Cheshire Science Corridor including Thornton, Birchwood, Daresbury, Alderley Park</p>
<p><b>4 Development of key strategic sites across AG</b>            Focused on delivering key enabling infrastructure to support the development of AG's key strategic sites</p>	<p>For example:            Manchester Airport City, Mersey Waters*</p>
<p><b>5 Creation of a more resilient and adaptive environment for business</b>            Focused on the development of a range of infrastructure measures to promote sustainable long term economic growth, including for example water management, flood management, enhancing green and blue spaces and low carbon energy generation, storage and distribution</p>	<p>For example:            Flood and water management – supporting the development of business critical infrastructure improvements in conjunction with the EA and UU            Realising the potential of the River Mersey and its catchment – for example, improving the environment quality and recreational use of the River and exploring the potential for sustainable energy generation including Mersey Tidal</p>

- Excluding any housing development

Date: 27 May 2016

Subject: Greater Manchester Housing Providers Contribution to Public Service Reform and Memorandum of Understanding

Report of: Eamonn Boylan, Portfolio Chief Executive, Planning and Housing, and Cath Green, Chief Executive, First Choice Homes Oldham, on behalf of Greater Manchester Housing Providers Group

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## **PURPOSE OF REPORT**

- 1.1 Social housing makes up 1 in every 4 homes in the city region, home to over half a million GM residents. GM Housing Providers individually are long-established partners in local strategic partnership working on a broad range of issues connected to local growth and public service reform. They are substantial investors in our communities, and in recent years have been delivering around 40% of our new homes. Many of their tenants are key to the success of our strategies and interventions on a wide range of issues such as health and social care, employment and skills, fuel poverty and the ageing population. As organisations, individually and collectively, GM Housing Providers are already active on all those agendas and more.
- 1.2 The Greater Manchester Housing Providers have deployed a substantial expertise in relation to the management and regeneration of deprived neighbourhoods and communities in contributing to the early phases of the implementation of the Growth and Reform Plan which supports the GMCA's Strategy. Given their track record of delivering positive change the Greater Manchester Housing Providers are ideally placed to play a pivotal role in further developing new approaches to growth, public service reform and the management of Place as the Combined Authority's strategy is rolled out.
- 1.3 It is proposed that this relationship be further strengthened through the agreement of a Memorandum of Understanding between GMCA and the GM Housing Providers Group.

## RECOMMENDATIONS

2.1 GMCA are recommended to:

- Note the progress that has been made across the GM Housing Providers Group in agreeing a coordinated position in supporting the achievement of the GM Strategy and provide comment on proposed areas of focus.
- Comment on and approve the Memorandum of Understanding (MoU) between the GMHP and GMCA;
- Agree that local integration arrangements coordinated by each local authority incorporate local Housing Providers.

## CONTACT OFFICERS:

Paul Beardmore [p.beardmore@manchester.gov.uk](mailto:p.beardmore@manchester.gov.uk)  
 Steve Fyfe [s.fyfe@agma.gov.uk](mailto:s.fyfe@agma.gov.uk)

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:		No
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?		No
AGMA Commission	TfGMC	Scrutiny Pool

## **1 Greater Manchester Housing Providers (GMHP) Status**

1.1 GMHP was established 3 years ago and is a forum for Housing Providers and its current membership stands at 27 organisations. Its membership includes most of the largest scale providers, operating across the GM region. GMHP operates within a set of terms of reference, which includes working on ways in which housing providers can contribute to wider GM strategies, and how providers can work together to add value to the housing offer in GM. The focus for their activities has been on two major work streams: -

- ❖ Contributing to Growth
- ❖ Contributing to Public Sector Reform

## **2 GMHP Activities Undertaken To Date**

2.1 Despite the significant impacts of the emergency Summer Budget 2015 and the ongoing pressures arising from Welfare Reform on their business plans, members of GMHP have further developed their contribution to the GM devolution agenda. Key highlights of this work include: -

### **a. Place based work**

The Place Based PSR Executive now meets regularly and reports to the Reform Board. GM Housing Providers are represented on both groups and feedback is shared across the housing network, ensuring all providers within the network are able to: -

- ❖ Provide leadership, coordinate expertise and guidance.
- ❖ Help to identify improvements that are needed to effectively share data.
- ❖ Align closely with the workforce development and information sharing work-streams to enhance integrated neighbourhood working are recognised and addressed.
- ❖ Examples of place-based integrated work already underway include the Oldham BGreen pilot, and Wythenshawe Neighbourhoods Together Programme, both are delivering enhanced outcomes through multi agency working at a neighbourhood level by pooling resources, sharing priorities, improving community capacity, and the physical environment.

**b. GM Leadership Development Framework – Leadership of Place**

GM Housing Providers are actively supporting the development of new place leadership models, as demonstrated by an initial training event held on 22 December 2015 for approximately 40 Leaders from the Social Housing Sector. The session was facilitated by the Deputy CEO from Wigan MBC and the CEO of North West Employers. The event was well received and it was suggested that the group we have established looking at HR etc. should look at taking this work forward on our collective behalf, it is envisaged that this would be in collaboration with GMCA colleagues.

**c. Work and Skills**

GM Housing Providers have a strong track record in supporting training and employment work within their organisation and more recently established a delivery vehicle (Athena) which spans across GM.

**Athena (Housing Providers wholly owned trading company)** have been involved in the bidding process for several ESF grant schemes, two of which have progressed positively to date, involving the provision of employment support services via several Athena partners i.e.: -

- ❖ Skills for Employment: providing work placement services across Greater Manchester to the main contractor the Work Company.
- ❖ Building Better Opportunities – 3 year contract still to be awarded, with Athena partnership bid progressing to the Stage 2 and awarded £41,000 start-up funding to develop our bid further. Service provision greater than the above, providing start to end employment service support, involve a multi-million per annum 3 year contract to start in spring 2016.
- ❖ Individual Housing Providers commitment to improving skills, training and employment, including proposals to strengthen apprenticeship programmes, several are delivering successful outcomes through contracts with partner Local Authorities.
- ❖ Desire to look collectively across GM at Delivery models, a sector 'offer.'

Housing Providers are keen to link into the development of the GM employment and skills framework and are making links with relevant GM colleagues.

#### **d. Health and Social Care**

Working collaboratively with health colleagues, Housing Providers have helped to ensure that housing issues are included in each of the 10 locality plans. As implementation plans are taken forward, Housing Providers will seek to reinforce the links to wider place-based working and integrated leadership. Some place based Housing Providers are working up specific locality agreements with their local authorities and CCG colleagues.

A huge amount of dialogue has taken place with CCG and housing colleagues to assess and agree where housing providers can have a greatest impact of scaling up on key projects to support this agenda; 3 projects are being worked up to deliver across GM, as follows:

#### **e. GM Wide Warm Homes**

Partners (HP's, LA's and CCG's) create a sustainable investment fund to deliver energy efficiency measures (e.g. new boilers and insulation) and advice services (e.g. efficient use, energy switching, income maximisation, Warm Homes discounts) to take households out of fuel poverty. For every household taken out of fuel poverty a payment by result credit replenishes the investment fund and the scheme becomes self-sustaining. Over 3,000 households already lifted out of Fuel Poverty in Oldham in 3 years and this has created a return on investment which will be invested in other projects.

#### **f. Hospital Discharge and Preventing Re-Admission**

Different models being piloted across GM to see what works best. All essentially provide housing key workers in hospitals to work with NHS Acute Trusts, Council Adult Services and community care providers to deliver hospital discharge and preventative housing services. These services can include housing options advice, rehousing and resettlement support, repairs and handypersons, aids and adaptations, cleaning and caretaking, independent living support and care, community helpline and assisted technology and community self-help and befriending services.

#### **g. Housing Options Older Persons (HOOP) Service**

Housing Providers providing specialist housing options, care and support and early intervention advice to help older people to access and agree better housing and care solutions for themselves. The service includes web based level 1 information services (e.g. FirstStop), locally based level 2 face to face advice services and access to more specialist level 3 care advice. The services are closely linked to care and repair services and aids and adaptations services. With CCG support, the service is open to all tenures. Currently being trialled in Manchester and other LA's across UK successfully.



### **3. Growth**

3.1 As this paper highlights, Housing Providers can play an important role in contributing to the delivery of integrated, place-based reform, connecting GM residents to the opportunities growth brings. Providers are also playing a core role in supporting housing growth (and associated economic growth) over the coming years. The main work streams currently being worked through are: -

- ❖ Affordable housing development has contributed 35% of all new build output across GM over the last three years.
- ❖ The Housing Providers sector has increased its housing supply output by 73% in 2014/15 compared to the 2007/8 demonstrating a significant commitment to GM despite the difficult market conditions.
- ❖ GMHP scoping work underway to gauge the potential for expansion of shared ownership and other equity stakes products to promote owner occupation.
- ❖ GMHP actively engaged in providing market rent products (e.g. Bolton's Lease Management Programme).
- ❖ Successful support of the Matrix Homes programme (in partnership with Great Places)

3.2 GMCA has clearly recognised that growth is a strategic priority and vital to the success of the Devolution Programme. Greater Manchester Housing Providers, through the Housing MoU have recognised the important role that housing growth, through new build for both rent and home ownership, and have agreed to undertake work to improve further on what we are doing to improve housing supply. A healthy housing market can positively contribute to and support economic growth, however the reverse has proven to be true. A dysfunctional housing market can impede economic growth. The scale of the challenge this programme needs, to respond to the challenges of housing supply and affordability are considerable, and consideration may need to be given to developing further strategic goals on housing supply at the GMCA level

### **4 GMHP and GMCA Memorandum of Understanding**

4.1 The purpose of the Memorandum of Understanding which had previously been referred to as the 'offer and ask document' is to create a framework to enhance the contribution the Greater Manchester Housing Providers can make to growth and reform in a decentralised

environment. This document therefore sets out a programme of collaborative working and provides an overview of the detailed work which will need to achieve this. The MoU signposts the medium and longer term objectives and impacts which will drive a joint programme of investment and intervention and sets out the principles which will guide Investment, public service interventions and a review of the long term function and form of the social rented sector in Greater Manchester. It also builds on the work outlined earlier in this report. The draft MoU is appended for information and approval (Appendix 1.)

- 4.2 All parties will agree to act in good faith to support the objectives and principles of this MoU for the benefit of all Greater Manchester residents.
- 4.3 At the end of 2015 at the GMHP and GMCA CEO meeting, there was an agreement to working with the Combined Authority on a MoU and a process for the development of the GMHP's version of such a document. It is intended that this document sets out the principles which would guide the future development of the Greater Manchester Social Housing System.
- 4.4 The respective joint work streams have been identified and are:
  - ❖ Social Housing Reform: Outline principles and assumptions to be tested.
  - ❖ The New Social Housing System: Principles, timelines, barriers and opportunities, economy and social housing demand, finance, cash flow and assets, governance, function and form.
  - ❖ Supporting place-based working: Principles of new models of integration across localities, supporting the delivery of the reform principles.
  - ❖ Supporting housing growth: LAs and providers to work collaboratively to unlock delivery of potential development sites.
- 4.5 The delivery of the outcomes will contribute hugely to the overall vision of 'Stronger Together' and it is fair to say that this work is unique within the Housing Sector and gaining a lot of external interest.
- 4.6 A combined set of principles has been included in Section 4 of the latest draft of the MoU.



# **Greater Manchester Housing Devolution, Growth and Public Service Reform: Memorandum of Understanding**

**Consultation Draft: May 2016**

## 1. Introduction

1.1 This Memorandum of Understanding (MoU) is between:

- ❖ Greater Manchester Combined Authority (GMCA as defined by its constitution, see:

[www.greatermanchester-ca.gov.uk/downloads/file/141/gmca\\_constitution](http://www.greatermanchester-ca.gov.uk/downloads/file/141/gmca_constitution))

- ❖ Greater Manchester Housing Providers (GMHP as defined by the terms of reference at Appendix 1)

1.2 The Growth and Reform Plan designed by the GMCA has provided a platform from which GMHP have been able to enhance their contribution to the economic and social well being of the 2.8 million residents of the Conurbation.

1.3 The Greater Manchester Strategy produced by GMCA is summarised in **Appendix 2** and illustrates a focus on securing growth, increasing productivity and fostering independence and self reliance for residents. These broad strategic objectives are supported by a strong spatial and locality focus to delivering positive change.

1.4 This MoU sets out how GMHP will work in partnership with the GMCA, in the context of the GMCA Devolution Agreement. The MoU includes a Strategic Plan that will be completed by May 2017 which will set out the enhanced strategic outcomes and delivery resulting from deeper collaborative working and the enhanced outcomes and outputs that both parties will make to meeting needs and aspirations in future, whilst providing scale and flexibility in order to respond to future policy change.

1.5 All Parties agree to act in good faith to support the objectives and principles of this MoU for the benefit of all Greater Manchester residents. All Parties to this MoU recognise that individual Housing providers will take decisions on the extent of their role in implementing the GM Growth and Reform Plan in line with Section 8 of the MoU.

## 2. Purpose

2.1 This MoU is an agreement between GMCA working and GMHP to establish a single strategic partnership at a GM level which will provide;

- ❖ A place on strategic boards for housing provider representation such as the GM Housing Investment Board and GM Public Service Reform Board
- ❖ A single point of contact for GMHP in relation to key strategic priorities

- ❖ A framework to reach agreement on how GMHP could contribute as appropriate to delivering the range of GM priorities as set out in the GM Strategy, 'Stronger Together'
- ❖ The basis for sharing and disseminating good practice and standards across the GM affordable housing offer, connecting to GM's reform of public services
- ❖ A vision, medium and longer term objectives for agreeing joint residential investment, including joint bidding for appropriate programme and investment funding in a decentralized environment
- ❖ The principles to bring about a review of the long term function and form of the social rented sector and its interaction with other aspects of the GM housing markets
- ❖ Definitions for the commitment individual members of GMHP make to support the delivery of the growth and reform programme for the housing sector.
- ❖ The basis for establishing collaborative working arrangements and a work programme which are appropriate to delivering strategic priorities more efficiently
- ❖ The basis for a proposed framework for devolving decision making and delivery of housings contribution to growth and reform to GMHP and their respective local councils in Greater Manchester. The MOU sets out the process for collaborative working from June 2016 and identifies areas for further detailed work during the remainder of the year leading to full delegation in May/June 2017.

### **3. Vision**

3.1 Our Joint Vision for 2025 for the future work of RP's working across Greater Manchester is to:-

- ❖ Continue to be flexible and responsive in providing homes for those who need them, delivering quality homes at a price people can afford and investing in communities
- ❖ Broaden our housing offer, increasing the number of homes, and providing a wider range of flexible tenures and pathways to support economic growth across GM and in local areas
- ❖ Use the strength and expertise that comes from our diversity and independence to help deliver GM and local objectives
- ❖ Maximise our roles as major stakeholders, local leaders, place-shapers and community capacity builders

- ❖ Work towards reducing poverty, improving health outcomes, and increasing the numbers of our tenants and residents who are in employment and training.

## **4. Principles**

4.1 The delivery of the joint vision will be based on the following principles agreed jointly between GMCA and GMHP:

- 1 There is an overarching and shared commitment to supporting growth, reform, and quality public services
- 2 Housing quality and a tenure structure which meets aspirations, demand and need are essential building blocks for the continued economic growth and prosperity of Greater Manchester
- 3 The housing market will be reshaped to provide sufficient affordable and social housing solutions by a partnership between the Combined Authority, GM Housing Providers, the Private Sector and Central Government, and will be guided by a strong devolved strategic framework, while respecting the financial and organisational independence of individual RP's
- 4 Affordable and social housing will be integrated into a system of reformed public services, ensuring that maximum value for the public purse by focusing any subsidy available most effectively on those who need it
- 5 A major rationale for housing policy interventions will be to reduce dependency, of benefit to both the cost of public sector service delivery and RP business plans
- 6 Housing and Public Policy should be focused on meeting aspirations as well as need through the development of pathways to home ownership and financial incentives which remove the barriers for lower income groups to be able to buy and thereafter operate in the market
- 7 Support will be given to those who do not have a specified level of need or vulnerability, in order to help them with affordable market based housing solutions
- 8 Housing providers will provide services where their intervention can make a difference including new commercial products such as market rent housing, or regenerating existing housing where it is at risk

- 9 Housing providers will collaborate with one another and with public and private sector partners, sharing skills, creating confidence, and achieving greater outcomes
  - 10 Spending decisions will be based on evidence and a clear understanding of what works in different geographies and demographic and economic groups
  - 11 The overall quantum of affordable and social housing will be maintained at or around its current levels across Greater Manchester, notwithstanding external political, legislative and market forces beyond GMCA and GMHP control.
- 4.2 GMHP commits to working with GMCA and individual LA's to support the delivery of the above principles.

## **5. High Level Objectives**

5.1 GMHP has been developing and delivering interventions in relation to growth and reform in partnership with GMCA, and the following High Level Objectives will be further developed through this MoU:

- ❖ To explore new ways to maximise the leverage potential of the collective asset base to sustain and increase the supply of homes, recognising the independence of individual members, through increased efficiency through collaboration, to secure increases in the supply of homes for rent and affordable home ownership;
- ❖ To develop a mechanism for sharing risk and reward in contributing to Growth and Public Sector reform, for example the development of earn back/dividend models and structural changes to pooled budgets;
- ❖ To deliver homes which meet the needs and aspirations of a growing economy and population which is located in the right place, at the right time, and for the right price;
- ❖ To increase social mobility by supporting growth and connecting people to growth opportunities, thereby increasing economic activity, self reliance and the household incomes of our most disadvantaged communities;
- ❖ To support neighbourhood and place based working to ensure investment and a high quality neighbourhood management in areas experiencing social, physical and economic stress;
- ❖ To drive up the quality of housing in Greater Manchester through reinvestment in the existing housing stock and ongoing provision of high



quality homes at sub market rents, and the provision of high quality new build. This includes collaborative interventions where necessary in low value Private Rented Stock

- ❖ To integrate housing and health policy and practice with an emphasis on prevention by assisting the Health and Social Care Sector to bring care closer to home where ever possible; and
- ❖ To provide support to families and households who exhibit problems associated with complex dependency by helping to secure a pathway for them to increase self reliance and get into employment.

## **6. High Priority Work Streams**

6.1 In support of the above objectives a number of other high priority work streams have been identified which will provide the foundations for the strategic plan including:

1. The development of new financial models and delivery mechanisms, and increasing investment capability through financial models and products, to meet housing growth targets needs and aspirations in the light of funding and policy changes announced in the 2015 Comprehensive Spending Review, understanding and improving the financial resilience of the sector;
2. The completion of a market research study which defines affordable housing, explores the potential of shared ownership and other home ownership models to meet affordable housing need in the different local housing markets within and across Greater Manchester. This will form the basis of the joint development of housing products for both new and existing housing designed to support the pathway to homeownership for those who want it;
3. An assessment of the impact of changing local housing and labour markets on affordable and social housing provision and the implications of future growth aspirations;
4. Opportunities to identify new and sustainable funding sources to support increased supply and tackle infra structure and gap finances needed for affordable and social housing provision. This will include the development of mechanisms to share risk and reward for GMHP's contributions to Growth and Public Sector Reform. This will take account of the new levers available to the GMCA as a result of devolution;

5. A review of the supply of land for affordable and social housing delivery and a response to the GM Land Commission in the context of innovations in planning policy and the production of a GM Spatial Strategy;
6. Acceleration of investment and innovation in new homes and retro-fitting existing stock to reduce carbon emissions, contribute to environmental sustainability and improve resilience to climate change impacts
7. Develop an evidence based review of the long term future function and form of affordable and social rented housing taking into account all available subsidy to the sector and the changing needs and aspirations going forward;
8. The expansion of GMHP input into Place based working, including new leadership models and partnerships through the following area based work:
  - Enhancing life chances by rolling out of the Complex Families Key worker and early intervention model and assisting Adult And Children's Services sectors through the provision of direct support services or case coordination work
  - Engagement in the partnership approach to workforce development and leadership across all local authority area and RPs
  - Exploration of how Housing Providers can work with the regulatory powers of local authorities to drive up standards in the low value Private Rented Sector and contribute to area regeneration
  - Contribute directly to integrated Place models where RPs are major stakeholders to reduce the levels of demand on public sector resources
  - Develop a sector offer and appropriate GM delivery structures to make a step change in the delivery of work and training places possible

6.2 GMHP and GMCA will collaborate through these work streams to accelerate the delivery of Growth and Reform Programmes as they develop in 2016/17. A high level summary of the Work Plan can be found at **Appendix 6**.

## 7. Integration and Delivery

7.1 The shared high level objectives have driven a broad programme of activity which is still evolving as the process of Growth and Public Service Reform develops across the Greater Manchester geography. See the chart at **Appendix 3** illustrating the current GMHP Growth and Reform Programme.

7.2 As the work towards a strategic plan is advanced by this MoU GMHP and GMCA will continue to deliver existing commitments. GMHP will continue to respond to opportunities as they arise both at the GM level and through locality working. The opportunities to deliver change thematically, and at different spatial scales have already been identified as have activities which potentially are scalable through collaboration. A summary of the current developments of thematic working is included at **Appendix 4**. Examples of ongoing activity by GMHP include:

- ❖ Work with CCG colleagues to scale up three key housing supported projects which are: The Warm Homes initiative: The Hospital Discharge and Readmission Prevention Project; The Housing Options Older Persons (HOOP) Service.
- ❖ Work collaboratively on the ten LA locality plans which have ensured that Housing issues have been integrated with Health and Social Care, leading to proposals to ensure that as implementation plans are rolled out that links to wider place based working and leadership are strengthened
- ❖ Developing a leadership model which will support the roll out of Place based working
- ❖ Athena, a company set up by GM providers, will further develop the plans and programmes designed to provide scalable opportunities for tenants and residents to improve skills and gain employment through increasing linkages to housing investment and procurement.
- ❖ Improve Information, data sharing and evaluation criteria and will explore how best to achieve this.

## 8. Timescales

8.1 The Key Milestones are:

- ❖ June 2016 formal sign up to the Greater Manchester Housing Devolution, Growth and Public Service Reform Memorandum of Understanding
- ❖ June 2016 agree work plan and individual project milestones;
- ❖ July 2017 agree work plan outcomes;
- ❖ November /December 2016 workshops to discuss policy and investment issues arising from the Workstreams;
- ❖ January 2017 Agree Aims and Objectives of the Draft Strategic Plan;
- ❖ February 2017 produce Draft Strategic Plan;

- ❖ March /April 2017 Consult and redraft as necessary; and
- ❖ May 2017 Produce Strategic Plan

## 9. GM Housing Providers: Leadership, Delivery Arrangements and Category Definitions

9.1 The MoU provides clarity around how partnership arrangements between GMHP and the GMCA will be structured to limit the duplication of effort and simplify communication. GMHP signatories of this MoU agree to:

- ❖ The development of roles and responsibilities based upon good practice partnerships currently in place across Greater Manchester;
  - a. GMHP members will self assess their category of participation based around three definitions, and in doing so will determine their level of membership to this MoU:
    - **Lead** - where a Housing provider takes the lead in an LA area or a service area, including strategic and policy commitments to place based work. This can include providing strategic direction around resource requirements to support GM level work and the MoU objectives, Place based work, and tailored responses to Public Service Reform;
    - **Support** - To be a contributing organisation at a local level or have significant expertise in a specialist service area; and
    - **Other** - A small scale or highly specialised Housing provider which will participate in Growth and Reform activity of relevance to their core objectives and business activity.

## 10. MoU Governance Arrangements

10.1 The governance arrangements will be shaped by the GMCA and GM Housing Providers in accordance with existing accountability arrangements and giving recognition to the following:

- ❖ The role of the HCA as regulator to the Registered Provider (RP) sector;
- ❖ The independence of RP's, particularly their governance arrangements and their financial and business plans; and
- ❖ The role of individual LA's in determining housing strategy at the district level.

10.2 It is recognised that different ways of working will be required to achieve the transformational ambitions shared by GMCA and GMHP. Aligned governance arrangements will therefore be underpinned by the following principles:

- ❖ GMHP members will remain within the HCA regulatory framework;
- ❖ RP Boards will retain their core role of determining the strategy and direction of their businesses;
- ❖ Clear agreements will be put in place for standard outcomes for LA housing partnerships;
- ❖ Where relevant, LA commissioners across the GMCA region will be engaged to align their outcomes with the new vision for housing provision and growth; and
- ❖ There will be a new partnership reflecting the continued skills and experience of all parties.

10.3 **Appendix 5** of this MoU provides further detail on the main functions of each party.

10.4 Locality Arrangements will continue utilising existing Housing Strategy Partnerships in the 10 local authority areas, strengthened by improved communication and sharing of objectives with GMHP, and reflecting the local housing markets at an LA level. Each locality will continue to build on existing arrangements and make better joining up of resources and services.

10.5 Housing Providers and ALMO's will continue to function as autonomous organisations, and agree to utilise the MoU and LA housing partnerships to influence strategy and policy.

10.6 The HCA remains the national regulator for the sector except for powers and resources that are devolved to GMCA via the Devolution Agreement.

10.7 GMHP will continue to exist as a strategic forum for provider's forum to progress work around the GM devolution agenda and other work the providers wish to progress in line with its T.o.R. This includes the Board of Athena Ltd. The GMHP forum will continue to take the lead role for provider input into the MoU and the Work Plan, including its thematic working groups.

## **11. Review**

11.1 The MoU will be reviewed on a six monthly basis by GMHP and GMCA via the DHPB to ensure the work programme aims are delivered within the timescales set out.

11.2 Governance arrangements will be regularly reviewed to ensure the work programme aims are delivered within the timescales set out. The governance arrangements will be subject to further review during the transitional arrangements to the Mayors' office in 2017

**12 Signatories**

**GMCA.....**

**GMHP.....**

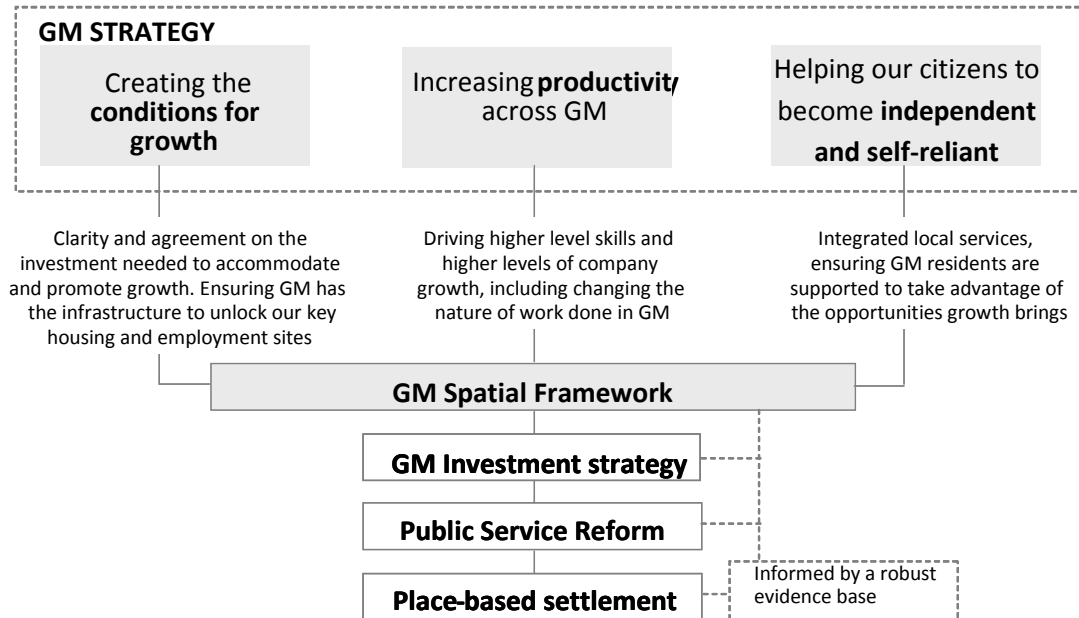
**DATE.....**

## **TERMS OF REFERENCE FOR GREATER MANCHESTER HOUSING CEO GROUP**

- To be a Forum for housing providers of a significant size in Greater Manchester where this is their main or priority area of focus.
- To consider, input and deliver ways housing providers can contribute to the wider Greater Manchester strategy.
- To act as a voice on any proposed policy changes in housing in the Greater Manchester area.
- To consider how Greater Manchester providers can work together to add value to the housing offer in Greater Manchester.
- To act as lead for some housing projects within Greater Manchester.
- To feed into the wider strategy of the City Region ensuring they both maximise the benefit to the housing agenda and minimise the risk.
- To be independent of but complimentary to AGMA structures.
- To ensure housing's relationship with, and ability to impact on the economy, is understood by those leading the Greater Manchester agenda.
- To campaign around areas of joint interest and benefit.
- To share best practice.
- To maximise the benefits of Devolution.

**Updated March 2015**

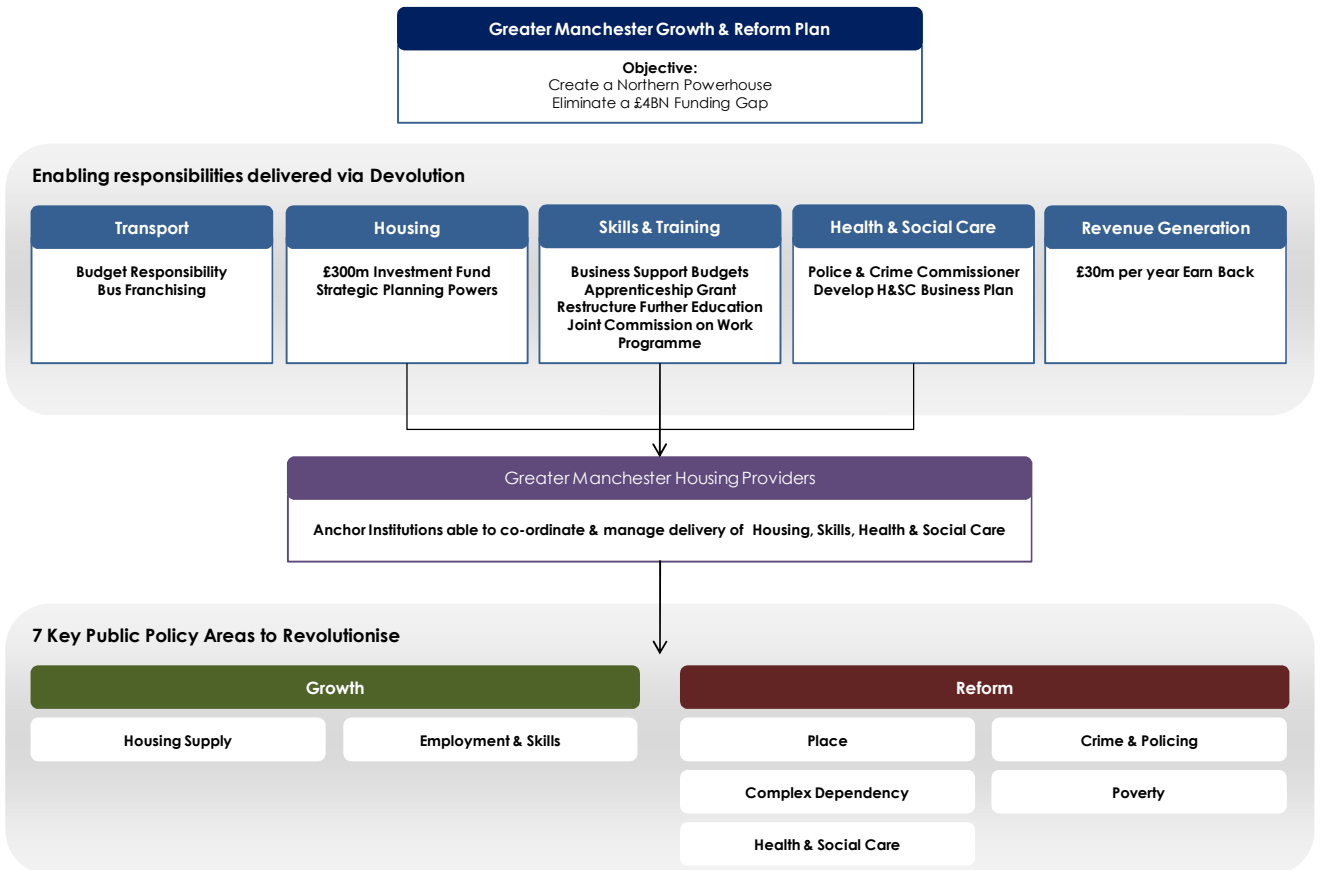
## GMCA Strategic Framework





## GMCA Delivery Structures

### GROWTH & PUBLIC SERVICE REFORM



## GMHP Thematic Working ~ The Offer Development

Increase Our Collaboration	Become More Efficient & Effective Operators	Enhance Our Social Support
<p><b>Housing Supply</b></p> <ul style="list-style-type: none"> <li>-Create a partnership across providers to deliver a single voice in the 10 districts</li> <li>-Develop housing markets through active partnership in creation of the GM spatial strategy</li> <li>-Engaging the existing Private Rented Sector to improve property condition, tenancy conduct &amp; extend offer of local services</li> </ul> <p><b>Place</b></p> <ul style="list-style-type: none"> <li>-Use Housing Partnerships to align on successful local initiatives, rationalising stock and sharing services</li> <li>-One Team approach to Service Delivery, sharing knowledge and prioritising services</li> </ul> <p><b>Employment &amp; Skills</b></p> <ul style="list-style-type: none"> <li>-Enhance data collection, interpretation and sharing of Intelligence</li> <li>-Identify skills gaps tailoring initiatives accordingly</li> <li>-Partnerships with employers to deliver services</li> <li>-Utilise ATHENA project to deliver high-quality support</li> <li>-Combine buying power for local businesses increasing viability and sustainability</li> <li>-Provide centres for social enterprise support</li> <li>-Drive social enterprise through increased procurement from local suppliers</li> <li>-Collaborate with DWP, Local Authorities, Colleges, Adult Education Centres, Private &amp; Voluntary sector in delivering initiatives e.g. Work Programme, Work Well</li> </ul> <p><b>Complex Dependency</b></p> <ul style="list-style-type: none"> <li>-Share complex dependency services removing duplication of effort</li> <li>-Create consistent approach to identification &amp; referral including early intervention</li> </ul> <p><b>Crime &amp; Policing</b></p> <ul style="list-style-type: none"> <li>-Create a framework to pool resources, assess risk, train teams, engage neighbourhoods across             <ul style="list-style-type: none"> <li>-Community Safety Partnerships</li> <li>-ASB Services</li> <li>-Victim &amp; Witness Support</li> <li>-Domestic Violence</li> <li>-Organised Crime</li> <li>-Hate Crime</li> </ul> </li> </ul>	<p><b>Place</b></p> <ul style="list-style-type: none"> <li>-Active Asset management and appropriate investment to provide greater efficiency of service at a local level</li> <li>-Encourage economic activity through broader range of tenancy options</li> <li>-Maximise use of community assets creating opportunity for collocated services</li> <li>-Utilise district level housing market data to inform new build activity</li> <li>-Support the grant recycling and new build targets</li> </ul> <p><b>Health &amp; Social Care</b></p> <ul style="list-style-type: none"> <li>-Strategic Alignment leveraging long term commitment to communities</li> <li>-Engage with Better Care &amp; Care and Support Fund to scale up existing work to deliver better health outcomes</li> </ul> <p><b>Poverty</b></p> <ul style="list-style-type: none"> <li>-Fuel Poverty reduction through promotion of energy efficiencies, improving existing &amp; new stock and develop local renewable projects</li> <li>-Increase Digital Inclusion through free ICT and access to internet hubs</li> </ul> <p><b>Crime</b></p> <ul style="list-style-type: none"> <li>-Data led approach to provision of Prevention Services</li> <li>-Promoting self sufficient communities and community led problem solving</li> </ul>	<p><b>Employment &amp; Skills</b></p> <ul style="list-style-type: none"> <li>-Provide first point of contact for people struggling to enter employment, job coaching &amp; CV skills</li> <li>-Deliver Social enterprise courses e.g. Tax, HMRC, accounting, social media and marketing</li> <li>-Provide accredited training</li> <li>-Invest in place based work and skills services</li> </ul> <p><b>Health &amp; Social Care</b></p> <ul style="list-style-type: none"> <li>-Provide community hubs (current assets) to support community development schemes</li> <li>-Provide support from hospital discharge, community enablement and prevent re-admission</li> <li>-Supporting vulnerable &amp; older people through non-clinical solutions and workforce development</li> <li>-Identify and support individuals at risk to fuel poverty and winter deaths e.g. Winter warmth packs and fuel efficiency advice</li> </ul> <p><b>Complex Dependency</b></p> <ul style="list-style-type: none"> <li>-Local knowledge to deliver interventions e.g. Debt advice, alcohol abuse, tenancy support</li> </ul> <p><b>Poverty</b></p> <ul style="list-style-type: none"> <li>-Supporting voluntary and community sector to address poverty ensuring social capital is increased at a community level where possible</li> <li>-Increase financial inclusion by providing access to products and creating affordable living</li> <li>-Provide local access point to those in food poverty</li> <li>-Provision of local land for food growing</li> </ul> <p><b>Crime</b></p> <ul style="list-style-type: none"> <li>-Support integration of offenders to help reduce reoffending rates and provide long term rehabilitation</li> </ul>

## **Governance Arrangements**

- 1.0 A Housing Devolution Programme Board (HDPB) will be established to monitor and further develop the MoU, and to oversee the transition from the current ways of working to the re-aligned housing strategies and delivery functions over the next 2 years. The HDPB will:
- ❖ Have strategic oversight and direction of the work plan;
  - ❖ Review and accept recommendations from the GMHP Coordination Group and work streams;
  - ❖ Evaluation of and response to the outcomes of the GM Spatial Strategy;
  - ❖ Appraise the impacts of outcomes on GM and local housing markets;
  - ❖ Align decision making authority with the importance of required decisions; and
  - ❖ Ensure consistency with the wider programme of activity as set out in the MOU
- 2.0 Membership of the HDPB will be:
- ❖ GMCA
  - ❖ GMHP
  - ❖ Associate members for consultation and input as needed will include:
    - HCA
    - GM Place
    - Combined CCG and Health
  - ❖ Secondments : as required for specific skills (legal, technical, financial etc)
- 3.0 To support the work of the DHPB a GMHP Co-ordination Group will provide operational support to the delivery of the work plans by:
- ❖ Proactive management of the timescales within the plan;
  - ❖ Leadership and direction to the work streams;
  - ❖ Coordination of activities through either direct leadership of the work streams or support to work stream leaders;
  - ❖ Providing research, analysis and information gathering support as required; and
  - ❖ Providing update reports to GMHP and the DHPB

## **New Work Streams and Key Work Plan Milestones**

### **Overview**

1.1 This Appendix sets out a timeline for the new work streams which are highlighted in Section 6 of this MoU. The attached Gantt chart illustrates how the development of the work is related to the key milestones relating to production of the strategic plan set out in Section 7. The new work streams are designed to deliver the high level objectives, adding both value and scale to the interventions which have already been operationalised by the GM Housing Providers. The new work streams will provide the basis of an enhanced investment and housing supply framework based on need and demand. This will be supported by an overarching approach to Place based working which will develop a spatial framework for that investment and its alignment with Public Service Reform. Combined this body of work will provide the evidence, analysis, a programme of investment, and enhanced contributions to reform which will be the foundations of the strategic plan to be developed in May 2017.

1.2 During 2016/17 the Greater Manchester Housing Providers will continue to develop models of Place based working which will be driven forward by new leadership models and partnerships. This focus on Place based working will assist with the:

- Coordination of housing and public services to maximise the opportunities for those residents and families experiencing complex needs;
- Better integration of public services ;
- Reduced cost of service;
- Delivery through place based leadership and improved partnership working ;
- Increased scale of work and training opportunities.

1.3 These improved people based outcomes will be further enhanced by a new supply of homes in line with local needs and demand. A significant amount of delivery work is already in train across Greater Manchester as a result of the inputs of Housing Providers into addressing the key issues highlighted in the Growth and Reform Plan and the increased refinement of Place based working will assist with the acceleration of benefits and positive outcomes from this investment in 2016/17 and beyond.

### **Key Milestones**

2.1 The first key milestones occur in June and July when the MoU will achieve sign off and the terms of reference and programmes of activity for new and existing work streams are brought together into one streamlined document which will be used to project manage the programme of activity to completion.

2.2 Three work streams also start in July which will form the baseline for the development of an Investment Programme. The focus of this work is to bring together research and policy

development around the themes of changing markets, market research for new housing products and the exploration of new models of financing and delivering housing supply. These first streams inform a second round of programme development which starts in August where the work streams cover infrastructure development, land supply, and measures to accelerate investment and reduce carbon emissions through retro fitting. Separately the initial work looking at the impact of changing local labour and housing markets on Growth informs both short and medium term investment decisions but also provides the baseline for an evidence based review of the long term function and form of the social housing sector.

2.3 The interrelated strands of work will provide the basis for a medium term investment programme for Growth and Public Service Reform as well as the shared objectives. The outcomes will inform a progressive debate about the future function and form of social housing. To achieve these outcomes it will be important to consult widely and to produce a cohesive set of recommendations which are policy relevant and deliverable in terms of investment and service reform. It is proposed to achieve this through two sets of workshops which are set out below:

*Workshops November/December*- These will be designed to ensure that proposals relating to growth and reform are supported by evidence and pull together land, innovation in raising finance and delivering change, and are targeted at the right places at the right time;

*The Strategic Plan*- Will be directly informed by these workshops as the work will confirm strategic objective, resources interventions and delivery arrangements; and

*Workshops in February* – will establish the joint objectives which will inform the next phase of work to determine how the social sector may change in the medium to long term.

2.4 The outcomes generated by February will facilitate the development of a Strategic Plan in draft form in February which will be issued for consultation, following a similar process as designed for the MoU which open and inclusive for all members of the partnership.

2.5 The objective is to agree a final draft plan prior to the Mayoral Election in May 2017.

	June 16	July 16	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	April 17	May 17
Agreement of MoU and Work Plan and Milestones	Date TBC											
Development of an integrated work programme												
WS 1: Development of New Financial Models and Mechanisms												
WS2: Completion of Market Research												
WS 3: Assessment of impact of labour market change				This concludes informing the start of WS7								

	June 16	July 16	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	April 17	May 17
WS 4: Funding for infrastructure: new approaches to risk and reward												
WS5: Review of the supply of land for affordable housing												
WS 6: Acceleration of investment in new homes and retrofitting to reduce carbon emissions												
WS 7: Evidence based review of future function and form of social housing									Leads to Workshops 2			

	June 16	July 16	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	April 17	May 17
Policy Workshops based on findings of WS 4,5,6 conclusions. Workshops will provide a synthesis of these work streams and focus on converting them into policy and programmes												
Aims and Objectives of Draft Strategic Plan Agreed								Date TBC				
Workshops 2 – Future function and form of social housing-based on WS7; Identifying the next steps												
First draft of Strategic plan									Date tbc			



	June 16	July 16	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	April 17	May 17
Consultation on Draft Strategic Plan												
Strategic plan signed off												

Date: 27<sup>th</sup> May 2016

Subject: Greater Manchester Investment Fund - Status of the Funds

Report of: Cllr Kieran Quinn, Portfolio Lead Leader for Investment Strategy and Finance and Eamonn Boylan, Portfolio Lead Chief Executive for Investment Strategy and Finance

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## **PURPOSE OF REPORT**

This report provides detail on the Greater Manchester Investment Funds.

## **RECOMMENDATION**

The Greater Manchester Combined Authority is requested to note the contents of this report.

## **CONTACT OFFICERS:**

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## **BACKGROUND PAPERS:**

None

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:		No
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?		No
AGMA Commission	TfGMC	Scrutiny Pool

Risk Management – see paragraph 6

Legal Considerations – see paragraph 7

Financial Consequences – Revenue – see paragraph 8

Financial Consequences – Capital – see paragraph 9

## GREATER MANCHESTER INVESTMENT FUND - STATUS OF THE FUNDS

### 1. EXECUTIVE SUMMARY

There have been the following key developments in the last quarter:

- £5.1m of business funding has been committed to five businesses which will create 115 new jobs in the region and safeguard a further 71.
- £13m of property funding has been committed to two developments which are anticipated to deliver over 205,000 sqft of new floor space and 500 new jobs.
- £46.3m of housing funding has been committed to two developments in the quarter. The developments will see the creation of 514 new homes in the region.

### 2. BUSINESS FUNDS

The status of the business funds is set out below.

	Business Funds			
£'m	RGF	Recycled Fund	GM Loan Fund	Total
Total budget	64.7	-	20.0	84.7
Committed	(64.7)	(9.5)	(9.1)	(83.3)
Pipeline	-	(6.7)	(1.7)	(8.4)
<i>Recycled funds</i>	-	8.5	3.1	11.6
<b>Remainder</b>	-	<b>(7.7)</b>	<b>12.3</b>	<b>4.6</b>

£83.3m of business funding has been committed with a further £8.4m of funding in the pipeline.

In line with the original offer letter, all RGF funds were invested by 31<sup>st</sup> March 2016. RGF projects that have been approved since April 2016 have been funded from recycled monies.

Based on the forecast repayment profile of RGF2, RGF3 and Growing Places funds, there is expected to be sufficient repayments to meet the ongoing demand for new projects. As a result the MCC leverage facility is unlikely to be required and has been removed from the analysis above.

£8.5m of funding has been recycled from the RGF funds to date with a further £5.25m forecast for the end of April. The £8.5m includes interest payments which are being used to fund future investments. The expected interest payments for 2016 are £3.4m.

### 3. PROPERTY FUNDS

The status of the property funds is set out below.

Property Funds				
£'m	Growing places	Evergreen	Housing Investment Fund	Total
Total budget	34.6	60.5	300.0	395.1
Committed	(38.2)	(74.9)	(96.2)	(209.3)
Pipeline	(6.0)	(40.5)	(51.3)	(97.8)
<i>Recycled funds</i>	<i>11.4</i>	<i>20.7</i>	-	<i>32.1</i>
<b>Remainder</b>	<b>1.8</b>	<b>(34.2)</b>	<b>152.5</b>	<b>120.1</b>

- *Evergreen funds were fully committed by December 2015 and need to be invested by June 2016. There is no time limit for Growing Places.*
- *Initial HIF funds must be spent over the first 4 years of operation with an operational period of 10 years.*

Evergreen has recycled £20.7m and expects to recycle a further £10m by June 2016. There are an additional £30.5m of projects to be developed in the Evergreen pipeline.

£18.3m of funding was drawn down from the HIF in 2015/16 from a commitment of £96.2m. The forecast spend for 2016/17 including pipeline is £55.5m. The loan agreement with DCLG allows the HIF to draw funds over 4 years in 4 separate tranches. The year 1 and 2 allocations total £120m resulting in a potential under spend this financial year of c.£46m. Further discussions are taking place with DCLG / HMT to agree revisions to the terms of the loan and the approach to under spend given the commitments made by the HIF.

### 4. OUTPUTS

Delivery of job outputs is forecast to be very strong with the programmes in a good position to meet their targets.

A summary of the contracted outputs under the RGF programmes and achievement against those outputs to date is included below:

<b>Jobs</b>	<b>RGF 2</b>		<b>RGF 3</b>	
	Contracted	Achieved	Contracted	Achieved
Direct jobs created	1,859	896	893	344.5
Direct jobs safeguarded	1,393	1,566	371	375
Indirect jobs created (RGF 3 only)	-	-	498	1165.5
Indirect jobs safeguarded (RGF 3 only)	-	-	810	1591
<b>Jobs Total</b>	<b>3,252</b>	<b>2,462</b>	<b>2,572</b>	<b>3,476</b>
<i>Programme target</i>	<i>2,000</i>	<i>2,000</i>	<i>1,724</i>	<i>1,724</i>

- *GMLF outputs are included within the RGF 2 funding stream above*
- *Contracted outputs have been adjusted to deduct jobs that the Team do not expect to be achieved*
- *An analysis of outputs by District is available from the Core Investment Team if required*

The RGF programmes have both already achieved their overall programme targets. The job creation target must be met by the end of the monitoring period in 2018 for RGF 3 and 2019 for RGF 2. Jobs are profiled to be created steadily over the period as the impact of the initial investment results in the supported companies achieving their growth strategies.

A summary of the Housing Investment Fund contracted outputs is included below:

<b>Housing Investment Fund</b>	<b>No Units</b>
Committed	1160
Pipeline	362
<b>Total</b>	<b>1,522</b>
<i>Programme target</i>	<i>10,000 - 15,000</i>

- *The HIF has a 10 year operational period.*
- *There is no financial recourse for failure to achieve housing targets.*

A summary of the Evergreen contracted outputs is included below. There are no programme output targets for the Growing Places Fund.

Committed outputs	Evergreen
<b>Jobs</b>	
<b>Jobs Total</b>	<b>6,931</b>
<i>Programme target</i>	<i>4,088</i>
<b>Development</b>	
<b>Sqmt. Developed</b>	<b>160,275</b>
<i>Programme target</i>	<i>78.400</i>
<b>Brownfield Land developed</b>	<b>17.84</b>
<i>Programme target</i>	<i>11.6</i>

## 5. FUND PROFILE

As previously discussed, the intention is to create a recycling fund that can be reinvested several times. A summary of the current fund profile for the funds is set out below.

£m	To March 2015	2015/16	2016/17	2017/18	2018/19
<b>RGF</b>					
Cash b/f	64.7	23.7	2.8	3.8	(1.6)
Drawdowns	(42.7)	(23.4)	-	-	-
Repayments (incl. interest)	1.7	6.5	14.0	8.6	10.9
Recycled investments	-	(4.5)	(15.0)	(15.0)	(15.0)
Recycled receipts	-	0.5	2.0	1.0	2.8
Cash c/f	23.7	2.8	3.8	(1.6)	(2.9)
<b>Growing Places</b>					
Cash b/f	34.6	27.7	25.4	17.3	8.7
Drawdowns	(11.0)	(10.0)	(15.0)	(15.0)	(15.0)
Repayments	4.1	7.7	6.9	6.4	4.7
Cash c/f	27.7	25.4	17.3	8.7	(1.6)
<i>Consolidated Fund Total post GPF investment</i>	-	-	-	21.7	25.1

*Note: the modelling assumes a 20% default rate on RGF loans and no default on Growing Places, Evergreen or HIF loans.*

<i>£m</i>	<i>To March 2015</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>
<b><i>HIF</i></b>				
Cash b/f	-	300.0	281.7	234.8
Drawdowns	-	(18.3)	(55.5)	(120.0)
Repayments	-	-	8.6	72.2
Cash c/f	-	281.7	234.8	187.0
<b><i>Evergreen</i></b>				
Cash b/f	60.5	44.8	28.1	29.1
Drawdowns	(21.1)	(32.6)	(16.2)	(30.0)
Repayments (inc. interest)	5.4	15.9	17.2	26.0
Cash c/f	44.8	28.1	29.1	25.1

The profile models the Fund based upon projects that have been committed to date, with an assumption built in for funds not yet committed, and recycled investments.

Wilburn Street Basin is showing as £42.5 committed, however it is anticipated that only c.£30m of the funding will be drawn.

The Growing Places, Evergreen and Housing fund loan books are strong both in terms of the financial strength of the applicants and the level of security provided. The main risk associated with the infrastructure and housing funds is expected to be the timing of the recycling, as opposed to the risk of default.

It is expected that up to 20% of the Regional Growth Fund loan book will default due to the fact that the funds have been lent into companies that cannot access all the private sector funding required. There have been no discounted settlements on the loan book since the last report.

## **6 RISK MANAGEMENT**

This report sets out the status of the GM Investment Funds. The report has been discussed at the Investment Board as part of the overall governance structure of the funds.

## **7 LEGAL CONSIDERATIONS**

There are no legal considerations – the paper provides the Combined Authority with an update on the status of the funds.



## **8 FINANCIAL CONSEQUENCES – REVENUE**

There are no revenue consequences from the update noted above.

## **9 FINANCIAL CONSEQUENCES – CAPITAL**

There are no capital consequences from the update noted above.

Appendix 1 (New funding)

<b>Fund</b>	<b>Company</b>	<b>£'000</b>
<i>Business Funds</i>	littleblackdress, Manchester	1,000
	Sofology Phase 3, Wigan	1,250
	Growth Company, Greater Manchester	2,000
	Action 365, Stockport	500
	Emeg Electrical, Trafford	320
<i>Property Funds</i>	Logistics North Phase 2, Bolton	3,000
<i>Evergreen Funds</i>	BBC Oxford Road, Manchester	5,000
	Logistics North Phase 2, Bolton	5,000
<i>Housing Funds</i>	Wilburn Street Basin, Salford	42,500
	Edinburgh Castle, Manchester	3,800



**Date:** 27 May 2016

**Subject:** GM Housing Fund Annual Report 2015 / 16

**Report of:** Eamonn Boylan, Portfolio Lead Chief Executive for Planning and Housing

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### **PURPOSE OF REPORT**

This report is to inform members of the outturn position of the GM Housing Fund for 2015/16 and to note the position in relation to the indemnity entered into by each of the Local Authorities in relation to the GM Housing Fund. This report discharges the semi-annual reporting obligations under the indemnity for the period 1 November 2015 to 31 March 2016.

### **RECOMMENDATION:**

Members are recommended to:-

Note the outturn position of the GM Housing Fund for 2015/16 and note that there has been no requirement for the GM Local Authorities to account for any impairments as a result of the performance of the Fund.

### **CONTACT OFFICERS:**

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### **BACKGROUND PAPERS:**

Housing Investment Fund (report to GMCA, 27 February 2015)

GM Housing Fund – Investment Strategy (report to GMCA, 26 June 2015)

<b>TRACKING/PROCESS</b>		
Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board		No
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?		No
<b>AGMA Commission</b>	<b>TfGMC</b>	<b>Scrutiny Pool</b>
N/A	N/A	N/A

## 1 INTRODUCTION

- 1.1 The £300m GM Housing Fund (GMHF) was approved by the GMCA in March 2015 along with the initial Investment Strategy. The GMHF was publicly launched in June 2015.
- 1.2 Under the terms of the loan agreement with DCLG, MCC has underwritten 80% of the Loan Fund on behalf of the GMCA. Each of the other 9 Local Authorities signed a Deed of Indemnity to support their proportion of any potential liabilities arising from the underwriting. The Deed obligated MCC / GMCA to report to the Local Authorities on the operation of the Fund on a semi-annual basis. This report sets out the financial position of the fund to satisfy those obligations.

## 2 PROGRESS OF THE FUND

- 2.1 GM has approved loan offers for 8 loans, amounting to £96m of committed investment. The table below shows the summary status of the approved projects as at 30th April 2016.

Status	No Of Projects	Total Units	Total Loans (£m)
Drawing Funds	2	798	66.2
Signed Facility Agreements	1	164	10.3
CA Approved	5	198	19.5
<b>Total Committed</b>	<b>8</b>	<b>1160</b>	<b>96</b>

- 2.2 The funding from DCLG will be drawn down from DCLG in 4 yearly tranches. The first tranche of funding was £40m with the second tranche being for £80m.
- 2.3 Funding provided by DCLG is paid to MCC at the beginning of the financial year and any funding not invested is to be repaid to DCLG on 31 March of each year.

## 3 OUTTURN AND FORECAST CAPITAL EXPENDITURE

- 3.1 The 2015 /16 outturn capital expenditure position for the Fund was £18.4m, resulting in a repayment of £21.6m to DCLG. The funds repaid will be available for drawdown in the current financial year should there be a requirement from the Fund.
- 3.2 Based on those projects approved to date and expected to proceed, and the current pipeline, the forecast capital expenditure position for the Fund in the coming financial years is as follows:

<b>Financial Year</b>	<b>Forecast Expenditure (approved loans)</b>	<b>Forecast Capital Expenditure (pipeline loans)</b>
2016 / 17	£49.5m	£30m
2017 / 18	£14.5m	£21.3m

3.3 The CA loans approved to date equate to a commitment of £96m. The total outturn and forecast capital expenditure is £82.4m. The difference is due to the need to approve facility amounts that include potential funding requirements and which do not reflect the anticipated expenditure.

#### **4 OUTTURN REVENUE COSTS AND GMCA BUDGET**

4.1 Revenue generated by the Fund through interest and fees was £224k. The 2015 /16 outturn revenue expenditure for the Fund was £597k. These costs were predominantly associated with staff and consultancy costs.

4.2 The GMCA approved a budget for the GM Housing Fund of £515k as part of the wider Core Investment Team budget. As a result of the outturn income position and the costs incurred in managing the Fund there was an underspend against the GMCA budget of £141k. The underspend will be utilised to fund other costs incurred by the GMCA. The GM Housing Fund is now expected to be self financing and as such there has been no GMCA budget agreed for financial year 2016 / 17.

#### **5 FUND IMPAIRMENTS, DEFAULTS AND WRITEOFFS**

5.1 The draft Underperforming Debt / Default Management Policy describes the approach and process that the GM Housing Fund will follow in the event that a borrower experiences financial problems or defaults on its loan obligations.

5.2 The first payment made from the GM Housing Fund was in November 2015. As of the 31<sup>st</sup> March 2016, two facility agreements had been signed with the borrowers drawing down funds from the GM Housing Fund. There have been no defaults, there are no indications that either project is distressed and in line with policies in place there is no requirement to impair or write off the loans provided to date.

5.3 The indemnity would require each Authority to account for any potential impairment of the loans in the event that the impairment was greater than 20% of the Funds invested. There is, therefore, no requirement for the Local Authorities to account for any impairments under the indemnity provided for the GM Housing Fund.

## 6 SUPPORTING PORTFOLIO ANALYSIS

- 6.1 The initial Investment Strategy set out guidelines in relation to the portfolio that would be adhered to when making investment decisions. The table below sets out the schemes approved by the CA as at 31<sup>st</sup> March 2016.

Name of Project	Location	Type	GMCA Loan
Water Street	Manchester	Apartments for Rent (City Centre)	23.7
Tariff Street, Piccadilly Basin	Manchester	Apartments for Sale (City Centre)	9.7
Pomona Wharf	Trafford	Apartments for Rent (City Centre)	10.3
Woodfield, Altrincham	Trafford	Houses and Apartments for Sale	3.8
Boundary Park	Oldham	Houses for Sale	1.5
Charminster Drive	Manchester	Houses for Sale	1.0
Wilburn St Basin	Salford	Apartments for Sale (City Centre)	42.5
Edinburgh Castle	Manchester	Houses and Apartments for Sale	3.6

- 6.2 Apartments in the City Centre includes flats or apartments in Manchester, Salford and Trafford. The guidelines proposed and the position of the Fund against these guidelines are as follows:

	% of £300m Fund	Committed Investment	% of Total Committed Investment	% of £300m Fund
Apartments for Sale	35%	£59.6m	62%	20%
Apartments for Rent	40%	£34.0m	35%	11%
Single Developer	30%	£66.2m	69%	22%

- 6.3 While some apartment developments may have been approved on the basis of an open market sale approach, the investor demand for blocks of apartments to hold as long term investments from institutional investors is strong. As such, some committed projects may ultimately deliver apartments for rent. There was initially no limit set in relation to investment in flats / apartments within the City Centre. The current investment committed to City Centre schemes is £86.3m, representing 30% of the Fund and 90% of the committed investment. This would fall within the limit for either rent or sale product and considered within any guidelines that would be set for City Centre investment.

## 7 RECOMMENDATION

- 7.1 The recommendation appear at the front of this report.





**Date:** 27 May 2016

**Subject:** GM Housing Investment Fund – Investment Approval Recommendation

**Report of:** Eamonn Boylan, Portfolio Lead Chief Executive for Planning and Housing

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### **PURPOSE OF REPORT**

This report seeks Greater Manchester Combined Authority (“Combined Authority”) approval of a GM Housing Fund loan of £1,374,323.

### **RECOMMENDATIONS**

The Greater Manchester Combined Authority is requested to:

1. Approve the loan as detailed in this and the accompanying Part B report.
2. Recommend to Manchester City Council that it prepares and effects the necessary legal agreements in accordance with its approved internal processes.

### **CONTACT OFFICERS:**

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Andrew McIntosh ([a.mcintosh1@manchester.gov.uk](mailto:a.mcintosh1@manchester.gov.uk), 0161 234 4061)

### **BACKGROUND PAPERS:**

Housing Investment Fund (report to GMCA, 27 February 2015)

GM Housing Fund – Investment Strategy (report to GMCA, 26 June 2015)

<b>TRACKING/PROCESS</b>		
Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board		Yes
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?		
AGMA Commission	TfGMC	Scrutiny Pool

## **1.0 INTRODUCTION & OVERVIEW**

- 1.1 In line with the agreed governance process for the GM Housing Fund, (“the Fund”), the Combined Authority is asked to approve the loan detailed in section 2, which was recommended for approval by the Fund’s Gateway Panel and Credit Committee at their meetings in April / May 2016.
- 1.2 The total value of offers of loans from the Fund approved by the Combined Authority to date is £96.017m<sup>1</sup>. If the recommendation set out in this report is approved, the total value of offers of loans from the Fund will increase to £97.391m.

## **2.0 LOAN APPROVALS SOUGHT**

- 2.1 The Brickworks (Bury) Ltd. is seeking a loan of £1,374,323 for the construction of 24 three and four bedroom houses on the former Walmerlsey brickworks site in Bury.
- 2.2 Further details of the scheme and proposed terms of the loan are included in the accompanying Part B report, to be considered in the confidential part of the agenda on account of the commercially sensitive nature of the information.

## **3.0 RISK MANAGEMENT**

- 3.1 The structure and security package proposed for the loan in order to mitigate the lending risk are given in the accompanying Part B report.
- 3.2 The loan will be conditional upon a satisfactory outcome to detailed due diligence and ongoing confirmation from a Monitoring Surveyor acting on the Fund’s behalf that the scheme is being delivered satisfactorily.

## **4.0 LEGAL CONSIDERATIONS**

- 4.1 A detailed loan facility agreement and other associated legal documentation will be completed for the scheme ahead of the first loan payment.

## **5.0 FINANCIAL CONSEQUENCES – REVENUE**

- 5.1 The borrower will be required to meet in full the Fund’s legal, due diligence and monitoring costs and there is no requirement for additional revenue expenditure by GMCA / MCC in addition to the approved Core Investment Team budget.

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<sup>1</sup> This figure excludes the loan approved by the Combined Authority in August 2015 for the Trinity Way scheme – the borrower has subsequently decided not to take up the loan offer.

**6.0 FINANCIAL CONSEQUENCES – CAPITAL**

6.1 The proposed loan will be sourced from the £300m GM Housing Fund.

**7.0 RECOMMENDATION**

7.1 The Combined Authority is recommended to approve the loan in line with the terms set out in the accompanying report.

**GREATER MANCHESTER COMBINED AUTHORITY MEETING**

**27 May 2016**

**EXCLUSION OF THE PUBLIC - SECTION 100A  
LOCAL GOVERNMENT ACT 1972**

RESOLVED: That the public be excluded from the meeting during the items of business specified below as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during those items there would be disclosure to them of exempt information of the descriptions respectively specified: -

Agenda Item No.	Title of Report	Minute No. (to be added)	Description of exempt information by reference to the paragraph number 3 in Schedule 12A of the Local Government Act 1972
16.	Greater Manchester Housing Investment Approval Recommendations		This report is not for publication because it contains information relating to the financial and business affairs of particular persons and the exemption outweighs the public interest in disclosing the information.
17.	Area Based Review		This report is not for publication because it contains information relating to the financial and business affairs of particular persons and the exemption outweighs the public interest in disclosing the information.

