

## GREATER MANCHESTER COMBINED AUTHORITY

**DATE:** Friday, 14th February, 2020

**TIME:** 10.00 am

**VENUE:** Council Chamber, 2nd Floor, Bolton Town Hall, Victoria Square, Bolton, BL1 1RU (Access via Albert's Hall Entrance)

**Wifi – Public wifi**

### AGENDA

1. Apologies
2. Chairs Announcements and Urgent Business
3. Declarations of Interest 1 - 4

To receive declarations of interest 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 Governance & Scrutiny Officer at the start of the meeting.

4. Minutes of the GMCA meeting held on 31 January 2020. 5 - 16

To consider the approval of the minutes of the GMCA meeting held on 31 January 2020.

- 5.A **GMCA Revenue and Capital Budgets 2020/21 - Overview (to follow)**  
Report of Cllr David Molyneux, Portfolio Lead for Investment & Resources.

**TO NOTE THAT CLLR RICHARD LEESE, DEPUTY MAYOR, WILL CHAIR THE MEETING FOR THE FOLLOWING ITEM.**

- 5.B **GMCA Mayoral General Budget & Precept Proposals (to follow)**  
Report of the GM Mayor, Andy Burnham.

<b>BOLTON</b>	<b>MANCHESTER</b>	<b>ROCHDALE</b>	<b>STOCKPORT</b>	<b>TRAFFORD</b>
<b>BURY</b>	<b>OLDHAM</b>	<b>SALFORD</b>	<b>TAMESIDE</b>	<b>WIGAN</b>

Please note that this meeting will be livestreamed via [www.greatermanchester-ca.gov.uk](http://www.greatermanchester-ca.gov.uk), please speak to a Governance Officer before the meeting should you not wish to consent to being included in this recording.

**Reports of Cllr David Molyneux, Portfolio Lead for Investment & Resources and Steve Wilson, GMCA Treasurer.**

- 5.C GMCA Transport Revenue Budget 2020/21 (to follow)**
- 5.D GMCA Revenue General Budget 2020/21 (to follow)**
- 5.E GM Waste Budget & Levy 2020/21 and Medium Term Financial Plan 2023/24 (to follow)**
- 5.F GMCA Capital Programme 2019/20 - 2022/23 (to follow)**
- 6. GMCA Revenue Budget Update 2019/20 (to follow)**
- 7. Troubled Families Funding (to follow)**
- Report of GM Mayor, Andy Burnham.
- 8. GMCA Culture Fund Beneficiaries 2020/21 (to follow)**
- Report of Cllr David Greenhalgh, Portfolio Lead for Culture.
- 9. GM Housing Investment Loans Fund: 2019/20 Update Report** 17 - 26
- Report of Salford City Mayor, Paul Dennett, Portfolio Lead for Housing, Homelessness & Infrastructure.
- 10. GM Housing Investment Loans Fund - Recommendations** 27 - 30
- Report of Salford City Mayor, Paul Dennett, Portfolio Lead for Housing, Homelessness & Infrastructure.
- 11. GM Investment Framework Approvals** 31 - 34
- Report of Cllr David Molyneux, Portfolio Lead for Investment & Resources.
- 12. Exclusion of Press and Public**

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 items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**PART B**

- 13. GM Housing Investment Loans Fund - Recommendations** 35 - 38
- Report of Salford City Mayor, Paul Dennett, Portfolio Lead for Housing, Homelessness & Infrastructure.
- 14. GM Investment Framework Approvals** 39 - 44
- Report of Cllr David Molyneux, Portfolio Lead for Investment & Resources.

## Membership 2019/20

<b>District</b>	<b>Member</b>	<b>Substitute Member</b>
<b>Bolton</b>	David Greenhalgh (Con)	Martyn Cox Con)
<b>Bury</b>	David Jones (Lab)	Andrea Simpson (Lab)
<b>Manchester</b>	Richard Leese (Lab)	Sue Murphy (Lab)
<b>Oldham</b>	Sean Fielding (Lab)	Arooj Shah (Lab)
<b>Rochdale</b>	Allen Brett (Lab)	Sara Rowbotham (Lab)
<b>Salford</b>	Paul Dennett (Lab)	John Merry (Lab)
<b>Stockport</b>	Elise Wilson (Lab)	Tom McGee (Lab)
<b>Tameside</b>	Brenda Warrington (Lab)	Bill FairFoull (Lab)
<b>Trafford</b>	Andrew Western (Lab)	Catherine Hynes (Lab)
<b>Wigan</b>	David Molyneux (Lab)	Keith Cunliffe (Lab)

For copies of papers and further information on this meeting please refer to the website [www.greatermanchester-ca.gov.uk](http://www.greatermanchester-ca.gov.uk). Alternatively, contact the following  
Governance & Scrutiny Officer: Governance and Scrutiny  
✉ [sylvia.welsh@greatermanchester-ca.gov.uk](mailto:sylvia.welsh@greatermanchester-ca.gov.uk)

This agenda was issued on 6 February 2020 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Churchgate House, 56 Oxford Street, Manchester M1 6EU

**GMCA Meeting on 14 February 2020**

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>

**PLEASE NOTE SHOULD YOU HAVE A PERSONAL INTEREST THAT IS PREJUDICIAL IN AN ITEM ON THE AGENDA, YOU SHOULD LEAVE THE ROOM FOR THE DURATION OF THE DISCUSSION & THE VOTING THEREON.**

## QUICK GUIDE TO DECLARING INTERESTS AT GMCA MEETINGS

This is a summary of the rules around declaring interests at meetings. It does not replace the Member's Code of Conduct, the full description can be found in the GMCA's constitution Part 7A.

Your personal interests must be registered on the GMCA's Annual Register within 28 days of your appointment onto a GMCA committee and any changes to these interests must notified within 28 days. Personal interests that should be on the register include:

- Bodies to which you have been appointed by the GMCA
- Your membership of bodies exercising functions of a public nature, including charities, societies, political parties or trade unions.

**You are also legally bound to disclose the following information called DISCLOSABLE PERSONAL INTERESTS which includes:**

- You, and your partner's business interests (eg employment, trade, profession, contracts, or any company with which you are associated)
- You and your partner's wider financial interests (eg trust funds, investments, and assets including land and property).
- Any sponsorship you receive.

### **FAILURE TO DISCLOSE THIS INFORMATION IS A CRIMINAL OFFENCE**

#### **STEP ONE: ESTABLISH WHETHER YOU HAVE AN INTEREST IN THE BUSINESS OF THE AGENDA**

If the answer to that question is 'No' – then that is the end of the matter. If the answer is 'Yes' or 'Very Likely' then you must go on to consider if that personal interest can be construed as being a prejudicial interest.

#### **STEP TWO: DETERMINING IF YOUR INTEREST PREJUDICIAL?**

A personal interest becomes a prejudicial interest:

- where the well being, or financial position of you, your partner, members of your family, or people with whom you have a close association (people who are more than just an acquaintance) are likely to be affected by the business of the meeting more than it would affect most people in the area.
- the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

**FOR A NON PREJUDICIAL INTEREST****YOU MUST**

- Notify the governance officer for the meeting as soon as you realise you have an interest
- Inform the meeting that you have a personal interest and the nature of the interest
- Fill in the declarations of interest form

**TO NOTE:**

- You may remain in the room and speak and vote on the matter
- If your interest relates to a body to which the GMCA has appointed you to you only have to inform the meeting of that interest if you speak on the matter.

**FOR PREJUDICIAL INTERESTS****YOU MUST**

- Notify the governance officer for the meeting as soon as you realise you have a prejudicial interest (before or during the meeting)
- Inform the meeting that you have a prejudicial interest and the nature of the interest
- Fill in the declarations of interest form
- Leave the meeting while that item of business is discussed
- Make sure the interest is recorded on your annual register of interests form if it relates to you or your partner's business or financial affairs. If it is not on the Register update it within 28 days of the interest becoming apparent.

**YOU MUST NOT:**

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business,
- participate in any vote or further vote taken on the matter at the meeting

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## MINUTES OF THE MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY HELD ON FRIDAY, 31ST JANUARY 2020

Greater Manchester Mayor	Andy Burnham (In the Chair)
Greater Manchester Deputy Mayor	Baroness Bev Hughes
Bolton	Councillor David Greenhalgh
Bury	Councillor David Jones
Manchester	Councillor Richard Leese
Oldham	Councillor Sean Fielding
Rochdale	Councillor Allen Brett
Salford	City Mayor Paul Dennett
Stockport	Councillor Elise Wilson
Tameside	Councillor Brenda Warrington
Trafford	Councillor Andrew Western
Wigan	Councillor Keith Cunliffe

### IN ATTENDANCE:

Tameside	Councillor Leanne Feeley
Wigan	Councillor Jenny Bullen
GM Transport Cttee	Councillor Mark Aldred

### OFFICERS IN ATTENDANCE:

GMCA & TfGM – Chief Executive Officer	Eamonn Boylan
GMCA - Deputy Chief Executive	Andrew Lightfoot
GMCA – Monitoring Officer	Liz Treacy
GMCA - Treasurer	Steve Wilson
Bolton	Tony Oakman
Bury	Geoff Little
Manchester	Carol Culley
Rochdale	Steve Rumbelow
Salford	Jim Taylor
Stockport	Pam Smith
Tameside	Steven Pleasant
Trafford	Sara Todd
Wigan	Alison McKenzie-Folan
Office of the GM Mayor	Kevin Lee
GMCA	Simon Nokes
GMCA	Julie Connor
GMCA	Sylvia Welsh
GMCA	Nicola Ward
GMCA	Lindsay Dunn
TfGM	Simon Warburton
TfGM	Kate Brown

## **GMCA 13/20 APOLOGIES**

### **RESOLVED /-**

That the apologies be received and noted from Councillor David Molyneux (Wigan), Councillor Keith Cunliffe attending, Councillors Sara Rowbotham & Janet Emsley (Rochdale) and Joanne Roney (Manchester), Carol Culley attending.

## **GMCA 14/20 CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS**

### **RESOLVED /-**

1. That the condolences of the GM Mayor and all members of the GMCA be extended to the family of Councillor Guy Harkin, who had recently passed away. Councillor Harkin had been a passionate local councillor for Bolton, being honoured as an Alderman of Bolton in December 2019 and long standing advocate for an improved public transport network.
2. That the Government announcement on 29 January 2020 that the Northern rail franchise agreement would be terminated on the 1 March, 2020, and placed in the hands of the Government's 'Operator of last resort' be noted. It was also noted that a dramatic improvement in delivery would not be seen overnight, but rather a steady improvement and consistency over a short period.
3. That it be noted that discussions regarding the potential split in the franchise and establishment of a North West franchise would be progressed with Government.
4. That it be agreed that the GMCA message to Government was that the successful delivery of rail services was predicated on the need to improve infrastructure. In particular the improvement of the Castlefield Corridor and the business case for the development of platforms 15 & 16 at Manchester Piccadilly Train Station had been made and was 'shovel ready' delivering improvements not just to Greater Manchester but the whole of the North of England.

## **GMCA 15/20 DECLARATIONS OF INTEREST**

### **RESOLVED /-**

That it be noted that Councillor Allen Brett declared a personal interest in relation to item 15 (GM Housing Investment Loans Fund) as an associate of loan applicant, Qumar Zaman.

## **GMCA 16/20 MINUTES OF THE GMCA MEETING HELD 7 JANUARY 2020**

### **RESOLVED /-**

That the minutes of the GMCA meeting held on 7 January 2020 be approved.

## **GMCA 17/20 MINUTES OF THE GMCA WASTE & RECYCLING COMMITTEE HELD ON 16 JANUARY 2020**

### **RESOLVED /-**

That the minutes of the GMCA Waste & Recycling Committee held on 16 January 2020 be noted.

**GMCA 18/20 MINUTES OF THE GMCA AUDIT COMMITTEE HELD ON 21 JANUARY 2020**

**RESOLVED /-**

That the minutes of the GMCA Audit Committee held on 21 January 2020 be noted.

**GMCA 19/20 MINUTES OF THE GM TRANSPORT COMMITTEE HELD ON 17 JANUARY 2020**

**RESOLVED /-**

That the minutes of the GM Transport Committee held on 17 January 2020 be noted.

**GMCA 20/20 MINUTES OF THE GM LOCAL ENTERPRISE PARTNERSHIP BOARD HELD ON 21 JANUARY 2020**

**RESOLVED /-**

That the minutes of the GM Local Enterprise Partnership Board held on 21 January 2020 be noted.

**GMCA 21/20 APPOINTMENT OF THE CHAIR OF THE GM LOCAL ENTERPRISE PARTNERSHIP BOARD**

Richard Leese, GM Deputy Mayor and Portfolio Lead for the Economy introduced a report which set out the results of a recent recruitment campaign for a new Chair of the GM Local Enterprise Partnership (LEP) and detailed a proposal from the LEP Board to appoint Co-chairs.

**RESOLVED /-**

1. That the report be noted.
2. That the appointment of Mo Isap and Lou Cordwell as Co-Chairs of the GM LEP Board be approved.
3. That the GMCA record its thanks to the outgoing Chair, Mike Blackburn for his years of strategic leadership of the GM Local Enterprise Partnership.

**GMCA 22/20 GM CULTURE & SOCIAL IMPACT FUND COMMITTEE - APPOINTMENT**

**RESOLVED /-**

That the appointment of Cllr Liz Patel to replace Cllr Jane Baugh (Trafford) be agreed.

**GMCA 23/20 MAYORAL GENERAL BUDGET & PRECEPT PROPOSALS**

Andy Burnham, GM Mayor took Members through a report which set out the proposal for the Mayoral General Budget and precept for 2020-21. Unique amongst Mayoral Combined Authorities, the proposal for consideration included a significant element for the Fire Service (£66.20 pa) totalling a proposed increase of £90.95 per annum for a Band D property. He explained how in determining the precept level, it was important to ensure a minimal impact to residents whilst continuing to maintain a substantial level of frontline services, and that there were increased pressures being put

on the Fire and Rescue Services which required further allocated resources to be able to address. Specifically, the implementation of the recommendations from the 'Programme for Change' review which included retaining 50 fire pumps across GM, and ensuring crews of 5 firefighters per single pump vehicle. He added that the Fire Service would also have a greater role in fire safety and prevention, and that it was therefore important to ensure there were the required levels of available frontline staff.

In relation to the Mayoral element of the precept, this proposed increase was significantly lower than the precept levels for 2019, however, additional resources were vital to ensure Greater Manchester's ability to deliver the bus reform agenda and continue its ambitions to end rough sleeping through schemes such as 'A bed every night'.

Members of the GMCA recognised the increased pressures on the Fire and Rescue Service, specifically in relation to the work required to address concerns highlighted by the 'High Rise Task Force' regarding cladded buildings, and the outcomes of the recent Independent Review of Building Regulations which stated that they were currently not fit for purpose. Therefore, additional resources were required to be able to deliver on this significant agenda, which had not been reflected in the latest Government grant which had again seen no uplift. Furthermore, Members were concerned about the drift towards using council tax to fund frontline services, which could be seen as regressive taxation that would disproportionately affect the poorest communities and urged the GMCA to further campaign for a fairer settlement to ensure this was minimised in the future.

The GM Mayor concurred with these views, and reported on the severe impact that issues with cladded buildings were having on people's lives. It was a national issue that needed urgently addressing, however GMFRS were taking steps to support people currently trapped in a limbo state in anticipation of significant Government policy change. Funding for frontline fire services was just one element of the impact of the negative impact to the North following the Government's recent 'Fairer Funding Review' which the Mayor planned to address directly with the Chancellor of the Exchequer.

#### **RESOLVED /-**

1. That the proposals to set an overall Mayoral General Precept of £90.95 (Band D) comprising of £66.20 for functions previously covered by the Fire and Rescue Authority precept and £24.75 for other Mayoral General functions be noted.
2. That it be noted that the proposal for the Mayoral General Precept for 2020/21 was part of a multi-year strategy for setting the Mayoral precept baseline which will be adjusted in future years as further Mayoral functions are covered by the funding raised.
3. That the following be noted:
  - i. the overall budget proposed for the Fire and Rescue Service, noting that it was proposed to defer a number of operational changes in relation to Programme for Change
  - ii. the use of the reserves to support the revenue and capital budgets, and the assessment by the GMCA Treasurer that the reserves as at March 2021 were adequate
  - iii. the proposed Fire Service capital programme and proposals for funding
  - iv. the medium term financial position for the Fire and Rescue Service covered by the Mayoral precept
4. That the detailed budget proposals for other Mayoral Functions be noted.
5. That the proposal to allow £0.5 million of Earnback grant to be used to support GMCA costs relating to bus related activity, including bus reform be agreed.

6. That it be noted that if a decision was made to introduce bus franchising a further report would be submitted to GMCA to increase the statutory charge by £17.8 million for the year 2020/21.
7. That the use of reserves, as set out in section 3 of the report, be noted.
8. That members be requested to submit any written comments to the Mayor in line with the legal process and timetable described in this report.
9. That it be noted that at the GMCA meeting on 14 February, a revised budget would be submitted, consistent with the precept proposals, reflecting final tax base and collection fund calculations and the final Revenue Support Grant settlement.
10. That it be noted that the GM Mayor was proposing to undertake a National lobby of Parliament on Tuesday 25 February 2020 at 1.00pm, in relation to the removal of cladding from high rise buildings and the financial burden being laid with residents, inviting all GM Leaders and Metro Mayors to support the lobby.

#### **GMCA 24/20 GM DIGITAL STRATEGY REFRESH**

Councillor Elise Wilson, Portfolio Lead for the Digital City Region took the GMCA through a report which summarised the refreshed Greater Manchester Digital Strategy, now referred to as the 'Blueprint' which was a result of significant stakeholder engagement and a reflection of the speed at which the digital economy in Greater Manchester has progressed since the first GM Digital Strategy was adopted by the GMCA in February 2018. This Blueprint further evidenced Greater Manchester's progress towards being one of the top 5 digital city regions in the UK, the impact of growth within the digital sector being significant for all communities as GM becomes a better place to live, work and grow.

Members of the GMCA commented that this was a very exciting piece of work, which would have an influence within all portfolio areas through the positive impact of investment, job creation and economic development, and already this was being evidenced through the recent investment of some of the UK's top tech and digital companies moving to Greater Manchester.

#### **RESOLVED /-**

1. That the progress on GM Digital be noted and that the refreshed GM Digital Blueprint be approved.
2. That it be agreed that the GM Digital Blueprint be reviewed annually to reflect the dynamic environment in which it was embedded.
3. That it be noted that on the 7 February, Greater Manchester would be hosting its first Digital Skills Day, and that Greater Manchester Local Authorities, community groups, schools, colleges, residents and businesses be encouraged to participate in #dosomethingdigital.
4. That it also be noted that GMACs would be launched next week, providing a single portal access point, whereby young people can view all employment opportunities, including digital, and information on qualification and training required in preparation of pursuing a career.

5. That the GMCA record its thanks to Cllr Elise Wilson for the work undertaken in progressing GM Digital.

## **GMCA 25/20 BREXIT UPDATE & ECONOMY DASHBOARD**

Councillor Richard Leese, Portfolio Lead for the Economy introduced a report which provided the GMCA with the latest position regarding the national Brexit negotiations, and highlighted how GM would continue to prepare for EU exit and trading arrangements. Today marked a significant day, as of the 31 January 2020 legislation stated that the UK would leave the European Union, however uncertainty still remained as the terms of this agreement were still to be determined. At the end of 2020, the UK would potentially still be at risk of a no deal situation.

Through this transition phase the role of the GMCA remained to promote certainty across GM, supported by the Growth Company's recent proposal regarding improving investment to the Northern Powerhouse submitted to Government as part of the budget settlement request. Inevitably there would be constitutional changes ahead, within which the GMCA would need to continue to lobby for further devolution to ensure that future decision making could be made locally, this would be especially relevant to the Shared Prosperity Fund whose details and governance arrangements remained unclear.

Members of the GMCA echoed this view, and expressed their concern that the loss of £400m of European Social Funding would have significant negative consequences for GM if the Shared Prosperity Fund was not available to minimise the impact. Government had been slow to determine its levels, its allocation process and its overall governance which in itself was already affecting GM as plans for any contingencies have not been able to have been made.

### **RESOLVED /-**

1. That the Brexit update and the work underway to ensure Greater Manchester was prepared for EU exit and future trading arrangements be noted.
2. That the latest update of the Greater Manchester Economic Resilience Dashboard be noted.
3. That it be noted that the Brexit transition period would be 11 months, and that the Brexit Act confirms that there would be no extension, with a risk that there could still be 'no deal' at the end of the period.
4. That it be noted that the Growth Company has developed a long term proposal for how Northern Powerhouse performance overall could be improved overall on trade and investment, supported by the NP11 group of Local Enterprise Partnerships across the North, which has been submitted to Government as part of budget proposals from the North.
5. That the GM Mayor be requested to relay a clear message to the Chancellor of the Exchequer that the consultation on the Shared Prosperity Fund was a priority to be addressed, and that the allocation and governance should be devolved from Central Government.

## GMCA 26/20 HOMELESSNESS UPDATE

Andy Burnham, GM Mayor took Members through a report which provided an update on the homelessness programme and detailed that a third of people who had been through 'a bed every night' (since its launch in 2018) had now been moved to a fixed address, and overall homelessness figures had reduced by 37% during this timeframe, with only 99 rough sleepers counted across GM on the 30 January 2020. The rate of progress had been sustained through the continual support from Local Authorities, the voluntary sector and recent additional investment from the Health and Social Care Partnership. Currently approximately 450 people were being supported by the scheme every night, and plans for phase 3 were already underway.

The Housing First scheme also reported significant success with over 60 people moved to a permanent home, and it was hoped that by the end of March 2020 the scheme would have benefitted c.140 people as per the Government target.

The recent 'Street Engagement Project' (formerly ARC) pilot in central Manchester had been designed to offer a host of support to daytime beggars, rather than simply an enforcement approach. The GMCA were reminded that the daytime picture of rough sleepers/beggars was very different to the night-time picture and therefore a tailored targeted approach was needed to address some of the root causes to their dysfunctional lives. In relation to this, Richard Leese, Deputy Mayor confirmed that there had been funding allocated to extend the pilot post March 2020.

Further concerns regarding the number of families housed in hostels and B&B facilities were raised by Members of the GMCA, with current numbers of people in unsatisfactory housing in excess of 1470 at a net cost to Local Authorities across GM of £14m per year.

A recent documentary by the BBC highlighted some of the work that Tameside Council and partner agencies were doing to support homelessness people, evidencing individual stories as to how this support has enabled them to turn their lives around. However, many of the determinants to homelessness were governed by Government policy and if reviewed could make a significant difference to those people affected. Members highlighted particular 'quick wins' as a revision of article 21, the elimination of no fault evictions, the introduction of 3 year tenancies, a review of Local Housing Allowance and the suspension of 'right to buy'. Facing a housing crisis, it was crucial that Government begin to address some of these concerns as a matter of urgency so that the symptoms of a failing system could be minimised.

In relation to the Local Housing Allowance (LHA), Members reported that this had been frozen for the last four years despite rents being increased, and a general rise in the cost of living. In 60% of areas across the UK, the LHA did not cover the average rent amount, resulting in the use of food/fuel budgets being used.

'Right to Buy' had also resulted in 9145 social housing properties being lost over the last 10 years, 40% of which had ended up in the private rented sector with limited jurisdiction over the standard of housing they provide.

Members questioned whether the grant awarded to the GMCA was available to private landlords who wished to offer additional accommodation to people identifying as homeless. The GM Mayor confirmed that the Ethical Lettings Agency worked to support private landlords in making housing available for those on low incomes and currently had c.300 properties on their system, however there

had been further potential identified to expand their provision to include Housing First tenants.

In relation to Housing First, Members reported a positive impact within their Local Authorities as a result of continual support across all delivery partners. However, further Government funding to grow its impact would be included in forthcoming conversations with Ministers.

Youth homelessness continued to be a specific concern for Members of the GMCA, especially in relation to the variation in preventative support across GM. Recent data from 'a bed every night' had evidenced that young people under 25 years were the largest cohort accessing the scheme but also that homelessness remained a significant issue for young people, especially those leaving care.

Members of the GMCA urged that the housing sector needed to step up and contribute towards tackling the housing crisis, rather than just benefiting from the desperation for housing. It was suggested that the sector would benefit from signing up to the Good Employment Charter, ensuring that they pay their employees the living wage, and that their companies focused on a host of other benefits for employees and tenants.

**RESOLVED /-**

1. That the report be noted and very recent count figures showing a further reduction in rough sleeping be welcomed.
2. That the GMCA record its thanks to all partners, specifically Local Authorities and the voluntary sector for their contributions towards the homelessness projects across Greater Manchester.
3. That Local Authorities be encouraged to look for further ways that the Housing First scheme could support residents who were homeless.
4. That Local Authorities be further encouraged to identify whether the Street Engagement Project (formerly ARC) could be rolled out in other areas where street begging was an issue.
5. That it be noted that the GM Mayor would provide further information on the Ethical Lettings Agency to Councillor Brenda Warrington.
6. That future proposals be submitted to the GMCA in relation to linking the Good Employment Charter to all future commissioning and procurement activities.
7. That the GM Mayor be requested to consider young homeless people, and in particular care leavers in future discussions with Government.

**GMCA 27/20 CLIMATE CHANGE & TRANSPORT**

Councillor Andrew Western, Portfolio Lead for Green City Region introduced a report which set out the scale of the challenge and the transport related actions that GM needed to take and influence to meet its ambition to be a carbon-neutral city region by 2038.

**RESOLVED /-**

1. That the report be noted.



2. That the GMCA recognised the scale of the challenge to reduce carbon emissions from transport for GM to meet its ambition to be a Carbon neutral city-region by 2038.

#### **GMCA 28/20 GM CLEAN AIR PLAN UPDATE**

Councillor Andrew Western, Portfolio Lead for Green City Region took Members through a report which set out the progress that had been made following the Government's response to Greater Manchester's Outline Business Case to tackle Nitrogen Dioxide Exceedances at the roadside, and the implications for the GM Local Authorities in relation to the schedule of work on the Clean Air Plan.

#### **RESOLVED /-**

1. That the progress made to date be noted.
2. That it be noted that the ministerial direction under the Environment Act 1995 (Greater Manchester) Air Quality Direction 2019 which requires all ten of the Greater Manchester local authorities to implement a charging Clean Air Zone Class C across the region.
3. That the need to continue to proceed towards developing the implementation and contract arrangements of a charging Clean Air Zone in Greater Manchester utilising the initial tranche of £36m of funding as required by the ministerial direction / feedback be noted.
4. That it be noted that the report to determine the timings for commencing the consultation would be received in the Spring of 2020.
5. That the outstanding need to secure a clear response from the Government on clean vehicles funding asks be noted.
6. That it be noted that Highways England have not been directed to act in relation to tackling NO<sub>2</sub> exceedances in the same way as the Greater Manchester local authorities, and that this will leave some publicly accessible areas of GM adjacent to trunk roads managed by Highways England, with NO<sub>2</sub> exceedances that are not being addressed by the Highways England plan.
7. That it be noted that the GM Authorities would co-sign a letter to the Transport Secretary asking them to bring forward the launch of a statutory consultation to strengthen rules on vehicle idling.
8. That a further report be submitted to the GMCA following further Government discussions on the Clean Air Plan.

#### **GMCA 29/20 GM LOCAL ENERGY MARKET: DESIGN DETAILS**

Councillor Andrew Western, Portfolio Lead for Green City Region introduced a report which sought the GMCA's approval to accept a £6m Innovate UK grant funded opportunity for a 'Greater Manchester Local Energy Market' project which aimed to support GM's target for carbon neutrality through the development of Local Area Energy Master planning, design of new services and optimisation of current and future energy assets.

**RESOLVED /-**

1. That the report be noted.
2. That authority be delegated to the Chief Executive Officer, GMCA & TfGM and the GMCA Monitoring Officer, in consultation with the Portfolio Lead, to finalise the collaboration agreement, commencing with the Detailed Design project in February 2020 and to agree the terms of the grant from the funding provider (Innovate UK) to deliver this opportunity.

**GMCA 30/20 GREATER MANCHESTER INTEGRATED HEALTH & JUSTICE STRATEGY**

Baroness Beverley Hughes, Deputy Mayor for Policing and Crime presented a report to the GMCA which provided a rich evidence base, described the engagement process and highlighted the priorities of the Integrated Health and Justice Strategy. She reported that this was the only integrated strategy of its kind within the UK and built upon the place based devolution that had already begun to become embedded across the system. In recognition of the number of people in the criminal justice system with complex needs and poorer access to health services, the Strategy looked to address how we could simplify the access points and improve the holistic support available to ensure a unified public service approach.

Members of the GMCA asked what specific role Local Authorities had in delivering the Strategy. It was confirmed that the role of the LA was critical in delivering an integral person-centred service at a local level, ensuring connections between services and as a result having significant impact on delivering their own local priorities on areas such as population health, homelessness, employment and crime reduction.

Members recognised that the causes of violent crime were wide, and in addressing these there would be positive impacts evident in a number of areas including a reduction in domestic violence, anti-social behaviour, truancy etc.

**RESOLVED /-**

1. That the Greater Manchester Integrated Health and Justice Strategy be approved.
2. That the GMCA record its thanks to the Jon Rouse and the GM Team for developing the GM Integrated Health and Justice Strategy, in particular for their advanced thinking to enable the first strategy of its kind within the UK.
3. That it be recognised that the role of the Local Authorities was key to the delivery of the strategy's ambitions, and that further detail of the Implementation Plan would be submitted to the GMCA in due course.

**GMCA 31/20 SOCIAL ENTERPRISE INVESTMENT FRAMEWORK FOR THE GM INVESTMENT FUND**

Eamonn Boylan, Chief Executive Officer for the GMCA & TfGM introduced a report which sought GMCA approval for a new Investment Framework to support the analysis of applications from social

enterprises for funding from the GM Investment Fund, and proposed outline terms and conditions for such applications.

Members of the GMCA were keen to support opportunities for the growth of social enterprises, as they had been seen to have a strong positive impact on health inequalities and social deprivation issues. However, the parameters of the loan applications seemed to potentially exclude some smaller social enterprises and Members asked whether these could be reconsidered to ensure the loan offer was accessible to as many organisations as possible.

Members of the GMCA further urged that the voluntary sector be engaged in taking these proposals forward, and that links should be made to the Good Employment Charter.

The GM Mayor added that a recent report from GM's Cooperative Commission had suggested specialist support be made available for the growth of co-operatives which had the potential to be extended to social enterprises in the future.

**RESOLVED /-**

1. That the Social Enterprise Investment Framework be approved and utilised during consideration of applications for funding from Social Enterprises from the GM Investment Fund.
2. That in implementing the scheme, officers be requested to engage with GMCVO and the Voluntary Sector on how it is taken forward.
3. That the loan criteria considers the principles of Greater Manchester's Good Employment Charter.

**GMCA 32/20 STOCKPORT INTERCHANGE MIXED USE SCHEME UPDATE REPORT**

Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness & Infrastructure took Members of the GMCA through a report which asked the GMCA to delegate authority to approve the appointment of the development partner and enter into an interim collaboration agreement in relation to the Stockport Interchange scheme. The scheme had been adapted from its initial conceptual design, to now also include substantial city centre green space and housing offer.

Further to this, Councillor Elise Wilson welcomed the Mayor's recent announcement to pursue plans for a Metrolink extension to Stockport Interchange offering another significant element to this town centre development.

**RESOLVED /-**

That authority be delegated to the GMCA Treasurer in consultation with the Head of Procurement to approve the recommended Development Partner and sign the necessary Interim Collaboration agreement.

**GMCA 33/20 GM HOUSING INVESTMENT LOANS FUND – APPROVALS**

Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness & Infrastructure introduced a report which sought the GMCA’s approval for loans to the GM Housing Investment Loans Fund, and detailed three loans which had been made under delegated authority agreed by the GMCA on the 29 November 2019.

**RESOLVED /-**

1. That the GM Housing Investment Loans Fund loans be approved as follows:

BORROWER	SCHEME	DISTRICT	LOAN
Qumar Zaman	Hillside Avenue	Oldham	£0.525m
Rise Homes SPV	Stagecoach Phase 2	Manchester	£5.132m
Mulbury Homes Ltd	Simpsons Grove	Salford	£2.671m

2. That the following loans, which were approved under delegated authority, be noted:

BORROWER	SCHEME	DISTRICT	LOAN
Terah Ltd.	Withington Bank	Manchester	£2.043m
Watch This Space (Constantine) Ltd.	Richmond Street	Manchester	£2.541m
AH2 Developments Ltd.	The Green, Urmston	Trafford	£1.621m

3. That authority be delegated to the GMCA Treasurer and the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.

**GMCA 34/20 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED /-**

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 items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**GMCA 35/20 GM HOUSING INVESTMENT LOANS FUND UPDATE**

Note: This item was considered in support of the Part A – GM Housing Investment Loans Fund Approvals (Minute GMCA 33/20 refers)

**RESOLVED /-**

That the report be noted.

**Date:** 14 February 2020

**Subject:** GM Housing Investment Loans Fund: 2019/20 Update Report

**Report of:** Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure, and Steve Wilson, Treasurer, GMCA

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## PURPOSE OF REPORT

This report is to inform the Combined Authority of the position the GM Housing Investment Loans Fund at 30 September 2019, i.e. the mid-point of the current financial year.

## RECOMMENDATIONS:

The GMCA is requested to:-

1. Note the position of the GM Housing Investment Loan Fund at 30 September 2019, noting that there has been no requirement for GMCA to account for any impairments as a result of the performance of the Fund.

## CONTACT OFFICERS:

Bill Enevoldson ([bill.enevoldson@greatermanchester-ca.gov.uk](mailto:bill.enevoldson@greatermanchester-ca.gov.uk))  
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Steve Wilson ([steve.wilson@greatermanchester-ca.gov.uk](mailto:steve.wilson@greatermanchester-ca.gov.uk))

## BACKGROUND PAPERS:

Housing Investment Fund (report to GMCA, 27 February 2015)  
GM Housing Fund – Investment Strategy (report to GMCA, 26 June 2015)  
GM Housing Fund: Updated Investment Strategy (report to GMCA, 29 July 2016)  
GM Housing Investment Loans Fund: Revised Investment Strategy (report to GMCA, 25 October 2019).

**Equalities Implications:** none

**Climate Change Impact Assessment and Mitigation Measures:** none

**Risk Management:** see section 7

**Legal Considerations:** none

**Financial Consequences – Revenue:** see section 5

**Financial Consequences – Capital:** see section 4

**Number of attachments to the report:** none

**Comments/recommendations from Overview & Scrutiny Committee:** N/A

<b>TRACKING/PROCESS</b>		<b>[All sections to be completed]</b>
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		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 relevant Scrutiny Committee on the grounds of urgency?		<b>Report is for information not decision</b>
GM Transport Committee	Overview & Scrutiny Committee	
<b>[Date considered at GM Transport Cttee if appropriate]</b>	<b>[Date considered by the relevant Overview &amp; Scrutiny Committee]</b>	

## 1 INTRODUCTION

- 1.1 The £300m GM Housing Investment Loans Fund (“GMHILF” or “the Fund”) was approved by the GMCA in March 2015 along with the initial Investment Strategy. The GMHILF was publicly launched in June 2015.
- 1.2 In March 2019, the Fund transferred from Manchester City Council to GMCA. Under the terms of the loan agreement with Government, GMCA has underwritten 80% of the Loan Fund.

## 2 PROGRESS OF THE FUND

- 2.1 To 30 September 2019 GMCA has approved a total 49 loan offers amounting to £442m, together with a £2m GMHILF equity investment in a joint-venture with various GM-based Registered Providers. Excluding 10 loan offers which have not been taken up and have therefore been withdrawn, the status of the approved loans is summarised in the table below.

Status	No Of Projects	Total Units	Total Loans
Repaid Funds	20	2,116	£144m
Drawing Funds	18	3,337	£240m
Approved	11	619	£58m
<b>Total Committed</b>	49	6,072	£442m

- 2.2 The distribution of approved loans and equity investments by local authority area, according to both the number of schemes supported and the value of the GMHILF loan/equity investment being provided is illustrated at Appendix 1<sup>1</sup>.
- 2.3 The £300m being provided by Government is drawn down in yearly tranches, with funds not deployed at the end of the financial year returned to Government and, during the early years of the Fund, available to be re-drawn. To 30 September 2019 a total of £437.8m had been drawn down with £264m returned, leaving a balance of £173.8m. A further £28.3m is expected to be drawn down from Government during the remainder of 2019/20. Any funds not deployed at the end of the 2020/21 financial year and returned to Government will no longer be available for re-drawing.
- 2.4 A large proportion of the Fund’s first cycle of investments constituted senior debt for city centre developments, for which there has been clear demand. No loans to city centre schemes have been approved by GMCA since December 2017. As shown in the graph at Appendix 2, since December 2017 GMCA has approved 25 loans for schemes outside the city centre with a total commitment of £66.2m.
- 2.5 The revised GMHILF Investment Strategy approved by the GMCA in October 2019 established that, alongside continuing investment in city centre schemes, the Fund would in future adopt a more flexible approach to the type and structure of investments that may be necessary to unlock higher risk schemes outside the city centre. The approach fully supports the objectives of the GM Housing Strategy to deliver mixed housing tenure across the whole of Greater Manchester.

<sup>1</sup> The £24.450 loan for the Crusader Works scheme approved by GMCA in July 2017 has been split into two separate facilities, and therefore shows as two schemes in the graph.

### 3 MEETING GM HOUSING OBJECTIVES

- 3.1 Within the portfolio of approved loans there are 5 schemes which include an element of affordable housing and which will together deliver 131 affordable units. Further work is ongoing to support the delivery of a greater number of affordable units in the coming years.
- 3.2 Of the units whose delivery the GMHILF is supporting, over 5,500, 91% of the total, are being delivered on brownfield land. This is supporting the objectives and principles being developed as part of the GM Spatial Framework to deliver housing within Town Centres and on brownfield in preference to building on important green spaces and the Green Belt.
- 3.3 Work is ongoing with Local Authorities to bring forward projects into which the GMHILF can invest in a more flexible way that helps overcome viability challenges that are evident in the existing Town Centres. The GMCA has already provided in principle approval to invest in both the Stockport Interchange and Rochdale Riverside Phase 2 schemes.

### 4 OUTTURN AND FORECAST CAPITAL EXPENDITURE

- 4.1 Based on those projects approved to date, the actual and forecast capital expenditure position for the Fund at 30 September 2019 and in the coming financial years is as follows:

Financial Year	Actual/ Forecast Capital Expenditure	Actual/ Expected Repayment	Net Capital Exposure at period end
2015 / 16	£17m	-	£17m
2016 / 17	£54.1m	(£29.3m)	£42m
2017 / 18	£55.2m	(£53.8m)	£43.2m
2018 / 19	£90.3m	(£15.4m)	£118.1m
2019 / 20 (Actual to 30/09/2019)	£46.8m	(£16.1m)	£148.7m
2019 / 20 (Actual plus forecast 01/10/2019-31/03/2020)	£71.2m	(£27.4m)	£192.6m
2020 / 21	£69.7m	(£111m)	£165.3m
2021 / 22	£13.6m	(£170m)	9.1m

- 4.2 The CA loans approved to 30 September 2019 equate to an outstanding commitment of £439m. Of this commitment, 15 loans have been repaid in full resulting in a commitment to fund £313m. The maximum forecast Fund investment against the CA approved commitments is £192.6m.



- 4.3 Work is ongoing to bring forward the pipeline of further loans, with particular focus on 2021/22 onwards given that a significant amount of current commitments are expected to repay during the course of 2020/21.

## 5 OUTTURN REVENUE COSTS AND GMCA BUDGET

- 5.1 With the exception of the first year of GMHILF's operation, when operating costs were largely met through the agreed budget for the GMCA Core Investment Team, the GMHILF is expected to be self-financing. The agreement with Government allows GM to retain the loan arrangement and management fees charged on lending and up to £2.5m per annum of the interest generated on loans made by the Fund (over and above the minimum amount of interest levied for the purpose of state aid compliance, which passes back to Government). This income is used to fund the operation of the Fund (primarily GMCA Core Investment Team staff costs and consultancy inputs).
- 5.2 The table below sets out on a cash basis the actual and forecast income to be retained by GM that will be generated by GMHILF loans approved prior to 30 September 2019:

Financial Year	GMHILF Retained Income	GMHILF Operating Budget	Cumulative End Net Revenue Position
2018 / 19	£3.1m	£1.7m	C/F £4.2m
2019 / 20 (Actual to 30/9/19)	£1.4m	£0.8m	£4.8m
2019 / 20 (Actual plus forecast 01/10/2019-31/03/2020)	£3.5m	£1.6m	£6.7m
2020 / 21	£3.6m	£1.7m	£8.6m
2021 / 22	£2.3m	£1.8m	£9.1m

- 5.3 Based on the portfolio of loans approved prior to 30 September 2019, total surplus income from the Fund is forecast to be £9.1m. The surplus income generated by the GMHILF as at the end of September 2019 amounts to £4.8m with this forecast to increase to £6.7m by the end of the year. The surplus forecast to be generated from those projects currently approved through the GMCA is £9.1m, assuming the team costs remain unchanged. With eight years of operation of the fund remaining, and based on performance to date, it is reasonable to assume that an annual surplus of £1m can be generated per annum through continued investment. This would result in a surplus position over the Fund's life of c. £17m.
- 5.4 In December 2018, GMCA agreed that going forward surplus income would be used to support GM's wider housing objectives across the following areas:
- Delivery of truly affordable housing;
  - Bringing back into use Empty Homes;
  - Addressing issues arising from rogue landlords; and

- Creating a Fund to buy out landlords operating poor / unfit private rented stock across GM.

5.5 To date, GMCA has approved the use of £1.75m of GMHILF surpluses over the course of the 2019 to 2022 to resource the establishment and operation of the GM Delivery Team. Further proposals for the use of GMHILF surpluses are being worked up and will be brought before GMCA for approval in due course. Subject to successfully bringing forward the pipeline of further GMHILF investments, additional surplus revenue will be generated.

## 6 FUND IMPAIRMENTS, DEFAULTS AND WRITE-OFFS

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

6.2 As at 30 September 2019, 15 of the loans GMCA has provided have been fully repaid. There have been no payment defaults and, while some schemes have inevitably encountered construction delays which have required the loan repayment dates to be pushed back, nor is there currently any indication that any loans will default on repayment obligations.

## 7 SUPPORTING PORTFOLIO ANALYSIS

7.1 The graphs included at Appendix 1 shows the split of loans approved by GMCA as at 30 September 2019 across the GM Local Authorities. The graph at Appendix 2 shows the increase in GMHILF commitments in both city centre and non-city centre schemes over time.

7.2 Apartments in the City Centre includes flats or apartments in Manchester city centre and those parts of Salford and Trafford which adjoin the city centre. The original guidelines proposed and the cash position of the Fund against these guidelines are as follows:

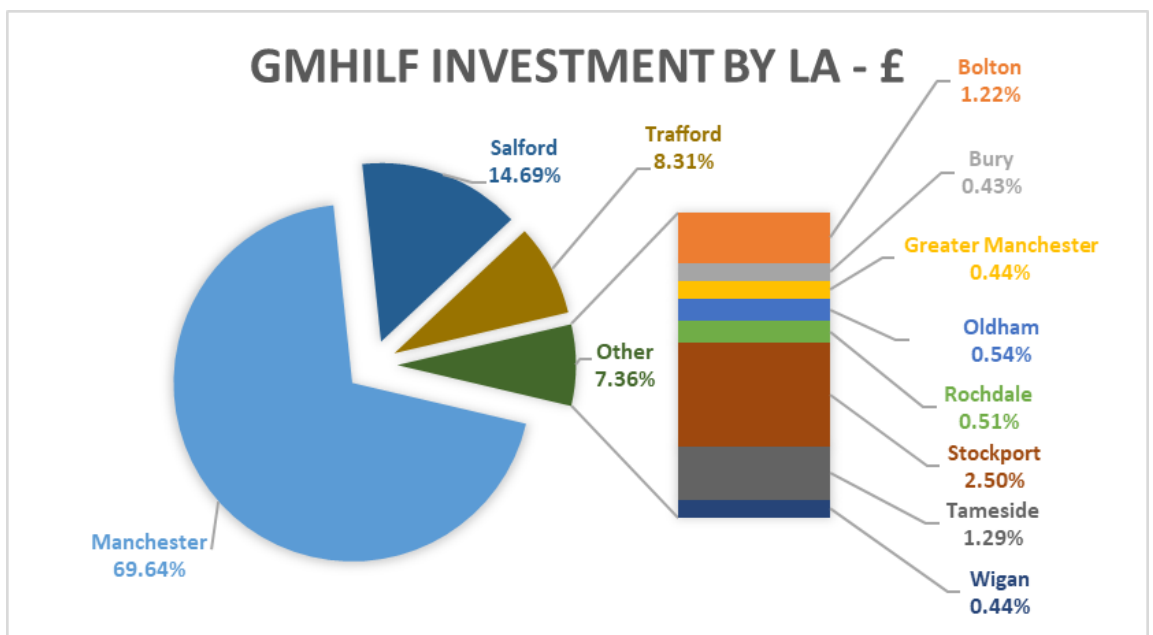
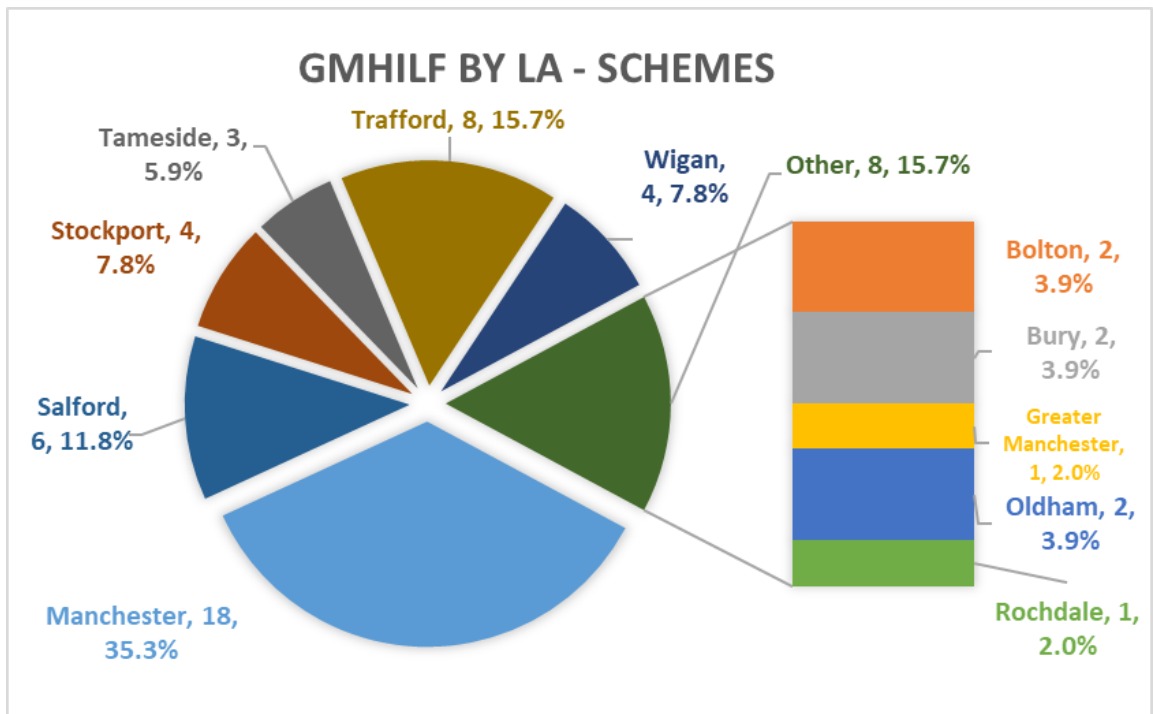
Housing type	Guideline £ of £300m Fund	Maximum Forecast Cash Investment
Apartments for Sale / rent	£200m	£144.3m
Including Apartments forward sold	£250m	£144.3m
Single Developer	30%	£70.0m

7.3 The graph at Appendix 3 shows the expected cash flow forecast.

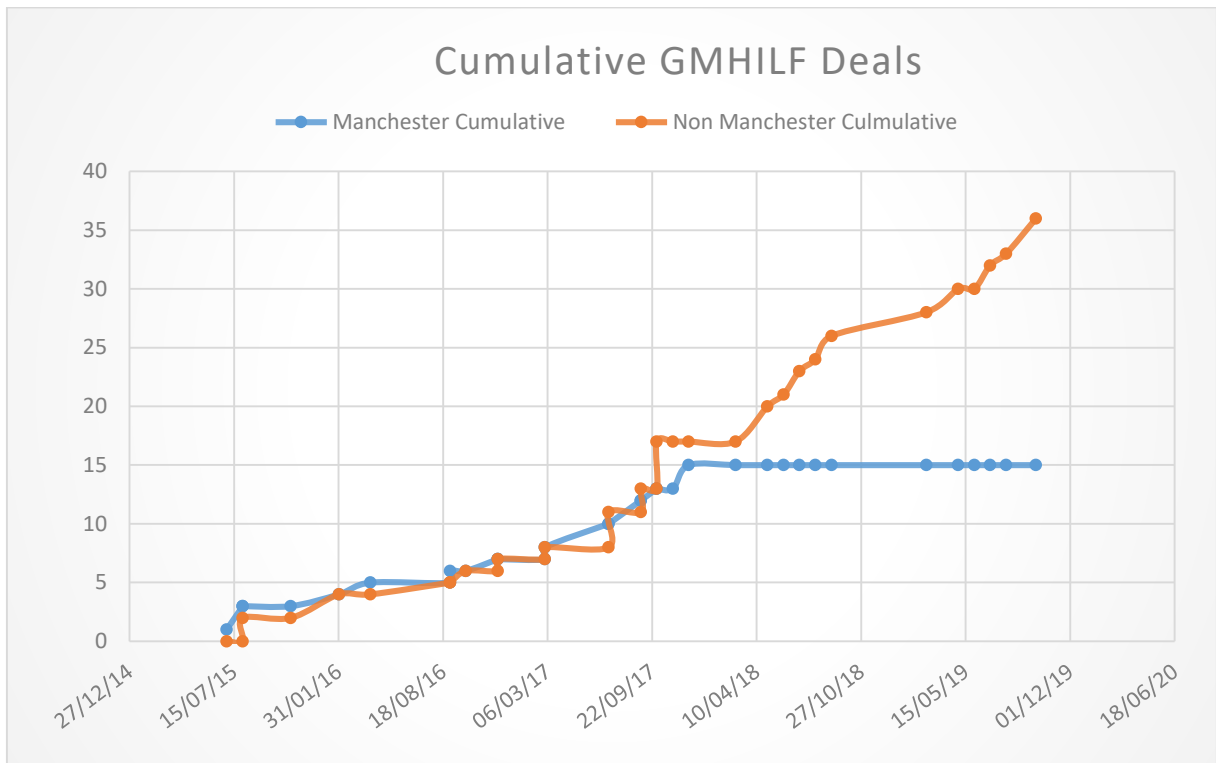
## 8 CONCLUSIONS AND RECOMMENDATIONS

8.1 The GMCA is requested to note the contents of this report and approve the recommendation to delegate authority to the Chief Executive and Treasurer of the GMCA, in consultation with the Portfolio Lead Leader for Housing, Homelessness and Infrastructure, to transfer loans from GMHILF to the GMCA where this is required to provide the necessary headroom within the GMHILF to meet commitments in excess of the funding provided by MHCLG.

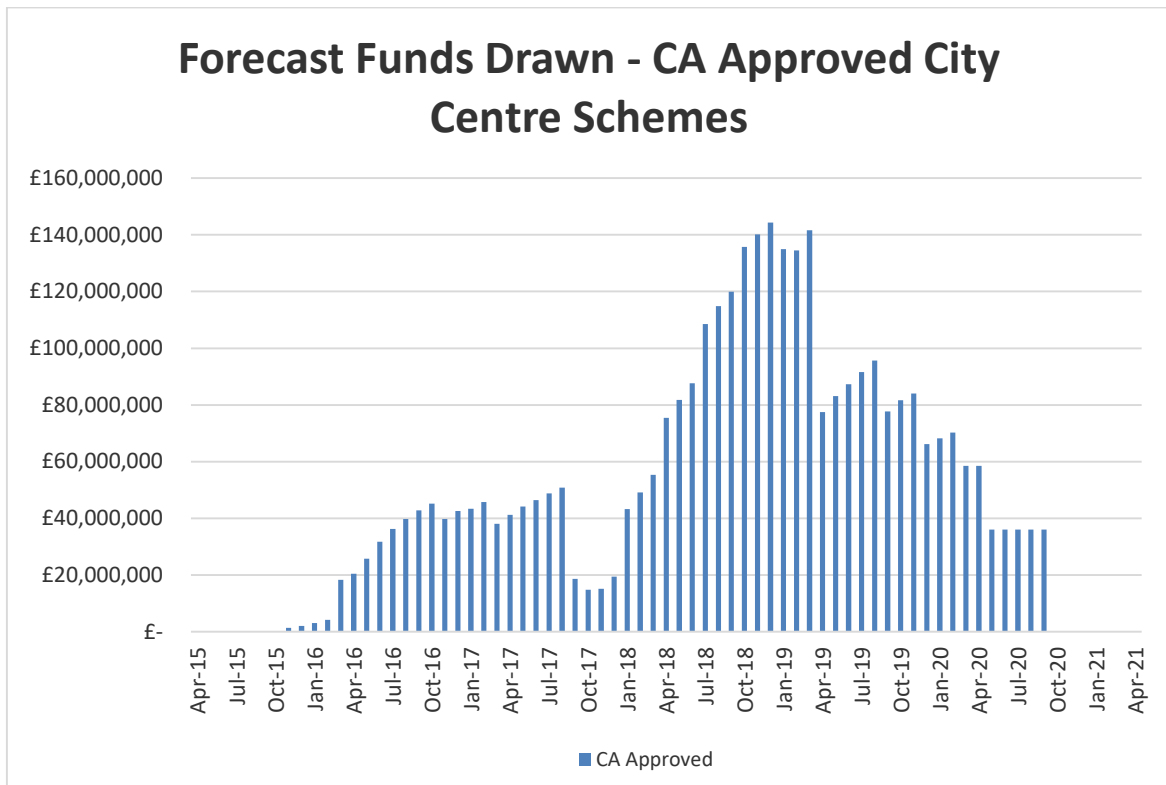
**APPENDIX 1 – Distribution of approved loans**



APPENDIX 2 – Cumulative value of approved loans



**APPENDIX 3 – Forecast cashflow for city centre schemes**



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Date: 14 February 2020

Subject: GM Housing Investment Loans Fund – Investment Approval Recommendation

Report of: Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure and Steve Rumbelow, Portfolio Lead Chief Executive for Housing, Homelessness and Infrastructure

## PURPOSE OF REPORT

This report seeks the Greater Manchester Combined Authority’s (“Combined Authority”) approval to GM Housing Investment Loans Fund loan detailed in the recommendation below.

In view of the extended period until the next meeting of the Combined Authority, this report also seeks Combined Authority approval to delegate authority to the Combined Authority Chief Executive and the Combined Authority Treasurer, in consultation with the Portfolio Lead for Planning, Housing & Homelessness to approve projects for funding. Any recommendations that are approved under the delegation will be reported to next available meeting of the Combined Authority.

## RECOMMENDATIONS:

The Combined Authority is requested to:

1. Approve the GM Housing Investment Loans Fund loans in the table below, as detailed further in this and the accompanying Part B report;

BORROWER	SCHEME	DISTRICT	LOAN
Well Built Homes Ltd.	Hebron Street	Oldham	£0.810m

2. Delegate authority to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements in connection with the loan recommended at 1;

3. Delegate authority to the Combined Authority Chief Executive and the Combined Authority Treasurer, in consultation with the Portfolio Lead for Planning, Housing & Homelessness to approve projects for funding in the period 15 February 2020 to 26 March 2020.

**CONTACT OFFICERS:**

Bill Enevoldson: [bill.enevoldson@greatermanchester-ca.gov.uk](mailto:bill.enevoldson@greatermanchester-ca.gov.uk)

Andrew McIntosh: [andrew.mcintosh@greatermanchester-ca.gov.uk](mailto:andrew.mcintosh@greatermanchester-ca.gov.uk)

**BACKGROUND PAPERS:**

- Housing Investment Fund (report to GMCA, 27 February 2015)
- GM Housing Investment Loans Fund – Revised Investment Strategy (report to GMCA, 25 October 2019)

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		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 relevant Scrutiny Committee on the grounds of urgency?		NO
GM Transport Committee	Overview & Scrutiny Committee	

Equalities Implications – not applicable

Climate Change Impact Assessment and Mitigation Measures – not applicable

Risk Management – see paragraph 4

Legal Considerations – see paragraph 5

Financial Consequences – Revenue – see paragraph 6

Financial Consequences – Capital – see paragraph 7



## **1. INTRODUCTION & OVERVIEW**

- 1.1 In line with the agreed governance process for the GM Housing Investment Loans Fund (“the Fund”), the Combined Authority is asked to approve the loan detailed in section 2, which have been recommended for approval by the Fund’s Credit Committee.
- 1.2 The total value of offers of loans from the Fund approved by the Combined Authority to is £456.4m, and the total value of equity investments made by the Fund is £2m<sup>1</sup>. If the recommendations set out in this report are agreed, the value of loan offers will increase to £457.2m.
- 1.3 Affordable housing and section 106 agreements are dealt with at a local level in line with local policies, national planning legislation and the government’s National Planning Policy Framework. As agreed at the December 2018 meeting of the GMCA, the majority of the surpluses generated from the Fund will be ring fenced to support provision of additional housing affordable to GM residents, supporting the Mayor’s Town Centre Challenge and tackling issues such as rogue landlords, empty homes and improving standards within the Private Rented Sector.
- 1.4 The GM Housing Vision was approved via the GMCA in January 2019. This sets the context for housing delivery within GM and paved the way for the GM Housing Strategy and revised GM Housing Investment Loans Fund Investment Strategy that were approved by GMCA in October 2019. Alongside the launch of the GM Spatial Framework, the agreement to these strategic documents will be a pivotal point in shaping the way housing is brought forward across Greater Manchester and setting the objectives and focus of future investments made from the Fund.

## **2. LOAN APPROVALS SOUGHT**

- 2.1 Well Built Homes Ltd is seeking a loan of £0.810m from the GM Housing Investment Loans Fund for the construction of 6 houses on Hebron St, Oldham. Planning permission was granted in Jan 2019. The loan will support a Stockport based SME developer. There is no affordable housing provision.
- 2.2 Further details of the scheme and proposed terms of the loan are included in the accompanying Part B report, to be treated as confidential on account of the commercially sensitive nature of the information.

## **3. DELEGATED AUTHORITY**

- 3.1 Given that the Combined Authority does not meet again until 27 March 2020, a delegation is sought to allow urgent recommendations for funding to be conditionally approved should it be necessary to do so ahead of that meeting. It is proposed that authority be delegated to the Combined Authority Chief Executive and the Combined Authority Treasurer in consultation with the Portfolio Lead for Planning, Housing & Homelessness.

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<sup>1</sup> These figures exclude loans approved but subsequently withdrawn.

3.2 The delegation is only to be used where time constraints mean that the recommendation cannot be delayed until the March Combined Authority meeting without prejudicing the developers requesting funding.

3.3 Any recommendations that are approved under the delegation will be subject to the usual due diligence processes and will be reported to the next available meeting of the Combined Authority.

#### **4. RISK MANAGEMENT**

4.1 The structure and security package proposed for the loan in order to mitigate risk are given in the accompanying Part B report.

4.2 The loan will be conditional upon a satisfactory outcome of detailed due diligence and ongoing confirmation from a Monitoring Surveyor acting on the Fund's behalf that the scheme is being delivered satisfactorily.

#### **5. LEGAL CONSIDERATIONS**

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

#### **6. FINANCIAL CONSEQUENCES – REVENUE**

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

#### **7. FINANCIAL CONSEQUENCES – CAPITAL**

7.1 The loan will be sourced from the £300m GM Housing Investment Loans Fund, including the recycling of loans repaid to the Fund.

#### **8. RECOMMENDATION**

8.1 The Combined Authority is recommended to approve the loans in line with the terms set out in the accompanying report, and to approve the delegation proposed for the period 15 February 2020 to 26 March 2020.

Date: 14 February 2020

Subject: GM Investment Framework Project Updates

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Resources and  
Eamonn Boylan, Portfolio Lead Chief Executive for Investment

#### **PURPOSE OF REPORT**

This report seeks Greater Manchester Combined Authority (“Combined Authority”) approval for a loan to SharpFutures Manchester C.I.C. (“SharpFutures”). The investment will be made from recycled funds. This report also provides an update on James Briggs Limited.

Further details regarding the investment are included in the accompanying Part B report to be considered in the confidential part of the agenda due to the commercially sensitive nature of the information.

This report also seeks to obtain Combined Authority approval to, in the absence of a Combined Authority meeting in February, temporarily delegate authority to GMCA officers to approve projects for GM Investment Framework funding.

#### **RECOMMENDATIONS:**

The Greater Manchester Combined Authority is requested to:

1. approve the funding application for SharpFutures Manchester C.I.C. (loan facility of £250,000), and progress to due diligence;
2. delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information in respect of the company, 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 investment at 1. above;

3. delegate authority for the period 15 February 2020 to 26 March 2020 to the Combined Authority Chief Executive and the Combined Authority Treasurer, in consultation with the Portfolio Leader for Investment and Resources, to approve funding requests for projects in the absence of a Combined Authority meeting at the end of February and approve any urgent variations on amounts and terms for already approved loans. Recommendations approved under the delegation will be subject to the usual due diligence processes and will be reported to the Combined Authority at the next available meeting; and
4. note the update on James Briggs Limited.

**CONTACT OFFICERS:**

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Bill Enevoldson: [bill.enevoldson@greatermanchester-ca.gov.uk](mailto:bill.enevoldson@greatermanchester-ca.gov.uk)

**BACKGROUND PAPERS:**

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		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 relevant Scrutiny Committee on the grounds of urgency?		NO  PUBLIC DOMAIN RELEASE DATE: 14 FEBRUARY 2035
GM Transport Committee	Overview & Scrutiny Committee	

Equalities Implications – n/a

Climate Change Impact Assessment and Mitigation Measures – n/a

Risk Management – see paragraph 4

Legal Considerations – see paragraph 5

Financial Consequences – Revenue – see paragraph 6

Financial Consequences – Capital – see paragraph 7

## **1. INTRODUCTION AND OVERVIEW**

- 1.1 The Combined Authority maintains and develops a pipeline of projects submitted by applicants seeking funding from the Combined Authority's Core Investment Funds allocation. These projects are assessed against criteria based on the GM Investment Strategy, developed to underpin the economic growth of GM. A condition of investments is that the companies sign up as a supporter of the Greater Manchester Good Employment Charter.
- 1.2 This assessment incorporates:
- a) an appraisal by the GM Core Investment Team; and
  - b) a review by a sub-group of GM Chief Executives.

## **2. INVESTMENT RECOMMENDED FOR APPROVAL IN PRINCIPLE**

### **2.1 SharpFutures Manchester C.I.C. ("SharpFutures"), Manchester Sector: Digital, Creative and Tech ("DCT")**

The business case in respect of SharpFutures (a loan facility of £250,000) has been submitted to, and appraised by, the Core Investment Team and, subject to the outcome of further due diligence and SharpFutures securing match funding from a third party lender, is recommended to the Combined Authority for conditional approval.

SharpFutures is a Manchester based Social Enterprise whereby all surpluses are reinvested to create social impact. It was incorporated in July 2012 and has been trading for 7 years, based at The Sharp Project, in Manchester. Over 60 digital entrepreneurs and production companies specialising in digital content production, digital media and TV and film production are based at The Sharp Project.

SharpFutures supports young people into employment in the DCT sector. Its focus is on widening the participation in the DCT sector into socio-demographic segments which are under-represented in the sector.

The business has requested a loan of £250,000 from the GMCA, to be matched by a further £250,000 from a third party lender (i.e. total loan funding of £500,000) to enable the expansion of SharpFutures's services. The investment will be used for additional staff costs and investment in systems and infrastructure, including web, online and working capital.

- 2.2 Further details regarding the investment are included in the accompanying Part B report to be considered in the confidential part of the agenda due to the commercially sensitive nature of the information.

## **3. PROJECT UPDATE**

### **3.1 James Briggs**

In 2013, the GMCA approved a loan of £2,500,000 to James Briggs in order to fund its growth strategy. Further loans totalling £1,750,000 were approved by the GMCA in 2014 to invest in

additional capital equipment and headcount. As part of a company restructure, £1,908,334 of the debt was converted to equity in January 2019.

The business was acquired in August 2019, at which time James Briggs owed the GMCA £1,600,000 and the GMCA had an equity holding of 12%. The GMCA received £1,600,000 in full repayment of the outstanding debt but there was shortfall in the payment for the equity compared to the GMCA's investment, leading to an effective write off of £1,317,370.

Income of £481,269 was received during the life of the loan and this has been added back to the recycled funds.

#### **4. RISK MANAGEMENT**

The investment noted in this paper will be governed under the existing investment framework which includes several levels of review and ongoing monitoring of performance.

#### **5. LEGAL CONSIDERATIONS**

The legal agreement will be based upon the existing templates for the GM Investment Fund, amended for the specific requirements of the individual funding arrangement.

#### **6. FINANCIAL CONSEQUENCES – REVENUE**

There are no revenue implications.

#### **7. FINANCIAL CONSEQUENCES – CAPITAL**

The proposed investment will be made from recycled funds.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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