

GREATER MANCHESTER COMBINED AUTHORITY

DATE: Friday, 29th May, 2020

TIME: 10.00 am

VENUE: This meeting will be held virtually via Microsoft Teams and it will be live-streamed for public viewing. The link to watch the meeting is on the GMCA website meetings page

AGENDA

1. Apologies

1. Chairs Announcements and Urgent Business

1. Declarations of Interest (attached)

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.

1. Appointments to the GMCA

1. To note the appointment of Councillor Eamonn O'Brien, by Bury Council as a member of the GMCA.
2. To note the appointment of Councillor Nigel Murphy by Manchester City Council, as a Substitute member of the GMCA.

1. Appointments: GMCA Portfolios, GMCA Overview & Scrutiny Committees, GMCA Audit Committee & Transport for the North Scrutiny Committee (attached)

5 - 12

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

Please note that this meeting will be livestreamed via 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.

Report of Liz Treacy, GMCA Monitoring Officer.

- 1. Minutes of the meeting of the GMCA held on 14 February 2020 (attached)** 13 - 28

To consider the approval of the minutes of the meeting held on 14 February 2020.

- 1. GMCA Overview & Scrutiny Committees - Minutes: February 2020 (attached)** 29 - 40

To note the minutes of the meetings of the GMCA Overview & Scrutiny Committees held during February 2020:

Corporate Issues & Reform – 11 February 2020

Planning, Housing & Environment – 13 February 2020

- 1. Report on Delegated Decisions taken during March - May 2020 (attached)** 41 - 50

Report of Liz Treacy, GMCA Monitoring Officer.

- 1. GM Recovery Response - (attached)** 51 - 54

Report of GM Mayor, Andy Burnham.

- 1. GM Clean Air Plan: Update (attached)** 55 - 80

Report of Councillor Andrew Western, Portfolio Lead for Green City Region.

- 1. GM Bike Hire - Procurement (attached)** 81 - 86

Report of GM Mayor, Andy Burnham.

- 1. A Better Deal for Bus Users: Update (attached)** 87 - 94

Report of GM Mayor, Andy Burnham.

- 1. A Bed Every Night Phase 3 Homelessness Programme (attached)** 95 - 126

Report of GM Mayor, Andy Burnham.

- 1. Greater Manchester's Adult Education Plan for the Academic Year 2020/2021 (attached)** 127 - 148

Report of Councillor Sean Fielding, Portfolio Lead for Digital, Education, Skills, Work & Apprenticeships.

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|-------------|--|-----------|
| 1. | Economic Resilience Dashboard (attached) | 149 - 158 |
| | Report of Councillor Elise Wilson, Portfolio Lead for Economy & Business. | |
| 1. | Financial Update (attached) | 159 - 172 |
| | Report of Councillor David Molyneux, Portfolio Lead for Resources & Investment and Steve Wilson, GMCA Treasurer. | |
| 16.A | Greater Manchester Bounce Back Loans (attached) | 173 - 180 |
| | Report of Steve Wilson, GMCA Treasurer. | |
| 1. | GMCA Treasury Management Strategy Statement, Borrowing Limits and Annual Investment Strategy 2020/21 (attached) | 181 - 216 |
| | Report of Councillor David Molyneux, Portfolio Lead for Resources & Investment. | |
| 1. | GM Housing Investment Loans Fund - Investment Capacity (attached) | 217 - 220 |
| | Report of Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure. | |
| 1. | GM Housing Investment Loans Fund - Investment Approval Recommendations (attached) | 221 - 226 |
| | Report of Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure. | |
| 1. | EXCLUSION OF THE 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

- | | | | |
|-----------|---|---|-----------|
| 1. | GM Housing Investment Loans Fund - Investment Approval Recommendations (attached) | 3 | 227 - 234 |
| | Report of Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure. | | |

Membership 2019/20

District	Member	Substitute Member
Bolton	David Greenhalgh (Con)	Martyn Cox Con)
Bury	Eamonn O'Brien (Lab)	Andrea Simpson (Lab)
Manchester	Richard Leese (Lab)	Nigel Murphy (Lab)
Oldham	Sean Fielding (Lab)	Arooj Shah (Lab)
Rochdale	Allen Brett (Lab)	Sara Rowbotham (Lab)
Salford	Paul Dennett (Lab)	John Merry (Lab)
Stockport	Elise Wilson (Lab)	Tom McGee (Lab)
Tameside	Brenda Warrington (Lab)	Bill FairFoull (Lab)
Trafford	Andrew Western (Lab)	Catherine Hynes (Lab)
Wigan	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. Alternatively, contact the following
Governance & Scrutiny Officer: Governance and Scrutiny
✉ sylvia.welsh@greatermanchester-ca.gov.uk

This agenda was issued on 20 May 2020 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Churchgate House, 56 Oxford Street, Manchester M1 6EU

GMCA Meeting on 29 May 2020

Declaration of Councillors' interests in items appearing on the agenda

NAME: _____

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

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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DATE: 29 May 2020

SUBJECT: GMCA Portfolios, Appointments to Audit Committee Overview and Scrutiny Committees and Transport for the North Board

REPORT OF: Liz Treacy, GMCA Monitoring Officer

PURPOSE OF REPORT

This report requests members to note the GM Portfolio appointments for 2020, agree to appoint to the GMCA's Audit Committee, Overview and Scrutiny Committees and the substitute's pool and Transport for the North Board as soon as districts agree nominations at their district annual meetings during May 2020. This will ensure that the new committees are constituted as soon as possible for meetings due to be held in June.

Please note that due to the timing of District Council Annual Meetings the names of the proposed committee members and substitutes will be tabled at the meeting.

RECOMMENDATIONS

The GMCA is requested to:

1. Note the portfolio leads and assistants as detailed in paragraph 1.1, as appointed by the GM Mayor and GMCA Head of Paid Service, will continue for 2020/21, with a review to be undertaken in May 2021.
2. Re-constitute and reappoint the GMCA Audit Committee (**4 members (3 Labour and 1 Conservative) and 2 substitute members**) for 2020/21 as detailed on paragraph 2.1 for the period up to 31 May 2021.
3. Note the Audit Committee has 4 Independent members; Gwyn Griffiths and Catherine Scivier, appointed in June 2017 for a term of office of three years to be reviewed later this year and reported to the GMCA; and Grenville Page and Susan appointed in January 2020 for a term of office of three years.

4. Re-constitute and appoint to the three Overview & Scrutiny Committees as detailed in paragraph 3.1 for the period up to 31 May 2021.
5. Appoint up to 16 members to the GMCA scrutiny substitute's pool, as detailed in paragraph 3.2 for the period up to 31 May 2021.
6. Note that there are still some vacancies to be resolved and reported to the GMCA at its meeting on 26 June 2020.
7. Note the appointment of the GM Mayor to the Transport for the North Board.
8. Appoint Councillor Roger Jones (same as 2019/20) to act as the GMCA's member and Councillor Else Wraighte (substitute member), to the Transport for the North Scrutiny Committee for the period up to 31 May 2021.

BACKGROUND DOCUMENTS

Correspondence between the GMCA and Greater Manchester Local Authorities.

CONTACT OFFICERS

Julie Connor, Assistant Director, Governance & Scrutiny
(Julie.Connor@greatermanchester-ca.gov.uk)

1. GMCA Portfolios

1.1 The GMCA is requested to note the portfolio leads and assistants, as allocated by the GM Mayor and GMCA Head of Paid Service, will continue for 2020/21, with a review to be undertaken in May 2021.

CA Member	CA Substitute member	Assistant Portfolio Holder – appointed in 19/20	Chief Executive
Young People & Cohesion Eamonn O’Brien (Bury)	Andrea Simpson	Susan Baines (Bolton)	Geoff Little
Digital, Education, skills, Work & apprenticeships Sean Fielding (Oldham)	Arooj Shah	Arooj Shah – Digital (Oldham) Joanne Harding – Skills (Trafford)	Sara Todd – Digital Joanne Roney - Skills
Economy Elise Wilson (Stockport)	Tom McGee	Martyn Cox (Bolton)	Jim Taylor, Mark Hughes (Growth Co)
Transport Andy Burnham	n/a	Mark Aldred (Wigan)	Eamonn Boylan
Housing, Homelessness and Infrastructure Paul Dennett (Salford)	John Merry	Bev Craig (Manchester)	Steve Rumbelow
Green City-Region Andrew Western (Trafford)	Catherine Hynes	Oliver Ryan (Tameside)	Alison McKenzie-Folan
Culture David Greenhalgh (Bolton)	Martyn Cox	Janet Emsley (Rochdale) & Leanne Feeley (Tameside)	Alison McKenzie-Folan
Safe and Strong Communities Bev Hughes	n/a	Paula Boshell (Salford)	Carolyn Wilkins
Healthy Lives and Quality Care Richard Leese (Manchester) Brenda Warrington	Nigel Murphy	Andrea Simpson (Bury)	Steven Pleasant
Age-Friendly Greater Manchester & Equalities	Bill Fairfoull	Jenny Bullen (Wigan) & Jude Wells (Stockport)	Pam Smith

Brenda Warrington (Tameside)			
Community, Cooperatives and Inclusion Allen Brett (Rochdale)	Sara Rowbotham	Leanne Feeley (Tameside)	Pam Smith Andrew Lightfoot
Resources & Investment David Molyneux (Wigan)	Keith Cunliffe	Tom McGee (Stockport)	Steve Wilson - Resources Eamonn Boylan - Investment
Policy and Reform Andy Burnham	n/a	Reform: (TBC & John Merry (Salford)	Eamonn Boylan (Policy) Tony Oakman (Reform)

2. Audit Committee

2.1 The GMCA is requested to reappoint the GMCA Audit Committee (**4 members (3 Labour and 1 Conservative) and 2 substitute members**) for 2020/21 on the following basis:

1	Bury	Mary Whitby	Lab
2	Oldham	Colin McLaren	Lab
3	Manchester	Sarah Russell	Lab
4	Trafford	Chris Boyes	Con
Substitute Members			
5	Rochdale	Peter Malcom	Lab
6	Wigan	James Grundy	Con

NOTE:

- i. In 2019/20, representatives were Colin McLaren (Oldham) (Lab), Sarah Russell (Manchester) (Lab), Chris Boyes (Trafford) (Con) and Mary Whitby (Bury) (Lab) and substitute members were James Grundy (Wigan) (Lab) and Peter Malcom (Rochdale) (Lab)
- ii. Please note that the members, substitute members or Assistant Portfolio Holders of the GMCA cannot be members of the Committee.
- iii. Appointments to the above committee will reflect, where reasonably practicable, the balance of political parties for the time being prevailing amongst the Constituent Councils when taken together.

- iv. The Audit Committee oversees all aspects of GMCA including Mayoral functions. The Mayor has also established an Audit panel, which oversees the control environment of the Chief Constable.
- v. Note the Audit Committee has 4 Independent members; Gwyn Griffiths and Catherine Scivier, appointed in June 2017 for a term of office of three years to be reviewed later this year; and Grenville Page and Susan appointed in January 2020 for a term of office of three years.

3. Scrutiny Committees

3.1 The GMCA is requested to re-constitute the three Overview & Scrutiny Committees, each with 15 members, having regard to any nominations received from the constituent councils (ensuring political balance is met; 11 Labour, 3 Conservatives and 1 Liberal Democrat per Committee) for the period up to 31 May 2021 on the following basis :

- **CORPORATE ISSUES AND REFORM**
- **ECONOMY, BUSINESS GROWTH AND SKILLS**
- **HOUSING, PLANNING AND ENVIRONMENT**

CORPORATE ISSUES & REFORM OVERVIEW & SCRUTINY			
1	Bolton	Bev Fletcher	(Con)
2	Bury	Vacancy	(Lab)
3		Tim Pickstone	(Lib Dem)
4	Manchester	Vacancy	(Lab)
5	Oldham	Colin McClaren)	(Lab)
6		Chris Goodwin	(Lab)
7	Rochdale	Kallum Nolan	(Lab)
8	Salford	Dave Jolley	(Lab)
9		Tanya Burch	(Lab)
10	Stockport	Dena Ryness	(Lab)
11		John McGahan	(Con)

12	Tameside	Teresa Smith	(Lab)
13	Trafford	Anne Duffield	(Lab)
14		Dave Morgan	(Cons)
15	Wigan	Joanne Marshall	(Lab)

ECONOMY, BUSINESS GROWTH & SKILLS OVERVIEW & SCRUTINY			
1	Bolton	Samantha Connor	(Con)
2		Mudasir Dean	(Con)
3	Bury	Mary Whitby	(Lab)
4	Manchester	Luke Raikes	(Lab)
5		June Hitchen	(Lab)
6	Oldham	George Hulme	(Lab)
7	Rochdale	Daniel Meredith	(Lab)
8		Mike Holly	(Con)
9	Salford	Jim King	(Lab)
10	Stockport	Kerry Waters	(Lab)
11		Becky Senior	(Lib Dem)
12	Tameside	Stephen Homer	(Lab)
13	Trafford	Barry Brotherton	(Lab)
14	Wigan	Charles Rigby	(Lab)
15		Michael Winstanley	(Con)

HOUSING, PLANNING & ENVIRONMENT OVERVIEW & SCRUTINY			
1	Bolton	John Walsh	(Con)
2	Bury	Martin Hayes	(Lab)
3		Dorothy Gunther	(Con)
4	Manchester	Mandie Shilton-Godwin	(Lab)
5		Jon-Connor Lyons	(Lab)
6	Oldham	Barbara Brownridge	(Lab)
7	Rochdale	Linda Robinson	(Lab)
8	Salford	Sharmina August	(Lab)
9	Stockport	Janet Mobbs	(Lab)
10		Charles Gibson	(Lib Dem)
11	Tameside	Mike Glover	(Lab)
12		Liam Billington	(Con)
13	Trafford	Kevin Procter	(Lab)
14		Amy Whyte	(Lab)
15	Wigan	Fred Walker	(Lab)

GMCA Scrutiny Substitutes 2020/21

3.2 The GMCA is requested to appoint up to 16 members to the GMCA scrutiny substitute's pool for the period up to 31 May 2021:

	LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT
Bolton	Susan Howarth Akhtar Zaman	n/a	n/a

Bury	TBC	Roy Walker	n/a
Manchester	n/a	n/a	Greg Stanton
Oldham	TBC	n/a	Hazel Gloster Sam Al-Hamdani
Rochdale	Ray Dutton	Pat Sullivan	n/a
Salford	n/a	Ali Leitner Karen Garrido	n/a
Stockport	n/a	n/a	n/a
Tameside	Adrian Pearce	Ruth Welsh	n/a
Trafford	n/a	Sean Anstee	n/a

NOTE:

- i. Each committee will have a membership of 15 and at least 1 member from each district.
- ii. Committee membership reflects the political balance across Greater Manchester, which means that each committee during 2020/21 will have 11 Labour members, 3 Conservative members and 1 Liberal Democrat.
- iii. Membership of all committees should have due regard to equality and diversity and should strive to reflect the conurbation's population.
- iv. Each Committee's Chair will be appointed from its members.
- v. The Chair must be a member of the committee who is an 'appropriate person' who is a member of one of the Constituent Councils.
- vi. An appropriate person means:
 - A person who is not a member of a registered political Party of which the Mayor is a member;
 - or where the Mayor is not a member of a registered political party, a person who is not a member of a registered political party which has the most representatives among the members of the Constituent Councils on the GMCA or, where two or more parties have the same number of representatives, a member of either of those parties.

- vii. Scrutiny Committees may choose to appoint a vice-chair who should also be an appropriate person as described above.
- viii. The scrutiny of health, wellbeing and social care will continue to operate as a joint committee of the ten districts, with District Council appointment to be reported to the Joint GMCA & AGMA Executive Board Annual Meeting in June 2020.

4. Transport for the North Board

- 4.1 The GMCA is requested to **note the appointment** of the GM Mayor to the Transport for the North Board. The appointment of a substitute member will be considered by the GMCA at its meeting on 26 June 2020.
- 4.2 The GMCA is requested to appoint 1 member and 1 substitute member to act as the GMCA's members on the TfN Scrutiny Committee for 2020/21.

Note:

- i. In 2019/20, the GMCA appointed Roger Jones (Salford) as the GMCA representative on the TfN Scrutiny Committee, with a vacancy carried for the substitute member.

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Agenda Item 6

**MINUTES OF THE MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY
HELD ON FRIDAY, 14TH FEBRUARY, 2020 AT BOLTON COUNCIL CHAMBER, 2ND FLOOR, BOLTON
TOWN HALL, VICTORIA SQUARE, BOLTON, BL1 1RU**

PRESENT:

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
Wigan	Councillor David Molyneux

IN ATTENDANCE:

Tameside	Councillor Leanne Feeley
GM Transport Cttee	Councillor Mark Aldred

OFFICERS IN ATTENDANCE:

GMCA - Deputy Chief Executive	Andrew Lightfoot
GMCA – Monitoring Officer	Liz Treacy
GMCA - Treasurer	Steve Wilson
Bolton	Tony Oakman
Bury	Geoff Little
Manchester	Joanne Roney
Oldham	Carolyn Wilkins
Rochdale	Steve Rumbelow
Salford	Jim Taylor
Stockport	Michael Cullen
Tameside	Steven Pleasant
Wigan	Alison McKenzie-Folan
Office of the GM Mayor	Kevin Lee
GMCA	Simon Nokes
GMCA	Julie Connor
GMCA	Sylvia Welsh
GMCA	Nicola Ward
GMCA	Claire Norman
GMCA	Ross Macrae

GMCA 36/20 APOLOGIES

That apologies be received and noted from Councillors Andrew Western (Trafford), Arooj Shah (Oldham), Sara Rowbotham and Janet Emsley (Rochdale) and Jenny Bullen (Wigan) and Eamonn Boylan (GMCA), Sara Todd (Trafford) and Pam Smith (Stockport) - Michael Cullen attending.

GMCA 37/20 CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS

The GM Mayor paid tribute to Councillors Ray Bowker from Trafford and Councillor Christine Wild from Bolton who had both recently passed away with their funerals taking place on the day of this meeting. Members heard that Councillor Ray Bowker was a lifelong Timperley resident, elected in 1973 and serving Trafford Council with great distinction during his political career working on nearly every committee and receiving an MBE in 2002 for a lifetime of service to the community. Councillor Christine Wild had a strong passion for education and was the Executive Member for Children's Services for Bolton, serving as the Chair of the Governing Body for Sharples High School where she would particularly be remembered very fondly.

The GM Mayor proposed to table the Better Buses Fund Report as an item urgent at this meeting in order to progress submission to Government prior to the deadline of the 13 March 2020. It was also proposed that the Revised Levy Allocation Methodology Agreement for Waste Disposal Levy be taken as an urgent item due to the requirement that the methodology be approved before the levy be set.

The GM Mayor welcomed the recent announcement from the Prime Minister on the future of HS2 and Northern Powerhouse Rail with a move away from the initial North-South terminus project and a proposed move to a more integrated East-West North-South rail solution, which was something GM had been lobbying for. It was highlighted that there had been a commitment to set up a body called High Speed North to facilitate the East-West aspects of the project. GM would be pressing for an earliest possible timetable to achieve the project, but that this should be balanced with the need to work closely with the new body to assure designs were fit for purpose and avoid any future capacity issues. It was also reported that in the run up to the Budget the case would be made strongly for infrastructure investment at Manchester Piccadilly Rail Station for platforms 15 and 16. This was stated as an essential 'shovel ready project' which would benefit the whole of North of England as it would remove the pressures on the Castlefield Corridor bottle neck to ease trains passing through from other areas.

The GM Mayor and City Mayor of Salford called for a national lobby of Parliament on 25th February ahead of the budget in support of GM residents of high rise buildings experiencing extreme difficulties due to cladding being deemed unsafe. Residents were suffering hardships as a result was being laid with residents whilst also encountering difficulties in onward selling. The GM Mayor welcomed any additional Members who wished to travel to Westminster in support, stating that it was time recognition was given that unsafe cladding needed to be removed and that it was Government's responsibility to provide reassurance to residents on these matters.

RESOLVED/-

1. That the condolences of the GM Mayor and all members of the GMCA be extended to the families of Councillor Ray Bowker (Trafford) and Councillor Christine Wild (Bolton) whose funerals were taking place today.
2. That the following reports be considered as items of Urgent Business:
 - Better Buses Fund
 - Revised Levy Allocation Methodology Agreement for Waste Disposal Levy
3. That the recent announcement by the Prime Minister regarding HS2 and Northern PowerHouse Rail, with the establishment of High Speed North tasked to progress the work be welcomed.
4. That it be noted that Government would be pressed for the earliest timetable, recognising that the emphasis must be on delivering the right railway network to ensure that network capacity was future proof and was a North - South and East – West service for the North.
5. That it be noted that strong representations would be made to Government for the essential investment required at Manchester Piccadilly Rail Station, in particular in relation to platforms 15 & 16, which would deliver benefits by easing the Manchester bottleneck and allowing services to run more freely across the whole of the North of England.
6. That it be noted that on the 25 February 2020 the GM Mayor Andy Burnham and City Mayor Paul Dennett had called for a national lobby of Government to support the residents of Greater Manchester who are victims of unsafe cladding on residential buildings.
7. That it be noted that the High Rise Task Force would be publishing their report on 25 February 2020.

GMCA 38/20 DECLARATIONS OF INTEREST

That the GM Mayor, Andy Burnham declared a personal interest in relation to items 11 & 14 (GM Investment Framework Approvals).

GMCA 39/20 MINUTES OF THE GMCA MEETING HELD ON 31 JANUARY 2020

RESOLVED/-

That the minutes of the GMCA meeting held on 31 January 2020 be approved.

GMCA 40/20 GMCA REVENUE AND CAPITAL BUDGETS 2020/21 - OVERVIEW

Cllr David Molyneux, Portfolio Lead for Investment & Resources introduced a report which presented an overview of the proposed GMCA budgets for 2020/21 and summarised the position on The GM Mayoral General Budget/Precept Proposals, GMCA General Budget, GMCA Transport budgets including Transport Levy and Statutory Charge and the GM Waste Services Levy.

It was noted that this had been Steve Wilson's first budget since taking over from Richard Paver as the GMCA Treasurer, Members welcomed working with him.

RESOLVED/-

1. That the report be noted.
2. That the GMCA record its thanks to Steve Wilson (GMCA Treasurer) and officers of the GMCA Finance Team for their work in preparing the budget.

GMCA 41/20 GMCA MAYORAL GENERAL BUDGET & PRECEPT PROPOSALS (KEY DECISION)

Councillor Richard Leese, Deputy Mayor took the Chair for this item of business, given the GMCA was considering the budget proposal from the GM Mayor.

The GM Mayor outlined the proposals for his General Precept for 2020/21 including Greater Manchester Fire & Rescue Service and set the context which had guided the approach to setting the levels of these proposals. It was acknowledged that Council tax was a regressive form of tax, and that increases had the potential to hit the poorest communities the hardest, a proposed precept increase had unfortunately been necessary in order to support public service priorities in the absence of increased Government funding support.

Members were asked to consider this proposal alongside the police precept which was £10 in line with Government guidance. It was highlighted that this commitment would enable a named neighbourhood Police Constable and a named PCSO for every local authority ward in each Borough within Greater Manchester. The GM Mayor reminded Members that following the police precept for 2018/19 had resulted in an accelerated recruitment process resulting in an additional 150 officers recruited so far.

The GM Mayor introduced the changes to The GM Mayor's general precept which were proposed as increase of £14 for a band D property and £10.88 for Bands A-B. The majority of the single biggest allocation of £6.65 per household was highlighted for the GM Fire and Rescue Service (GMFRS) with an aim to adopt a front-line approach. The precept increase would also allow for recruitment of an additional 108 firefighters. In response to previous concerns raised around crewing levels for GMFRS, crewing levels would be maintained at 5 for single pump vehicles, and 8 for double pump vehicles.

The GM Mayor highlighted the invaluable service provided by the emergency services, in particular the GMFRS response to the Cube Fire in November 2019.

Members were also advised that the proposal to merge fire stations in Bolton would be deferred to facilitate further consultation with Bolton Council and community leaders.

The GM Mayor acknowledged the financial challenges of the last few years, with available funds utilised as best as possible. It was stated that there was a need for Government to increase their support for crucial emergency services and that campaigning for this would continue.

Members heard that part of The GM Mayor's general precept would continue to support the process for GM bus reform, and also continue to fund the Our Pass scheme. The Bed Every Night scheme was also highlighted as receiving a modest contribution from the Mayor's general precept, and that Government would be lobbied to provide match-funding. It was noted that the Scheme had so far contributed to a 37% reduction in people sleeping rough across Greater Manchester.

Members echoed the views of The GM Mayor in expressing disappointment and frustrations at the insufficient levels of funding support from Government which had resulted in GM being required to increase precepts in order to fund its Emergency Services. Government needed to do more to assist with the challenges relating to high rise buildings which had created an industrial regulatory crisis. Members acknowledged the limitations of setting a 1-year budget during a period of uncertainty, and that there was a need to set a budget over longer periods. The Fair Funding Review had highlighting that northern local authorities were disproportionately losing significant funds.

Members asked The GM Mayor for a commitment around digitally enabled crime, both The GM Mayor and Deputy Mayor acknowledged that this was increasingly a more concerning issue. It was clarified that the response to Cyber Crime was constrained by national arrangements which were conducted by the Home Office Action Fraud, with limitations from local response due to the geographical nature of this crime. It was clarified that locally, GM had resources to assist victims and scam-busters that work with particularly vulnerable people. It was also noted that work had taken place to increase resilience in businesses for this risk. In relation to the child sexual exploitation element of this threat, The GM Mayor highlighted ongoing work with GMP's Chief Constable to fully resource Operation Green Jacket, and to explore the possibility of introducing more school based police officers.

Members were updated on general GMP resourcing. It was highlighted that there were 6660 Police Officers currently in place now, with 7000 projected by 2021 which was up from 6000 in 2017. It was stated that recent recruitment had been aimed to strengthen neighbourhood policing as front line officers had been particularly stretched by the impacts of funding cuts. Members heard that there had been an aim to improve engagement between the police and the public through interventions including the utilisation of digital channels such as live-functions for crime reporting. The police precept was also noted as supporting the appointment of an additional 40 police call handlers. The Deputy Mayor stated that a more detailed breakdown on the proposals included in the budget funded by the precept would be brought to a future meeting of the GMCA.

The meeting was advised that a named vote was required to approve the proposals for The GM Mayoral General Budget. Members voted on the recommendations as follows:

District	GMCA Member	
Bolton	Cllr David Greenhalgh	Not in attendance
Bury	Cllr David Jones	Agreed
Manchester	Cllr Richard Leese	Agreed
Oldham	Cllr Sean Fielding	Agreed
Rochdale	Cllr Allen Brett	Agreed
Salford	Mayor Paul Dennett	Agreed
Stockport	Cllr Elise Wilson	Agreed
Tameside	Cllr Brenda Warrington	Agreed
Trafford	Cllr Andrew Western	Not in attendance
Wigan	Cllr David Molyneux	Agreed

RESOLVED/-

1. That The GM Mayor's General budget for 2020/21, as set out in this report, together with the calculation of the precepts and Council Tax rates set out in Appendices 3 to 6 of the report be approved.
2. That the overall Mayoral General Precept of £90.95 (Band D) (an additional £14 on the current £76.95) comprising of £66.20 for functions previously covered by the Fire and Rescue Authority precept (an additional £6.25 for 2020/21 on the current £59.95) and £24.75 (an additional £7.75 for 2020/21 on the current £17.00) for other Mayoral General functions be approved.
3. That it be noted that it was proposed that The GM Mayoral General Precept for 2020/21 was part of a multi-year strategy for setting The GM Mayoral precept baseline which would be adjusted in future years as further Mayoral functions were covered by the funding raised.
4. That the following be approved:
 - i) the overall budget proposed for the Fire and Rescue Service, noting the 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 Treasurer that the reserves as at March 2021 are adequate
 - iii) the proposed capital programme and proposals for funding
 - iv) the medium term financial position for all functions covered by The GM Mayoral precept
5. That the budget for other Mayoral functions be approved, including the use of £0.5 million of Earnback grant to be used to support GMCA costs relating to bus related activity, including bus reform.
6. That it be noted that approval to set a Statutory Charge of £86.7 million as set out in Part 4 of the Transport Order, apportioned on the basis of mid-year population as at June 2018 was requested as part of the Transport Revenue Budget report elsewhere on the agenda.

7. That the use of reserves as set out in paragraphs 5.1 and at Appendix 2, paragraph 9.1 be approved.
8. That it be noted that in accordance with legal requirements, the minutes would record the names of those Members voting for or against The GM Mayor's budget and precept proposals.
9. That the GM Mayor's commitment to providing a named Police Constable and Police Constable Support Officer for every ward in Greater Manchester be noted.
10. That it be noted that following a number of raised concerns, the GM Mayor had determined that the proposed merger of fire stations in Bolton be put on hold to allow for further consultation.
11. That it be noted that the GM Mayor would be asking Government to match fund the contribution made towards 'Bed Every Night' by the GMCA.
12. That the GMCA recorded its thanks to the people of Greater Manchester for their ongoing support to public services in recent times of austerity.
13. That in relation to the issue of cyber-crime, it be noted that the GMCA would seek to raise the issue again with the Home Office, as despite the implementation of a range of local measures, there was a need for increased capacity to ensure resources could meet this growing area of crime.
14. That it be noted that the GMCA would ask the Government to reaffirm its commitment to maintain the level and increase the length of term of Local Authority budgets to allow for longer term planning, and minimise further cuts to services.

GMCA 42/20 GMCA TRANSPORT REVENUE BUDGET 2020/21 (KEY DECISION)

Cllr David Molyneux, Portfolio Lead for Investment & Resources introduced the report which set out the transport related (GMCA) budget for 2020/21.

RESOLVED/-

1. That the issues affecting the 2020/21 transport budgets, as detailed in the report, be noted.
2. That the GMCA budget relating to transport functions funded through the levy, as set out in this report, for 2020/21, be approved.
3. That a Transport Levy on the district councils in 2020/21 of £105.773 million, as set on in paragraphs 3.2 – 3.5 of the report, apportioned on the basis of mid-year population as at June 2018, be approved.

4. That a Statutory Charge of £86.7 million, as set out in Part 4 of the GMCA (Functions and Amendment) Order 2019, apportioned on the basis of mid-year population as at June 2018, be approved.
5. That the use of reserves in 2020/21, as detailed in section 5, be approved.
6. That the position on reserves, as identified in the report, be approved.
7. That the proposal to drawdown £10 million of funding from retained Business Rates to fund the ongoing development of schemes and the Greater Manchester Infrastructure Programme, subject to the preparation and approval of a business case, be noted.
8. That it be noted that the report to GMCA on 7 October 2019 set out and explained the recommendation to the GMCA to approve proceeding to the next stage in the consideration of a proposed franchising scheme, following on from the work undertaken in connection with bus reform; and included a full assessment of how the GMCA could afford to make and operate the proposed scheme.
9. That it be noted that it was anticipated that the £17.8 million of contributions by Local Authorities as a proposed one off increase in the statutory contribution in 2020/21 referred to in section 4.4, would be held (in aggregate) by Local Authorities pending a decision by the GM Mayor as to whether to introduce bus franchising.
10. That the proposal to extend the Women's Concessionary Travel Scheme (WCTS) to a further cohort of women in Greater Manchester from 1 April 2020 be approved, noting that the estimated costs of c£300,000 are included in TfGM's 2020/21 budgets.
11. That the delegation of decisions required to ensure the delivery of the extension of the WCTS be approved, including any updates required to the Local Concessionary Travel Scheme. The delegation to the Chief Executive Officer, GMCA & TfGM and the TfGM Director of Finance and Corporate Services, in consultation with the GMCA Treasurer.

GMCA 43/20 BETTER BUSES FUND (URGENT BUSINESS) (KEY DECISION)

The GM Mayor introduced a report which outlined the Better Buses fund set up by Government and the funding available.

RESOLVED/-

1. That Greater Manchester's intention to submit a statement of intent to DfT for £1.589,489 for supported bus services be approved.
2. That authority be delegated for the approval of the Greater Manchester approach, bidding criteria and submission of Statement of Intent to DfT by 13 March, to the Chief Executive Officer, GMCA and TfGM, in consultation with the GM Mayor, Portfolio Lead for Investment & Resources and Chair of the Greater Manchester Transport Committee (GMTC).

3. That it be noted that a further report would be submitted to a future GMCA meeting on other opportunities for Greater Manchester to apply for funding as part of the Better Deal for Bus Users programme.

GMCA 44/20 GMCA REVENUE GENERAL BUDGET 2020/21 (KEY DECISION)

Cllr David Molyneux, Portfolio Lead for Investment & Resources, introduced a report, which sets out the Greater Manchester Combined Authority (GMCA) General budget for 2020/21.

RESOLVED/-

1. That the budget relating to the GMCA functions, excluding transport and waste in 2020/21, as set out in section 2 of the report, be approved.
2. That the use of Retained Business Rates to fund the 2020 GM Mayoral election (£3.800 million); GM Spatial Framework (£1.045 million) and to continue to fund a number of other ongoing schemes for two further years, as set out in paragraphs 2.9 – 2.29 of the report, at a cost of £2.710 million per annum, be approved.
3. That District Contributions of £9.039 million, as set out in section 3 of the report, be approved.
4. That the use of reserves, as set out in section 4 of the report, be approved.

GMCA 45/20 REVISED LEVY ALLOCATION METHODOLOGY AGREEMENT FOR WASTE DISPOSAL LEVY (URGENT BUSINESS) (KEY DECISION)

Steve Wilson GMCA Treasurer, introduced a report which made recommendations to allocate the Waste Disposal Levy to the Greater Manchester Districts via a revised Levy Allocation Methodology. The change required unanimous support from all nine Districts which had been obtained.

RESOLVED/-

That the Revised Levy Allocation Methodology Agreement for Waste Disposal Levy be approved.

GMCA 46/20 GM WASTE BUDGET & LEVY 2020/21 AND MEDIUM TERM FINANCIAL PLAN 2023/24 (KEY DECISION)

Steve Wilson, GMCA Treasurer introduced a report which sought Member comments on the budget and levy for 2020/21 and on the Medium Term Financial Plan (MTFP) for a further three year period to 2023/24.

Specifically. These plans were to be delivered by\;

- A total levy requirement for 2020/21 of £167.242m, which represents a 4.2% average decrease over 2019/20. At a District level the levy changes range from -2.3% to -6.6%;

- The MTFP then proposes levy charges of £164.982m in 2021/22, £168.296m in 2022/23 and £170.643m in 2023/24.

It was highlighted these proposals were to be considered alongside the base budget proposals 2020/21 in order to get formal confirmation of the revised allocation methodology for waste disposal.

RESOLVED/-

1. That the proposed revised budget for 2020/21, which was expected to be broadly in line with the approved budget after transfers from earmarked reserves, be noted.
2. That the proposed 2021/22 Trade Waste rate of £102.30 to allow forward planning by Districts be approved.
3. That the capital programme 2020/21 to 2023/24, as set out in Appendix A of the report, and inclusion of consequential revenue effects in the budget and levy from 2020/21, be approved.
4. That the budget and levy for 2020/21 of £167.242m (4.2% decrease) and allocation to Districts based on latest estimates of tonnages, including street sweepings be approved.
5. That the expected levy amounts of £164.982m, £168.296m and £170.643m in 2021/22, 2022/23 and 2023/24 respectively be noted.
6. That the risk position set out in the Balances Strategy and Reserves be noted.

GMCA 47/20 GMCA CAPITAL PROGRAMME 2019/20 – 2022/23 (KEY DECISION)

Cllr David Molyneux, Portfolio Lead for Investment & Resources, introduced a report which provided an update in relation to the Greater Manchester Combined Authority capital expenditure programme for transport and economic development and regeneration functions.

RESOLVED/-

1. That the revisions to the 2019/20 capital forecast, as set out in Appendix A and detailed within the report, be approved.
2. That the capital programme budget for 2020/21 and the forward commitments, as detailed in the report and in Appendix A, be approved.
3. That it be noted that the capital programme was financed from a mixture of grants, external contributions and long term borrowings.
4. That it be noted that provision has been made in the revenue budget for the associated financing costs of borrowing.

5. That expenditure of £0.80 million for the Albert Street, Hollinwood (Oldham) Growth Deal 2 Minor Works scheme, as set out in section 7 of the report and Appendix B, be approved.
6. That it be noted that the capital programme would continue to be reviewed, with any new schemes which had not yet received specific approval but were included within the programme would be the subject of future reports.

GMCA 48/20 GMCA REVENUE BUDGET UPDATE 2019/20 (KEY DECISION)

Cllr David Molyneux, Portfolio Lead for Investment & Resources, introduced a report which set out the GMCA General budget for 2020/21.

RESOLVED/-

1. That The GM Mayoral General forecast revenue outturn position for 2019/20, which showed an underspend against budget of £1.3 million, be noted.
2. That The GM Mayoral General – Fire forecast revenue outturn position for 2019/20, which showed an underspend against budget of £2.468 million, be noted.
3. That the GMCA General budget forecast revenue outturn position for 2019/20, which showed an underspend against budget of £0.128 million, be noted.
4. That the Transport forecast revenue outturn position for 2019/20, which was in line with the budget, be noted.
5. That the GM Waste forecast revenue outturn position for 2019/20, which was in line with budget, be noted.
6. That the TfGM forecast revenue outturn position for 2019/20, at paragraph 4.1 of the report, be noted.
7. That the use of £1.5 million from reserves to support transport scheme development, as detailed in paragraph 4.3 of the report, be approved.
8. That the increase to the GMCA General budget of £0.633 million, as detailed in paragraphs 3.6 – 3.8 of the report, be approved.
9. That authority be delegated to the GMCA Chief Executive Officer, GMCA & TfGM and GMCA Treasurer, in consultation with the Portfolio Lead for Housing, Homelessness and Infrastructure, to transfer loans from GM Housing Investment Loans Fund (GMHILF) to GMCA where this was required to provide the necessary headroom within the GMHILF to meet commitments in excess of the funding provided by MHCLG, as detailed in paragraphs 3.9 – 3.14, of the report.

GMCA 49/20 TROUBLED FAMILIES FUNDING (KEY DECISION)

The GM Mayor introduced a report which provided an update on the position of the troubled families funding for 2019/20 and 2020/21.

RESOLVED/-

1. That the allocation of Troubled Families funding for 2019/20 to all GM districts in line with the previously agreed process be agreed.
2. That the announcement of a further year's funding for the Troubled Families Funding for 2020/21 be noted.
3. That a similar process for managing the 2020/21 allocation of Troubled Families funding through the GM Reform Investment Fund in line with the devolved arrangements agreed with Government be approved.

GMCA 50/20 GMCA CULTURE FUND BENEFICIARIES 2020/21 (KEY DECISION)

Cllr David Greenhalgh, Portfolio Lead for Culture, introduced a report with proposals for organisations to be funded from the new GMCA Culture Fund 2020-2022. This process was highlighted as being important in fulfilling GM's equalities duties, improving diversity of the portfolio and potential audience diversity with minimal negative impacts on any one organisation.

Members heard that the portfolio sees the support of 35 organisations across all 10 GM districts included for the first time, and a particular, an increase in provision for Salford, Wigan and Tameside. It was highlighted that 13 new organisations have been included, incorporating literature for the first time and further increased provision for carnival arts. It was stated that the proposed increase in funding available to the GMCA Culture Fund would create a strong new portfolio of GM cultural organisations recognising the important role of culture across many aspects of the GM Strategy such as the benefit to health and wellbeing. Members heard that this presented a significant opportunity for GM to work strategically with Arts Council England as this 2 year strategy aligning GM with the Arts Council funding stream.

The GM Mayor highlighted the historic investment that GM had committed to cultural organisations, and that this work would put GM in a strong position benefiting from wider economic benefits from strong cultural investment and enhance eligibility for Arts Council Funding. It was specifically highlighted that this package benefits all boroughs.

Members welcomed the report, and noted the importance of culture, arts and creativity to GM in aspects such as place making and creating communities where people wanted to live. The Salford City Mayor also reassured Members that culture was an integral part of the Plan for Homes, Jobs and Environment and also embedded through The GM Mayors Town Centre Challenge. The proposals presented a collective way-forward that was a step-change, focusing on future-working in a collective way. Members commented that this work linked to digital creativity and its importance moving forward. The recognition that arts and culture was across the city region in all districts was welcomed, and Members agreed the importance

that smaller organisations were supported and nurtured. It was highlighted that the funding stream could help to serve as a legacy, to both the existing centres of excellence such as Bury's current Town of Culture status.

RESOLVED/-

1. That a budget of £8.6m over 2 years from April 2020 for the GMCA Culture Fund to fund the balanced portfolio of applications detailed within the Part B item of this report be approved.
2. That the list of organisations detailed within the Part B item of this report, to be funded by the GMCA Culture Fund be approved and that it also be agreed that the report be made public within one month of this meeting.
3. That authority be delegated to the GMCA Treasurer, in consultation with the Portfolio Lead Chief Executive and Portfolio Lead for Culture, to enter into grant funding agreements with the organisations, and for the amounts, listed in the Part B report.
4. That it be agreed that a report would be submitted to GMCA over the following months that would set out a new sustainable approach to the funding of GM's culture organisations from 2022.
5. That the list of organisations detailed within the part B report to be funded by the GMCA Culture Fund 2020-2022 be approved.
6. That the GMCA record its congratulations to Bury on becoming the first Town of Culture for Greater Manchester.
7. That the GMCA record its thanks Councillor David Greenhalgh (Portfolio Lead for Culture), Alison McKenzie-Folan (Lead Chief Executive for Culture) and officers within the cultural team at the GMCA for their work on this agenda.

GMCA 51/20 GM HOUSING INVESTMENT LOANS FUND – 2019/20 UPDATE REPORT

Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure, introduced a report which informed the GMCA of the position the GM Housing Investment Loans Fund at 30 September 2019, i.e. the mid-point of the current financial year.

RESOLVED/-

That the position of the GM Housing Investment Loan Fund at 30 September 2019 be noted, specifically that there had been no requirement for GMCA to account for any impairments as a result of the performance of the Fund.

GMCA 52/20 GM HOUSING INVESTMENT LOANS FUND (HILF) – RECOMMENDATIONS (KEY DECISION)

Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure, introduced a report which sought GMCA approval of applications to GM Housing Investment Loans Fund (HILF) as detailed in the reports recommendation.

Members heard that the HILF had approved £300 million as of the middle of the current financial year. Members were reminded that the HILF was launched in March 2015 and that the GMCA and Local Authorities had underwritten 80% of the loans fund for which there had been no impairments to date. It was stated that by 30 September 2019, 49 loan offers had been made. Members heard that encouragement had been given to develop activity across GM rather than focussing on schemes those located in the city centre. The HILF was noted as supporting the GM Housing Strategy to tackle empty homes and rogue landlords. Members were further updated that out of 5500 units delivered, 91% of these had been on brownfield land, with the HILF continuing to support town centre regeneration.

RESOLVED/-

1. That the GM Housing Investment Loans Fund loans, as included in the table below be approved, as detailed further in this and the accompanying Part B report:

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

2. That authority be delegated 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. That authority be delegated to the Chief Executive Officer, GMCA & TfGM and GMCA 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.

GMCA 53/20 GM INVESTMENT FRAMEWORK APPROVALS (KEY DECISION())

Councillor Richard Leese, Deputy Mayor took the Chair for this item of business

Cllr David Molyneux, Portfolio Lead for Investment & Resources, introduced a report which sought GMCA approval for a loan to Sharp Futures Manchester C.I.C. The report detailed that investment would be made from recycled funds and also provided an update on James Briggs Limited.

RESOLVED/-

1. That the funding application for SharpFutures Manchester C.I.C. (loan facility of £250,000) be approved, and progressed to due diligence.
2. That authority be delegated to the GMCA Treasurer and GMCA 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. That authority be delegated to the Chief Executive Officer, GMCA & TfGM and the GMCA Treasurer, in consultation with the Portfolio Leader for Investment and Resources, to approve funding requests for projects for the period 15 February 2020 to 26 March 2020, in the absence of a GMCA meeting at the end of February and approve any urgent variations on amounts and terms for already approved loans.
4. That it be noted that any recommendations approved under the delegation would be subject to the usual due diligence processes and would be reported to the GMCA Authority at the next available meeting.
5. That the update on James Briggs Limited be noted.

GMCA 54/20 EXCLUSION OF THE 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.

GMCA 55/20 GM HOUSING INVESTMENT LOANS FUND – RECOMMENDATIONS

This item was considered in support of the Part A - GM Housing Investment Loans Fund Recommendations (minutes reference GMCA 52/20)

RESOLVED/-

That the report be noted.

GMCA 56/20 GM INVESTMENT FRAMEWORK APPROVALS

This item was considered in support of the Part A - GM Investment Framework Approvals (minutes reference GMCA 53/20)

RESOLVED/-

That the report be noted.

GMCA 57/20 GMCA CULTURE FUND 2020-2022 PROPOSED PORTFOLIO

This item was considered in support of the Part A - GMCA Culture Fund Beneficiaries 2020/21 (minutes reference GMCA 50/20)

RESOLVED/-

That the report be noted.

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Agenda Item 7

**GREATER MANCHESTER COMBINED AUTHORITY (GMCA)
CORPORATE ISSUES AND REFORM OVERVIEW AND SCRUTINY COMMITTEE
11 FEBRUARY 2020 AT 6.00PM AT GMCA OFFICES**

Present: Councillor Tim Pickstone (Bury) (in the Chair)
Bolton: Councillor Robert Allen
Bury: Councillor Stella Smith
Manchester: Councillor Greg Stanton (Substitute)
Oldham: Councillor Chris Goodwin
Oldham: Councillor Sam Al-Hamdani (Substitute)
Salford: Councillor David Jolley
Stockport: Councillor John McGahan
Trafford: Councillor Dave Morgan
Tameside: Councillor Teresa Smith
Wigan: Councillor Joanne Marshall

In attendance

GMCA
Mayor Andy Burnham
Kevin Lee, Director of Mayor's Office
Jim Wallace, Chief Fire Officer (GMFRS)
Andrew Lightfoot, Deputy Chief Executive
Steve Wilson, Treasurer
Amanda Fox, Group Finance Lead
Joanne Heron, Statutory Scrutiny Officer
Jamie Fallon, Senior Governance and Scrutiny Officer
Lee Teasdale, Senior Governance and Scrutiny Officer

CI44/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Colin McLaren (Oldham), Kallum Nolan (Rochdale), Tanya Burch (Salford), Dena Ryness (Stockport), Anne Duffield (Trafford).

CI45/19 CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS

The Chair extended thanks to Councillors Greg Stanton, and Sam Al-Hamdani for their attendance at the meeting as a substitute.

Thanks was also extended to GMFRS, for hosting a Briefing session on Thursday 6 February 2020, at the Bury Fire Training Centre. The session focussed on the changing nature of fire risk in GM, so that Members were better prepared to scrutinise, and to support the identification of potential deep dive themes.

The Chair welcomed Mayor Andy Burnham, and GMCA Treasurer Steve Wilson, who were in attendance to present the budget reports.

CI46/19

DECLARATIONS OF INTEREST

There were no declarations of interest received.

CI47/19

MINUTES OF THE MEETING HELD ON 19 NOVEMBER 2019

The minutes of the meeting held on 19 November 2019 were submitted for approval.

RESOLVED:

That the minutes of the meeting held on 19 November 2019 be agreed.

CI48/19

GMCA BUDGETS 2020/21

GM Mayor Andy Burnham introduced the suite of GMCA Budget Reports 2020/21, which would be considered by the GMCA on Friday 14 February 2020.

The Mayor advised that when determining the precept level, he had given careful consideration to the impact to residents, and expressed his concerns regarding the need to use council tax to fund frontline services, which could be seen as regressive taxation, as this was not sustainable.

Whilst additional Government funding had been announced to support the Police Service to recruit additional police officers, it was acknowledged that a fairer settlement was needed for the Fire Service given the increased pressures they face in light of the Grenfell Inquiry and recent incident at 'The Cube' in Bolton.

It was noted that resources were also required to improve the public transport system in GM, in particularly buses. The Board were informed that the 'Our Pass' pilot was intended to boost public transport, and increase patronage on buses, but transformational change would be a challenge without recognition from central government, given the pressures on local councils

The following key points were highlighted:

- The total impact of the proposals for the Mayoral General Budget would mean an increase in the mayoral precept for a Band D property of £7.75 (when combined with the GMFRS proposals the total precept increases by £14 to £90.95 for a Band D property or £10.88 for Band B).
- The increase would deliver the previously agreed continuation of the 'Our Pass' pilot into 2020/21. TfGM were currently undertaking an analysis of the pilot, noting that to date, there were over 38,000 pass holders, who had taken approximately 5.8 million journeys, and accessed over 8000 opportunities linked to the pass. A recent GM FE publication had indicated that the 'Our Pass' was providing greater choice for students.
- It would also provide £2.6 million for mayoral priorities which would contribute to:
 - The continuation of the rough sleeper initiative 'A Bed Every Night' (ABEN) pilot (£1.5 million). It was noted that at last count, there was 111 rough sleepers across GM, a significant reduction from 268 reported in 2017.
 - A proposed care leaver's travel concession (circa £0.55 million).
- It was proposed that the GM Fire and Rescue service budget increases to £110.9 million in 2020/21. The increased budget would fund inflationary and other pressures and reduce the

previously expected saving requirement from the service. These plans consider the preliminary findings in relation to the Grenfell inquiry, and the incident at 'The Cube' in Bolton. In light of these incidents, previous savings relating to the reduction of the number of 'pumps' from 50 to 48, and changes to the crewing ratios, and non-shift duty system have been removed from the 2020/21 budgets, pending further review.

- The required increased budget would be funded by a precept increase equal to £6.25 for a Band D property, with central Government funding increasing by 1.6%. The Mayor advised that following the Grenfell Inquiry there was a greater role in fire safety and prevention, and it was therefore important to ensure there were the required levels of available frontline staff. It was confirmed that the GMCA would be campaigning Government for a fairer settlement.
- It was reported that the Police and Crime Panel had unanimously approved the proposal to increase the Police and Crime Mayoral Precept by £10 for a Band D property at their meeting on the 31 January 2020. The additional funding raised by the precept, together with national funding from central government would support investment in frontline policing, including the recruitment of 347 more officers in 2020/21. It would also enable a significant number of improvements to be introduced which would include:
 - The recruitment of named neighbourhood beat officers / community support officers in every ward in GM.
 - The recruitment of school based police officers, for those schools most in greatest need, following a call from the Head teachers.
 - Improvements to the 101 service, which would include maintaining the recruitment of 40 extra call handlers.

Members raised the following questions and comments:

- What were the ambitions for phase 3 of ABEN? The Mayor advised that over time, ABEN had continued to evolve, but there was a need for additional mental health, and drug and alcohol support, which would developed within the next phase. It was acknowledged that ABEN reflected the amazing commitment of the 10 GM councils, and key partners including health, and the voluntary sector. The Board were informed that official figures due to be published in two weeks' time, indicated that there had been a 30% reduction in rough sleepers year on year, and it was hoped that these results would encourage the Government to provide funding to enable the good work to continue. Following a clarification request, it was confirmed that the Housing First pilot, had supported 79 people to secure permanent accommodation.
- A Member commented that some boroughs would be disproportionately effected by the precept increase. The Mayor acknowledged that he did not believe that essential services should be funded through council tax, and recognised the challenge this posed for residents, however, this could not be avoided in the current climate. There was a need to find ways of investing in key services, such as the declining bus service, to position GM to effectively lobby Government for additional support.
- What was the expected revenue from the introduction of the administration charge for the concessionary tram and train pass for older people. It was confirmed that the bus pass for older people was still free, and there was only a charge for the addition of tram and train concessionary pass. To date, 108,000 older people had accessed the pass, with a total of £125,000 expected. The revenue was ring fenced to contribute towards the reform of bus services. The Mayor commented that to ensure greater consistency with other concessionary schemes it was only fair to introduce the £10 annual fee.

- A Member requested further information regarding the bus reform proposals, and the proposed contributions from councils. It was confirmed that TfGM had conducted a full assessment of how the GMCA could afford to make and operate a proposed franchising scheme (without government support), should this decision be taken. As part of this assessment the 10 councils agreed to ring fence £17.8 million (from Waste reserves passed back to districts) pending a Mayoral decision. The Mayor confirmed that the responses to the bus consultation (which ended in January 2020) were currently being analysed, with a view to a decision being taken as soon as possible. It was noted that whichever route GM decided to take was likely to require annual investment.
- How many responses had the bus consultation received? It was confirmed that approximately 9000 responses had been received, with around 80% in support of franchising. It was noted that bus operators had provided substantial responses, with some proposing a partnership approach for consideration.
- A Member referred to the recent government announcement regarding HS2, and explored whether the timeframes could potentially impact on GM's economic competitiveness. The Mayor welcomed the announcement but confirmed that he would be pressing the Government for a clear timetable. The Mayor advised that the promises on future infrastructure must not distract from the need to urgently upgrade the current railway, noting that the creation of two new platforms at Manchester Piccadilly Train Station was a shovel ready project that would benefit the whole North.
- A Member requested further information regarding the Mayor's Direct costs which had increased by 50%. Steve Wilson, GMCA Treasurer, confirmed that this did not relate to additional staff, but the costs were associated with inflation, and relevant recharges which had been applied to the Mayor's Office. Following discussion, it was agreed that a further breakdown of staffing costs (including consultancy and agency costs) should be considered by the Committee in the next municipal year.
- A Stockport Member recorded his thanks to the GM Mayor, for the support in developing the Mayoral Development Corporation (MDC). The Mayor advised that what was taking place in Stockport was a template for the boroughs, and called for councils to consider this approach. The MDC was helping to redefine Stockport and had changed the approach to the long-term future of town centres and brownfield regeneration for years to come. The Mayor added that he hoped that this use of his powers, would encourage the Government to invest in town centre regeneration.

Members received a presentation from Steve Wilson, GMCA Treasurer, which provided an overview of the suite of six budget reports which would be considered by the GMCA:

- GMCA Revenue and Capital Budgets 2020/21 – Overview
- Mayoral General Budget and Precept Proposals
- GMCA Transport Revenue Budget 2020/21
- GMCA Revenue General Budget 2020/21
- GM Waste Budget and Levy 2020/21 and Medium Term Financial Plan to 2023/24
- GMCA Capital Programme 2019/20

Members highlighted the following questions:

- Given the extent of the GMCA's capital programme, it was agreed that Members would reconsider the GMCA's Capital Programme 2019/20 within the next municipal year.

- It was reported that a full ‘bottom up’ and strategic review of transport budgets would be undertaken for the 2021/22 budget setting process and beyond.
- Members explored whether the GMFRS holding position outlined was sustainable, should a fairer settlement not be received from Government in 2021/22. The significant challenges faced by the Fire Service were considered, and it was acknowledged that should government not announce further funding to support the service, further consideration would be given to whether further savings could be made, or whether it was appropriate to raise additional revenue from the Precept.
- Jim Wallace, Chief Fire Officer, GMFRS, advised that there was still a considerable degree of uncertainty for the Fire Service, in particularly given, the next phase of the Grenfell Inquiry had just begun. The Government had however, made a commitment to provide one off funding (of £10 million) to support the implementation of the Grenfell recommendations.
- It was noted that the fire at ‘The Cube’ in Bolton posed a new challenge for the service as it was below 18 metres (not classed as high rise). There was approximately 12,000 buildings of this nature within GM, significantly more than the 700 high rise buildings (approximately).
- A Member queried whether there were costs associated with the Commissioners appointed by the Mayor. It was confirmed that apart from the Cycling and Walking Commissioner, all other Mayoral appointments were not remunerated.
- Following a clarification request, it was reported that all capital borrowing was now undertaken directly by the GMCA.
- A Member requested further information regarding the planned Metrolink spend. It was confirmed this figure included the completion of the Trafford Park extension, tram renewal programme (27 new trams) and significant line maintenance which was required.

RESOLVED:

1. That the reports be noted.
2. That an update on the GMCA’s Capital Budget be included within the work programme for consideration within the next municipal year.
3. That a breakdown of the GMCA’s staffing costs be included within the work programme for consideration within the next municipal year.

CI49/19

WORK PROGRAMME

Joanne Heron, Statutory Scrutiny Officer, introduced the 2019/20 work programme for Members to review, develop and agree.

Consideration was given to the March work programme, and it was proposed that following the GMFRS briefing session, the Committee should consider the results of the High Rise Residents Survey. Given this, it was proposed that Care Leavers Charter update be deferred until June 2020.

The Committee considered the June 2020 work programme, and what items should be considered to inform the development of the work programme for 2020/21. The Chair proposed that it would be beneficial to consider the expected announcements from Government regarding the Spending Review and Devolution White Paper.

RESOLVED:

1. That the work programme be agreed.
2. That the results of the latest High Rise Residents Survey be considered by the Committee in March 2020.
3. That the Care Leavers Charter be deferred until June 2020.
4. That the expected Government announcements relating to the Spending Review and Devolution White Paper be considered by the Committee in June 2020.

CI50/19 GMCA REGISTER OF KEY DECISIONS

RESOLVED:

That the Register of Key Decisions be noted.

CI51/19 DATE OF NEXT MEETING

Tuesday 17 March 2020, at 6pm, GMCA Offices.

**MINUTES OF THE MEETING OF THE HOUSING PLANNING AND ENVIRONMENT
OVERVIEW AND SCRUTINY COMMITTEE HELD ON 13TH FEBRUARY 2020 AT GMCA - GMCA BOARDROOM**

PRESENT:

Councillor John Walsh (Chair)	Bolton
Councillor Barbara Brownridge	Oldham
Councillor Linda Robinson	Rochdale
Councillor Janet Mobbs	Stockport
Councillor Mike Glover	Tameside
Councillor Fred Walker	Wigan
Councillor Sharmina August	Salford
Councillor Liam Billington	Tameside
Councillor Martin Hayes	Bury
Councillor Adrian Pearce	Tameside
Councillor Stephen Gribbon	Stockport

OFFICERS IN ATTENDANCE:

Anne Morgan	GMCA
Steve Fyfe	GMCA
Joanne Heron	GMCA
Julie Connor	GMCA
Matt Berry	GMCA
Sam Evans	GMCA
David Hodcroft	GMCA

HPE 182/20 APOLOGIES

Apologies for absence were received from Councillor Mandie Shilton Godwin, Councillor Amy Whyte, and Councillor Dorothy Gunther

HPE 183/20 CHAIRS ANNOUNCEMENTS AND URGENT BUSINESS

RESOLVED/-

To note there were no announcements.

HPE 184/20 DECLARATIONS OF INTEREST

RESOLVED/-

To note there were no declarations received.

HPE 185/20 MINUTES OF THE LAST MEETING HELD 14 NOVEMBER 2019

RESOLVED/-

That the Minutes of 14th November 2019 be agreed as an accurate record.

HPE 186/20 GM TOWN CENTRE UPDATE

Anne Morgan, Head of Planning Strategy GMCA delivered a presentation on the Town Centre Challenge initiative which served as an update to this item being discussed by this Committee in November 2019. It was noted that developing/improving town centres had been on The Mayor's manifesto pledge, and that the Greater Manchester Spatial Framework (GMSF) had also shaped this work. Members were invited to add their thoughts and comments in order to assist in shaping future policy for this work and for the GMSF.

Members were given context around town centres which were noted as typically being already well connected transport wise, and surrounded by an abundance of brownfield land with existing leisure and retail development. The need to build more urban housing in this area was stated to match housing demand, and also reflect how retail behaviour trends had changed. It was updated that urban housing developments had previously predominantly been in inner city Manchester and Salford as the market outside of the City Centre had previously not supported development. It was reported that current work was aimed to make town centres more attractive as places to both live and work.

Members heard that GM initiatives around town centres were in place, such as using funding from surpluses from the GM Evergreen fund towards GM local authorities to develop district level town centre plans. It was also highlighted that the Planning Delivery Fund had been used to support districts to develop town centre strategies.

The Mayors Town Centre Challenge was also highlighted to Members, which was noted as an initiative extended to districts to use a model of support from the Mayor and Combined Authority to assist with focused town centre development, such as granting powers to acquire land. The Stockport Mayoral Development Corporation was highlighted as the most advanced example in Greater Manchester to date.

Members heard that a number of Government initiatives were in place where Greater Manchester towns had been successful in securing funding, such as the Future High Street Fund with seven successful Greater Manchester bids, and the Town Deals (aka Stronger Towns Fund) with three Greater Manchester towns successful.

The Challenges to this work were highlighted as being around viability of development in town centres, resource and expertise both across districts and centrally, the length of time to deliver Town Centre Challenge and the uneven pattern of funding.

Members were asked for their input and it was highlighted where they could potentially add the most value to this process. These were noted as:

- Sharing experience of district activity with examples of what had worked
- Engagement at a district level to identify opportunities for development in town centres
- Monitoring activity in Town Centre Challenge centres
- Raising awareness of Greater Manchester funding opportunities
- Shaping town centre policy in the GMSF

Members requested an update on the work undertaken by Manchester School of Architecture with the Heritage Action Zone, and it was clarified that this funding had been recent, so reporting of outcomes would likely be available from the district local authority in the near future.

Following Members questions in relation to funding and resourcing to the Mayors Town Centre Challenge, it was updated that the GMCA do not hold any central pots of funding and that support was provided in the form of powers and staffing resources and expertise. It was noted that signposting to existing funding streams had been done where eligibility had been met, and the vast majority of funding resources had been provided by the district itself.

Members commented on the challenges that some of the boroughs had faced around developing an understanding of Town Centre Challenge, and allocating staff resources to put planning frameworks in place especially in the smaller districts which had a large number of towns. Following Members welcoming the GMCA to meeting with their district officers/ senior members to share experience and best practice such as where resources need to be allocated, it was stated that GMCA officers would be in touch to arrange this.

Regarding the GMSF, Members commented that they would welcome any GMCA guidance in projecting town centre development and how to support development of cultural centres. It was also enquired as to when the final GMSF plan would likely be agreed as this would assist development of local district plans which would speed up delivery. It was clarified that the GMSF was due to go for public consultation between June/July to September 2020 with submission of all responses by late 2020/ the beginning 2021 for examination by Government. It was stated that this should then be the final version of the plan and it would then begin to impact upon planning decisions. Adoption of the final plan was expected by the end of 2021.

Following Member queries regarding what 'competitive socialising' may be referring to in the context of Intu tackling the challenges that shopping centres face around changing consumer practices, GMCA Officers would come back if able to find out more information.

Members commented that the economic climate should also be considered when planning for changing consumer practices away from using shopping centres. It was clarified that new developments were not the only focus, and that making places better to live, with a sense of civic pride, and having more people living in the locality would give a greater resilience. It was acknowledged that even affluent town centres had struggled where the economy had shrunk, and avoiding an over-reliance on one sector was key.

Members highlighted the challenges of developments requiring approval in their districts that were generally not in-line with the general strategy of town centre development.

Members wished to feedback concerns around maintaining disability access in shopping centres such as the Manchester Arndale centre

RESOLVED/-

That Scrutiny note and comment on the report and request further updates as appropriate.

HPE 187/20 GM HOUSING STRATEGY IMPLEMENTATION PLAN

Steve Fyfe, Head Housing Strategy GMCA, provided Members with an update on progress in implementing the GM Housing Strategy. Members heard that the Housing Strategy was approved in June 2019 with this being the first update since implementation. It was stated that both the Housing Strategy and Implementation Strategy had taken a focussed approach where value could be added on

a GM collaboration level, but that it was not intended to cover all aspects or the strategies and activities in the GM districts.

Members heard that this work also incorporates aspects such as supporting older households and the new-build agenda, and that the Implementation Plan would be publically available to provide an update on progress. It was highlighted that a Memorandum of Understanding (MOU) was being developed with housing providers and the GM Health and Social Care Partnership which upon completion, would be taken back to this committee at a future date as well as future funding from Government,

Following Members requesting an update on progress of the Rogue landlord hub, it was clarified that funding from MHCLG had been secured in the last 18 months with some initial work completed and the appointment of a specific officer to focus on private rented issues. This was with a view to potentially assist the GM local authorities with cases where standards had not been met and civil penalties had applied. It was also clarified that the Good Landlord Scheme had been focussed on the private rented sector, rather than social rents. Members heard that standards and interventions for public sector renting can be applied via other means such as within MOUs and including within discussions and writing social objectives into strategies.

Members enquired around the limited capacity to take forward the required programme work in relation to Priority A3 Healthy Homes. It was clarified that this was in relation to staffing changes and that this was a delay rather than a blockage.

Members raised concerns around sub-standard housing with density issues which were not suitable for retrofitting. It was noted that Government assistance for large scale clearance which had been a previous strategy was unlikely to be an option. It was stated that significant progress in retrofitting properties was needed to improve standards and fulfil carbon reduction targets.

In relation to the zero carbon agenda and the need to decrease petrol car sales, Members enquired whether charging points could be included in retrofitting of existing properties and also into new build properties. It was clarified that there were opportunities in relation to this, but ultimately the scope would be determined by business models and any available funding, along with working around inconsistencies at properties such as lack of drive space.

In relation to the 6 month reporting cycle, Members requested that challenges relating to the housing agenda be brought forward as soon as they are picked up.

RESOLVED/-

That Scrutiny note and comment on the report and request further updates as appropriate.

HPE 187/20 FIVE YEAR ENVIRONMENT PLAN FOR GREATER MANCHESTER

Sam Evans Head of Environment Policy, GMCA delivered a presentation to update Members on progress of the Five Year Environment Plan for GM. The presentation gave a recap of the contents of the 5 Year Plan, the approach to implementation and the challenge groups and key initiatives.

The plan was highlighted as setting out 5 key challenges that need to be tackled in order to realise the clean, green, carbon-neutral resilient city region, with a thriving natural environment and zero-waste

economy. A top priority was highlighted as contributing a fair and equitable share of tackling global climate change and adapting the GM City Region to climate change impacts.

Members heard that the plan sought wider economic and social benefits for people, such as improving health and quality of life, places such as building vibrant, resilient, sustainable neighbourhoods and homes, and also the economy such as increases prosperity and productivity.

The 5 Year Plan was noted as having a key part for delivering the Greater Manchester Strategy's vision, and that the aims of the 5 Year Environment Plan should be embedded within plans such as the Greater Manchester Spatial Framework, and the Local Industrial Strategy.

It was updated that there was a need for significant upscaling of local renewable electricity generation, with currently half of the UK's average (generation per person) in GM. Members heard that there was a shortfall in achieving carbon reduction targets which would require innovation and scale up of delivery by doing things differently. It was highlighted that the plan would only deliver if the full cross-section of society were engaged and took action.

It was highlighted that a natural capital account had been developed for the Greater Manchester 10 districts which aimed to capture the current baseline of what GM's existing natural environments were performing in terms of the ecosystem services they were providing. It was noted that each year, GM received nearly £900m of benefits from its existing natural capital.

Members heard that this update had provided a broad overview of a large area and that specific aspects form the environment agenda would come to this committee in the future in 'bite sized chunks'. Members requested that future meetings focus on areas where Members can influence and add the most value to specific aspects of the environmental agenda. It was acknowledged that public communications and getting community influential figures fully engaged was key in achieving the targets of this agenda. It was clarified to Members that the likely areas where they could assist would be the phasing to carbon neutral methods for home heating, retrofitting and electric vehicles. It was also clarified in relation to Brexit that the EU funding highlighted for task and finish groups had already been secured or would be honoured by the Treasury.

It was highlighted that supporting a GM wide scheme for solar roofing panels had been in response to problems encountered by residents using individual traders that had since gone out of business. It was acknowledged that regarding the phasing-out of gas boilers, affordability was key, and that low income households should not be disadvantaged during this transition.

Members highlighted that there were sites with scheduled development within the GMSF that currently feature peat bogs which had been acknowledged as storing carbon and having beneficial environmental impacts. It was clarified that the GMCA were aware of these issues, and that a small number of sites that featuring peat bogs were in the process of being analysed with environment colleagues assessing these, which will be reflected in the GMSF that goes for consultation in 2020.

Members felt that recent proposals to remove free electric vehicle charging points in GM were not in line with the aspirations within the Five Year Environment Plan to shift GM to the electrification of vehicles. It was clarified that principles within the GMSF require electric vehicle charging to be considered within any new developments, and that officers from TfGM would be better placed to fully address this point. Members also felt that having a single universal charging format for electric vehicles would be beneficial and encouraged the GM Mayor to lobby government for a universal format.

Members also heard that there were proposals within the GMSF around biodiversity net-gain which would provide for habitat loss through development, either provided onsite or offsite. It was affirmed that protecting habitats was a key aspiration of the GMSF.

Regarding improving air quality, Members enquired around the level of interaction that GM had held with neighbouring authorities as this was noted as being an issue larger than the GM City Region. It was clarified that TfGM had worked with Highways England, as well as neighbouring northern city regions that were noted as developing similar proposals to GM.

Members requested that any papers or presentations for discussion items of this Committee be submitted with a minimum of seven days' notice to give adequate time for Members to review content. It was also requested that if any members had any relevant discussion items that they wished to raise, that these be sent to Matt Berry, Governance and Scrutiny Officer, GMCA.

RESOLVED/-

That Scrutiny note and comment on the presentation received

HPE 188/20 WORK PROGRAMME

Joanne Heron, Statutory Scrutiny Officer, Governance & Scrutiny Team, GMCA updated Members of upcoming items on the HPE OS Scrutiny Work Programme. It was heard that the GMSF item currently planned for the March 2020 would be brought to a later meeting.

RESOLVED/-

That Scrutiny note and comment on the report and request further updates as appropriate.

HPE 189/20 REGISTER OF KEY DECISIONS

<https://democracy.greatermanchester-ca.gov.uk/ieListDocuments.aspx?CId=386&MId=2830&Ver=4>

RESOLVED/-

That the Register of Key Decisions be noted

DATE AND TIME OF NEXT MEETING

Thursday 19th March 2020 18:00, GMCA Boardroom, Churchgate House

1.



Date: 29 May 2020

Subject: Decision taken under Delegated Powers during March – May 2020

Report of: Liz Treacy, Monitoring Officer

PURPOSE OF REPORT

To inform the GMCA of the decisions taken during the period March – May 2020 in response to the wide scale Coronavirus (COVID-19), ensuring GMCA’s business continuity management (BCM).

RECOMMENDATIONS:

The GMCA is recommended to:

Note the decisions taken under delegated powers during the period March – May 2020.

Contact Officers:

Liz Treacy: liz.treacy@greatermanchester-ca.gov.uk

The following decisions were agreed under delegated powers during the period March – May 2020:

March

Date	Subject	Approval	Officer
16 March 2020	GM Housing Investment Loans Fund – GM Social & Sustainable Housing Limited Partnership	<p>Approved a GM Housing Investment Loan Fund equity investment of £5m in the Social & Sustainable Housing Fund.</p> <p>Delegate authority to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.</p>	Chief Executive Officer GMCA & TfGM and GMCA Treasurer
27 March 2020	GM Investment Framework Approvals – Cloudy Group & Worthington Mancap	<p>Approved the funding applications by Cloudy Group Limited (T/A “Twine”) (investment of £100k) and a loan to Worthington Mancap LLP (“Mancap”) (loan facility of £1,755,000k) be given conditional approval and progress to due diligence.</p> <p>Delegated authority to the GMCA Treasurer & GMCA 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 transaction, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the investment.</p>	Chief Executive Officer, GMCA & TfGM
30 March 2020	Pulpable Waste Material	Approved the issue a Notice of Change for the Waste and Resource Management Services (WRMS) contract for the provision of additional resources for the clean-up of pulpable materials collected by districts for recycling.	Executive Director, Waste & Resources, GMCA
31 March 2020	Excess Death Provision	<p>Approved the creation of a centralised additional body storage capacity within Greater Manchester in order to manage the risk of the Death Management Process being overwhelmed during the COVID-19 outbreak, be approved and specifically:</p> <ol style="list-style-type: none"> 1. approve the rental of a unit 	Chief Executive Officer, GMCA & TfGM

		<p>2. approve the rental of 14 x Temporary Cooling Structures</p> <p>3. note that additional associated costs will be incurred.</p>	
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April

Date	Subject	Approval	Officer
3 April 2020	Emergency Changes to the Bus Network	Approve the changes to subsidised services in response to the changing demands on the network during the Covid-19 pandemic.	Chief Executive Officer, GMCA & TfGM
7 April 2020	Greater Sport	<p>Approved the extension of the existing Grant Agreement with Greater Sport for a period of 6 months from 1st April 2020.</p> <p>The total annual budget available for this Agreement is £175,600 set aside in an amount ring-fenced from the former Culture and Social Impact Fund, and it is proposed to release £87,800 immediately in order to maintain continuity in the work of Greater Sport at this critical time.</p>	GMCA Treasurer
7 April 2020	Voluntary & Community Sector	<p>Approved the extension of the existing Grant Agreement with Greater Manchester Centre for Voluntary Organisation for a period of 6 months from 1st April 2020.</p> <p>The total annual budget available for this Agreement is £228,400 set aside in an amount ring-fenced from the former Culture and Social Impact Fund, and it is proposed to release £114,200 immediately in order to maintain continuity support from GMCVO as the GM VCSE infrastructure organisation at this critical time.</p>	GMCA Treasurer
7 April 2020	Manchester Pride	<p>Approved the extension of the Partnership Agreement with Manchester Pride to convene and facilitate the GM LGBTQ+ Panel for a period of 6 months from 1st April 2020.</p> <p>The total annual budget available for the operation of the Panel is £30,000 set aside from the GM Police and Crime Budget, and it</p>	GMCA Treasurer

		is proposed to release £15,000 immediately in order to maintain continuity of engagement with the LGBTQ+ community at this critical time.	
7 April 2020	Proud Trust	<p>Approved the extension of the Grant Agreement with the Proud Trust for a period of 6 months from 1st April 2020.</p> <p>The total annual budget available for this Agreement is £14,924 set aside in an amount ring-fenced from the former Culture and Social Impact Fund, and it is proposed to release £7,462 immediately in order to maintain continuity in the work of the Proud Trust at this critical time.</p>	GMCA Treasurer
7 April 2020	Coalition of Disabled People	<p>Approved the extension of the Partnership Agreement with the Greater Manchester Coalition for Disabled People to convene and facilitate the GM Disabled People's Panel for a period of 6 months from 1st April 2020.</p> <p>The total budget available for the operation of the Panel is £50,000 set aside from deposit interest, and it is proposed to release £25,000 immediately in order to maintain continuity of engagement with disabled people at this critical time.</p>	GMCA Treasurer
7 April 2020	Water Adventure Centre Grant	<p>Approved the extension of the Grant Agreement with the Water Adventure Centre for a period of 6 months from 1st April 2020.</p> <p>The total annual budget available for this Agreement is £41,100 set aside in an amount ring-fenced from the former Culture and Social Impact Fund, and it is proposed to release £20,550 immediately in order to maintain continuity in the work of the Water Adventure Centre at this critical time.</p>	GMCA Treasurer
8 April 2020	Emergency Changes to the Bus Network	Approved the changes to subsidised services in response to the changing demands on the network during the Covid-19 pandemic.	Chief Executive Officer, GMCA & TfGM

8 April 2020	Purchase of PPE Stock	<p>Approved the purchase of supplies of Personal Protective Equipment (PPE) to support the delivery of critical services across GM including adult social care, primary healthcare, other council services, GMP services, GMFRS services and any other priority uses across GM.</p> <p>Approved the use of retained business rates funding to underwrite the cost of the PPE stocks to GM in the event that national funding is not provided to cover these costs To delegate authority to the PPE Sub group Chair and the GMCA Treasurer to finalise all arrangements including the onward distribution to GM districts</p> <p>Approve the above decisions as urgent and the seeking of exemption from call-in by the Overview and Scrutiny Committee</p>	Chief Executive Officer, GMCA & TfGM
9 April 2020	Free Metrolink Travel for NHS Staff	<p>Approved the provision of unlimited free Metrolink Travel for NHS and Social Care staff for an initial period between 11 April and 1 June 2020 after which the arrangement will be reviewed by GMCA.</p> <p>Noted the projected costs to GMCA of c£80k of revenue foregone during this period and that TfGM will continue to seek to recover these costs as part of the financial package for Metrolink from the government.</p> <p>Delegated authority to the Finance and Corporate Services Director, TfGM, to finalise all arrangements including the final criteria for eligibility, and to arrange their implementation</p>	
20 April 2020	Emergency Changes to the Bus Network	Approved the changes to subsidised services in response to the changing demands on the network during those Covid-19 pandemic.	Chief Executive Officer, GMCA & TfGM
23 April 2020	Household Waste Recycling Centre	Approved the closure of Household Waste Recycling Centres with effect from Tuesday 24th March 2020, in accordance with 'Civic Emergency' provisions in the contract:	Chief Executive Officer, GMCA & TfGM

		<ol style="list-style-type: none"> 1. The phased re-opening of Household Waste Recycling Centres in Greater Manchester as set out in Option 1 of the report be approved, subject to: <ol style="list-style-type: none"> a. further consultation with the districts on the detailed arrangements for the re-opening of sites; and b. the agreement of each district on the re-opening of any site in its area. 2. The incurring of additional costs in respect of external resources for off-site highways management referred to in paragraph 8.1 of the report be approved. 3. The opening of HWRCs is to be kept under review. 	
24 April 2020	Housing Investment Loans Fund – Approvals	<p>Approved a GM Housing Investment Loan Fund loan of £5.000m to Heath Farm Lane LLP for the construction of 148 homes on a site known as Heath Farm Lane, Partington.</p> <p>Approved a loan of £0.981m to be funded with City Deal Receipts to Specialist Care Developments Ltd for the construction of 12 apartments on a site on Stephenson Street, Oldham.</p> <p>Delegated authority to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.</p> <p>Approved the above decisions as urgent and the seeking of exemption from call-in by the Overview and Scrutiny Committee.</p>	Chief Executive Officer, GMCA & TfGM
27 April 2020	Growth deal Funding Approvals	<p>Approved the payment of grants of £2.409 million to Bolton Council in relation to the delivery of the Salford Bolton Network Improvement Programme – Bolton Delivery Package 5 scheme (Newport Street/Trinity Street junction and the Newport Street Interchange site as part of the Manchester</p>	Chief Executive Officer, GMCA & TfGM GMCA Treasurer

		Road Gateway scheme) as set out in paragraphs 2.1 to 2.7; and Approved the funding of up to £0.546 million for the Manchester School Access Improvements Minor Works Scheme as set out in paragraphs 2.8 to 2.11.	
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May

Date	Subject	Approval	Officer																																							
5 May 2020	Mayor's Walking & Cycling Challenge Fund	Approved the individual development cost budgets for the twenty-five MCF schemes set out in the table below to enable the named delivery partners to progress the listed schemes. <table border="1"> <thead> <tr> <th><u>District</u></th> <th><u>Scheme</u></th> <th><u>Development</u></th> </tr> </thead> <tbody> <tr> <td>GMCA</td> <td>TfGM Safety Cameras Active</td> <td>£600,000</td> </tr> <tr> <td>GMCA</td> <td>Neighbourhoods</td> <td>£1,094,506</td> </tr> <tr> <td>Manchester</td> <td>Rochdale Canal</td> <td>£233,001</td> </tr> <tr> <td>Oldham</td> <td>Oldham Town Centre Improvements</td> <td>£1,028,000</td> </tr> <tr> <td>Oldham</td> <td>Park Bridge</td> <td>£504,000</td> </tr> <tr> <td>Oldham</td> <td>Chadderton Improvements</td> <td>£106,000</td> </tr> <tr> <td>Oldham</td> <td>Royton Town Centre Connection</td> <td>£124,000</td> </tr> <tr> <td>Oldham</td> <td>Park Road – NCN – Town Centre</td> <td>£277,000</td> </tr> <tr> <td>Salford</td> <td>Swinton Greenway</td> <td>£696,008</td> </tr> <tr> <td>Salford</td> <td>RHS Links</td> <td>£437,075</td> </tr> <tr> <td>Stockport</td> <td>Gillbent Road - Crossing</td> <td>£65,951</td> </tr> <tr> <td>Stockport</td> <td>Welkin Road</td> <td>£123,081</td> </tr> </tbody> </table>	<u>District</u>	<u>Scheme</u>	<u>Development</u>	GMCA	TfGM Safety Cameras Active	£600,000	GMCA	Neighbourhoods	£1,094,506	Manchester	Rochdale Canal	£233,001	Oldham	Oldham Town Centre Improvements	£1,028,000	Oldham	Park Bridge	£504,000	Oldham	Chadderton Improvements	£106,000	Oldham	Royton Town Centre Connection	£124,000	Oldham	Park Road – NCN – Town Centre	£277,000	Salford	Swinton Greenway	£696,008	Salford	RHS Links	£437,075	Stockport	Gillbent Road - Crossing	£65,951	Stockport	Welkin Road	£123,081	Chief Executive Officer, GMCA & TfGM
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Oldham	Chadderton Improvements	£106,000																																								
Oldham	Royton Town Centre Connection	£124,000																																								
Oldham	Park Road – NCN – Town Centre	£277,000																																								
Salford	Swinton Greenway	£696,008																																								
Salford	RHS Links	£437,075																																								
Stockport	Gillbent Road - Crossing	£65,951																																								
Stockport	Welkin Road	£123,081																																								

		<p>Hazel Grove Stockport Access £181,153 Upgrades</p> <p>Stockport A6 MARR Links £307,630</p> <p>Stockport Crossings £166,270</p> <p>Stockport Heaton's Link £444,870</p> <p>Stockport Ladybrook Valley £194,770</p> <p>Stockport Bramall Park £805,585</p> <p>Stockport Stockport Interchange £2,418,482</p> <p>Stockport Heaton Norris Park Bridge £1,182,028</p> <p>Stockport Hempshaw Lane £344,615</p> <p>Tameside Ashton Centre South £193,160</p> <p>Tameside Ashton Streetscape £459,525</p> <p>Tameside Ashton West Link Bridge £253,320</p> <p>Urmston Area</p> <p>Trafford Active Neighbourhood £539,950</p> <p>£12,779,980</p>	
5 May 2020	Mayor's Walking & Cycling challenge Fund - Prioritisation	<p>Approved the budget parameters as the basis for scheme progression.</p> <p>Approved the release of up to £1.5 million funding to fund programme management and associated costs in 2020/21; and authorise the GMCA Treasurer to make the necessary capital-revenue 'switch' as set out in section 4 of this report; and</p> <p>Approved £0.1 million for the GM Visually Impaired Design Commission, and authorise the GMCA Treasurer to make the necessary capital-revenue 'switch', including the balance of the GM side road zebra research commission.</p>	Chief Executive Officer, GMCA & TfGM
5 May 2020	Award of the Biowaste Treatment Capacity Contracts	The GMCA awards six Biowaste treatment packages (known as the B Packages and each totaling a maximum of 6,051 tonnes annually) to:	Executive Director, Waste and Resources

		<p>Package B1 – Biowise Ltd (Leighton site in Crewe)</p> <p>Package B2 - Biowise Ltd (Leighton site in Crewe)</p> <p>Package B3 - Biowise Ltd (Leighton site in Crewe)</p> <p>Package B4 - Biowise Ltd (Leighton site in Crewe)</p> <p>Package B5 – Ryedale Organics Ltd</p> <p>Package B6 - Ryedale Organics Ltd</p> <p>for a period of two years ending 31st May 2022.</p>	
5 May 2020	Adult Education Budget – Growth Case	Approved Growth funding is allocated to LTE Group, System Group and Back2Work Complete Training.	Chief Executive Officer, GMCA & TfGM

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Date: 29th May 2020

Subject: Covid-19 Recovery Response Update

Report of: Andy Burnham, Mayor of Greater Manchester and Eamonn Boylan, GMCA
Chief Executive

PURPOSE OF REPORT:

To provide GMCA Members with an update on the approach and work to date for the Greater Manchester recovery response from the Covid-19 pandemic.

RECOMMENDATION:

The GMCA is requested to review and comment on the work to date in developing Greater Manchester's recovery response, endorse the approach being adopted, and note that this response and approaches will continue to evolve.

CONTACT OFFICERS:

Simon Nokes, GMCA, Executive Director
Simon.nokes@greatermanchester-ca.gov.uk

Dr Carolyn Wilkins, Oldham Council, Chief Executive
Carolyn.wilkins@oldham.gov.uk

Equalities Implications:

Differential impacts on individuals with protected characteristics will be evident as a result of the Covid pandemic. The recovery work and approaches adopted seek to understand those differential impacts, mitigating and responding to issues as appropriate.

Climate Change Impact Assessment and Mitigation Measures:

Environmental benefits have been seen as a result of the Covid pandemic. The recovery work and approaches seek to ensure those benefits gained are retained and further improvements can be achieved through the recovery phases.

Risk Management:

N/A

Legal Considerations:

N/A

Financial Consequences – Revenue:

The Covid pandemic has likely long term implications on current and future revenue resources

Financial Consequences – Capital:

The Covid pandemic has likely long term implications on future capital investment and availability

Number of attachments to the report:

N/A

Comments/recommendations from Overview & Scrutiny Committee

BACKGROUND PAPERS:

The author of the report must include list of those documents on the subject matter which:

- Disclose any facts or matter on which the report or an important part of the report is based;
- Which have been relied on to a material extent in preparing the report

TRACKING/PROCESS		[All sections to be completed]
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
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?		Please state the reason the report is exempt from call-in
GM Transport Committee	Overview & Scrutiny Committee	

1. INTRODUCTION

- 1.1 The Covid-19 pandemic introduced a series of health, economic and social crises that have affected communities around the world, including Greater Manchester. The impacts of this pandemic on Greater Manchester's residents will be far-reaching. Those impacts will be experienced differentially across people, places and the economy. The societal effects of the pandemic (both positive and negative), may be sustained over long periods and profound; shaping the future of Greater Manchester and the lives of our residents.
- 1.2 Recognising the need to begin to plan for recovery early, work is now well underway to understand implications arising from the pandemic and the development and delivery of appropriate responses, enabling a rapid restart for the Greater Manchester economy and society.

2. GREATER MANCHESTER APPROACH TO RECOVERY

- 2.1 Recovery planning is being built round three phases of recovery:
1. Release of lockdown (0-2months)
 2. Living with Covid (0-12months)
 3. Building back better (0-beyond 12months)

It is recognised that these timeframes will not be discrete from one another, and there will be significant 'blurring' between timescales and phases, and that multiple phases are likely to be operational at once.

- 2.2 Recovery planning should shape the future vision for Greater Manchester and enhance the resilience of the city-region. It is anticipated that recovery from the pandemic will be a part of life for all residents and communities, and at some point become core business for many, if not all organisations.
- 2.3 Work is underway to understand the issues and opportunities arising, and seeking to ensure that as Greater Manchester recovers from this crisis, that we don't just build back as was before the outbreak, but build back better.
- 2.4 Whilst loss and adverse impacts will be most evident, there will be opportunities to build back better and learn from the current crisis. Greater Manchester needs to capture the positive responses that we have seen, for example an increase in walking, and improvement in our air quality as well as the huge community response, and ensure that in 'building back better' tackling inequalities runs through the whole of our recovery work. Engagement with communities, co-producing responses, and understanding the differential impacts and opportunities for different sectors of society needs to form the foundation of our approaches to building back better, ensuring sustainable and positive changes for the future.
- 2.5 In planning to build back better it will be important to build on the work already underway in Greater Manchester around Resilient Cities, and in the design and delivery of responses

Greater Manchester should be striving to create a fairer society, leading to better jobs and greater prosperity for all, and avoiding creating new types of inequality or increasing existing disadvantage.

3. DEVELOPING RECOVERY ACTION PLANS

- 3.1 Detailed recovery planning will need to be undertaken across the three phases of recovery identified, with the immediate focus on the 'release of lockdown' phase, ensuring Greater Manchester's economy and society can re-start as safely and quickly as possible, when appropriate to do so.
- 3.2 From the work undertaken to date, there are seven key themes which have emerged for consideration in the development of recovery action plan(s):
- Inequalities / poverty
 - Building confidence
 - Safe GM / Standards
 - Co-design, civil society and social infrastructure
 - Resilient city-region
 - Recovery in the context of GMS (opportunities to achieve our aims faster; risks to achieving our aims)
 - Behaviour change
- 3.3 Recovery action planning will engage both new and existing thematic groups and networks, ensuring representation from across the GM system, involving public, private and VCSE sectors, and will seek to draw on evidence and learning to inform our future responses.
- 3.4 From the Greater Manchester Covid emergency response delivered to date, there has been wide recognition from across the city-region, that the neighbourhood and locality led responses have ensured the effect design and delivery of responses and interventions. Further work moving into recovery phases, should continue to ensure interventions are designed and delivered at the appropriate geographical level, with Greater Manchester level activity for example, being those areas where a consistent approach is required, or where there is value added or efficiencies to be achieved through collaboration.

4. RECOMMENDATION

- 4.1 The GMCA is requested to review and comment on the work to date in developing Greater Manchester's recovery response, endorse the approach being adopted, and note that this response and our approaches will continue to evolve.

Date: 29 May 2020

Subject: GM Clean Air Plan: Update

Report of: Cllr Andrew Western, Portfolio Lead for Green City-Region Portfolio Lead and Leader of Trafford Council

PURPOSE OF REPORT

To set out the progress that has been made following the Government's response to Greater Manchester's Outline Business Case to tackle Nitrogen Dioxide Exceedances at the Roadside (OBC), and the implications of pandemic management policies (the extent of which are not yet fully understood) for the 10 Greater Manchester (GM) local authorities in relation to the schedule of work and statutory consultation on the Clean Air Plan and the link to taxi and private hire common minimum licensing standards (MLS).

RECOMMENDATIONS:

The GMCA is requested to:

1. Note the progress of the Greater Manchester Clean Air Plan;
2. Note the progress in the development of the Clean Commercial Vehicle and Hardship funds;
3. Note the initial funding award of £41m for clean vehicle funds to award grants or loans to eligible businesses;
4. Note the Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but has requested further development of shared evidence on the needs within that complex sector before responding and does not support the sustainable journeys measure.

5. Note that TfGM is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements;
6. Note the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from OLEV;
7. Commend the position that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable;
8. Further commend the position that the GM Local Authorities' decision to commence a public consultation should be taken once there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response;
9. Note the implementation of a GM CAZ is delayed to 2022 with a revised implementation date to be confirmed in the consultation commencement report;
10. Note the DfT's positioning paper "Decarbonising Transport – Setting the Challenge";
11. Note the assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers; and
12. Note that the GM local Authorities intend to consult on GM's proposed MLS, alongside the Clean Air Plan consultation and commend to the Authorities the position for consultation, on when taxi/PHV fleets should be Zero Emission Capable.

CONTACT OFFICERS:

Eamonn Boylan – Chief Executive, TfGM – eamonn.boylan@greatermanchester-ca.gov.uk

Simon Warburton – Transport Strategy Director, TfGM – simon.warburton@tfgm.com

Equalities Implications: Initial Equality Impact Assessment set out in Clean Air Plan OBC (March 2019)

Climate Change Impact Assessment and Mitigation Measures: The GM CAP is a place based solution to tackle roadside NO2 and proposes measures to secure funding for Electric Vehicle charging infrastructure, as well as ensuring that a mechanism is put in place for the large scale rollout of replacement electric buses, which will have a positive impact on carbon.

Risk Management: Initial risk register set out in Clean Air Plan OBC (March 2019)

Legal Considerations: No legal considerations for GMCA. Legal considerations rest with local authorities.

Financial Consequences – Revenue: Initial Financial Case set out in Clean Air Plan OBC (March 2019), with all development and delivery costs to be covered by central Government

Financial Consequences – Capital: Initial Financial Case set out in Clean Air Plan OBC (March 2019), with all development and delivery costs to be covered by central Government

Number of attachments to the report: Three

Comments/recommendations from Overview & Scrutiny Committee: n/a

BACKGROUND PAPERS:

- 31 January 2020, report to GMCA: Clean Air Plan Update
- 26 Jul 2019, report to GMCA: Clean Air Plan Update
- 1 March 2019, report to GMCA: Greater Manchester’s Clean Air Plan – Tackling Nitrogen Dioxide Exceedances at the Roadside - Outline Business Case
- 11 January 2019, report to GMCA/AGMA: Clean Air Update
- 14 December 2018, report to GMCA: Clean Air Update
- 30 November 2018, report to GMCA: Clean Air Plan Update
- 26 October 2018, report to GMCA: GM Clean Air Plan Update on Local Air Quality Monitoring
- 15 November 2018, report to HPEOS Committee: Clean Air Update
- 16 August 2018, report to HPEOS Committee: GM Clean Air Plan Update
- UK plan for tackling roadside nitrogen dioxide concentrations, Defra and DfT, July 2017

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
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?		n/a
GM Transport Committee	Overview & Scrutiny Committee	
n/a	n/a	

1 EXECUTIVE SUMMARY

- 1.1 This report provides a comprehensive update on the development of the GM Clean Air Plan, it sets out a proposal for public consultation in light of COVID-19 implications, and highlights that the implementation of a GM Clean Air Zone is delayed to 2022.
- 1.2 It recaps on work undertaken to date, highlighting new work to develop a Clean Commercial Vehicle Fund and a new Hardship Fund.
- 1.3 It also includes a summary of correspondence between Greater Manchester and DEFRA, including the DEFRA Minister's 18 March letter to Cllr Western, GM Green City Region lead, which included a further Ministerial Direction to act and expressing the government's desire for GM to consult on a charging Clean Air Zone Category C, and the reply which emphasised the need for government support for key sectors, including the hackney and LGV business users.
- 1.4 The report also highlights the close link with work to develop Minimum Licensing Standards for the taxi and private hire trade in GM, and sets out that it is intended that a public consultation on this is managed in parallel with that for the GM Clean Air Plan, suggesting that GM sets out a clear roadmap to when taxi/PHV fleets should be emission free.
- 1.5 Finally, the report outlines how the GM Clean Air Plan will support the wider programme of activity around decarbonising the transport sector.

2 INTRODUCTION/BACKGROUND

- 2.1 Government has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO₂) levels following the Secretary of State issuing a direction under the Environment Act 1995 to undertake feasibility studies to identify measures for reducing NO₂ concentrations to within legal limit values in the "shortest possible time". In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as "Greater Manchester" or "GM", are working together to develop a Clean Air Plan to tackle NO₂ Exceedances at the Roadside, referred to as GM CAP.
- 2.2 In its Outline Business Case (OBC) Greater Manchester proposed the following package of measures that delivers compliance in the shortest possible time, at the lowest cost, least risk and with the least negative impacts. They are:
 - A charging Clean Air Zone (CAZ) category C which will target the most polluting commercial vehicles including older heavy goods vehicles, buses, coaches, taxis and private hire vehicles from the summer of 2021, and older polluting light goods vehicles from 2023 (i.e. a CAZ C with a van exemption until 2023). It has been assumed at OBC stage that the Clean Air Zone Charge would be £7.50 per day for taxis, private hire vehicles and light goods vehicles and £100 per day for heavy goods vehicles, buses and coaches.

- A Clean Freight Fund of c.£59m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector.
- A Clean Taxi Fund of c.£28m, to support the upgrade of non-compliant Greater Manchester Licensed taxi and private hire vehicles.
- A Clean Bus Fund of c.£30m to provide, where possible, the retrofit of older engine standards to the less polluting Euro VI standard for those buses registered to run services across Greater Manchester.
- A package of supporting measures including a proposed Loan Finance scheme, sustainable journeys projects, additional EV charging infrastructure.

2.3 The OBC made clear the expectation that the UK Government would support the plans through:

- Clear arrangements and funding to develop workable, local vehicle scrappage / upgrade measures;
- Short term effective interventions in vehicle and technology manufacturing and distribution, led by national Government with local authorities;
- Replacement of non-compliant buses; and
- A clear instruction to Highways England with regard to air pollution from the Strategic Road Network (SRN) in Greater Manchester.

2.4 The OBC outlining these proposals and the supporting evidence was submitted to Government at the end of March 2019. Ministerial feedback was received in July 2019 along with a further direction under the Environment Act 1995 requiring all ten of the Greater Manchester local authorities to take steps to implement a plan to deliver compliance with the requirement to meet legal limits for nitrogen dioxide in the shortest possible time.

2.5 The 2019 Ministerial Direction and accompanying letter included the requirement for the GM authorities to implement a charging Clean Air Zone Class C *without* a van exemption until 2023, with additional measures. The direction also required the GM authorities to jointly submit to the Joint Air Quality Unit (JAQU) revised evidence by 2 August and a Full Business Case (FBC) by 31 December 2019 at the latest.

2.6 The July 2019 Ministerial letter set out that the GM plan appeared to be on track to deliver compliance in the shortest possible time and that on the basis of evidence provided as at that date, the Greater Manchester authorities should continue to proceed towards developing the implementation and contract arrangements of a charging Clean Air Zone in Greater Manchester and that the Government would provide an initial tranche of £36m of funding to take this forward.

2.7 Full detail of the government's response was set out in the GMCA – Clean Air Update report on 26 July.

2.8 The GMCA – Clean Air Update report on 31 January detailed how a delay in receiving Ministerial feedback on the OBC had an impact on the timetable for the GM CAP.

3 PROGRESS SINCE LAST UPDATE – THE RESULTS OF THE PUBLIC CONVERSATION AND FOCUS GROUPS

3.1 GM held a public engagement exercise known as the ‘conversation’ between early May and mid-June 2019 to help inform the work, and this was supplemented by more targeted stakeholder engagement with affected businesses. In addition, further deliberative research has also taken place. Stakeholder dialogue has also continued throughout development of the GM CAP to support the detailed design of the packages of measures.

3.2 These forms of engagement and dialogue have all informed the further development and detailed design of the measures identified in the OBC, to refine the proposals that will comprise the Full Business Case.

3.3 In total, around 3,300 responses were received, via an online survey, paper questionnaire, letters and emails. Over 2,400 of the responses were from individuals, with the vast majority of respondents living in Greater Manchester. As well as this a number of representative bodies (such as the Federation of Small Businesses) responded to the conversation, on behalf of the members they represent.

3.4 There were over 550 responses from businesses based in Greater Manchester and further afield. 61% of business were sole traders, 18% were small businesses, 11% were medium-sized businesses and 10% were large businesses.

3.5 Those with non-compliant vehicles were asked about their view on the funding proposed to support businesses to upgrade. Many businesses either didn’t know what action they were likely to take or thought they wouldn’t take any action. Of those who said they would not take action, the reasons why included; the cost of upgrading their vehicle, constraints around their lease arrangement and that they would prefer to pay the daily charge.

3.6 Scrappage schemes, loans and additional support were suggestions made by respondents on how we could support those with non-compliant vehicles to upgrade. There were also comments on who should be prioritised to receive any funding, those comments focused on supporting smaller businesses first.

3.7 The full report from the conversation can be found online at <https://cleanairgm.com/technical-documents>.

4 PROGRESS SINCE LAST UPDATE – CLEAN COMMERCIAL VEHICLE & HARDSHIP FUNDS

4.1 At OBC stage, GM set out its funding ask for Freight Vehicles as follows:

- A Clean Freight Fund of c.£59m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector.

- 4.2 The GM CAP is underpinned by analysis and modelling using the best data and tools available. The results of the analysis underpinning the OBC were presented throughout the OBC and written up in full in a series of Technical Reports.
- 4.3 JAQU's officer level feedback on the Outline Business Case (OBC) requested further evidence as part of the options appraisal to provide reassurance that the preferred option would deliver compliance in the shortest possible time and to provide further evidence in support of the bid for Funds.
- 4.4 Extensive data gathering, analysis and modelling has been carried out since the submission of the OBC in order to respond to JAQU's questions and to develop more detailed proposals.
- 4.5 Quantitative and qualitative research has been undertaken with owners and drivers of vans, taxis and private hire vehicles, HGVs and coaches (noting that the latter was cut short by the COVID-19 pandemic). This, alongside the feedback from the Conversation, has informed the development of proposed support measures and CAZ policy.
- 4.6 As a result, better evidence has emerged about the vehicle fleets and businesses in scope for the proposed Clean Air Zone charges, and the support they will require.
- 4.7 Further, extensive liaison has been undertaken with JAQU to agree what would constitute effective and appropriate support measures. GM has benchmarked their proposals against other CAP cities and London, and engaged with those cities to understand their lessons learned.
- 4.8 This work has been summarised in a series of 32 evidence notes and further supplementary Technical Reports that were submitted to JAQU in response to the Minister's feedback, earlier in 2020.
- 4.9 The outcome of this work has resulted in an increased ask of £98m for the Clean Commercial Vehicle Fund, replacing the £59m Clean Freight Fund as set out at OBC. The revised funding ask is considered to better reflect the needs of the vehicles in scope, which are HGVs, coaches, vans and minibuses.
- 4.10 GM considers that it is the smallest businesses and individuals who will be at risk of financial 'hardship' as a result of the implementation of a GM cCAZ and that the proposed amount of grant funding to help upgrade to a compliant vehicle may not be enough to adequately mitigate the potential adverse economic impacts.
- 4.11 The funding asks have been revised as follows:
- A Clean Commercial Vehicle Fund of c.£98m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector, registered in Greater Manchester.
 - The Hardship Fund of c.£10m to support individuals, companies and organisations who are assessed to be most vulnerable to socio-economic impacts from the CAZ.

5 PROGRESS SINCE LAST UPDATE – MINISTERIAL CORRESPONDENCE

5.1 On 18 March 2020, the GM Green City Region lead received a letter from Rebecca Pow MP (DEFRA Parliamentary Under Secretary of State), copying in all Local Authority CEOs and Leaders, regarding next steps with GM's Clean Air Plan proposals. This letter attached as Appendix One was sent alongside a further Ministerial Direction. The letter explains:

- the government's desire for GM to consult on a Class C Clean Air Zone (accepting our case for exempting LGVs to 2023) with the timings of reporting back on the consultation suggesting that this activity is expected to take place in the summer.
- that the government will provide an initial tranche of funding of £41m for grants or loans – this is broken down as £15.4m for bus retrofit, £10.7m for PHVs, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses.
- the government does not support all measures proposed, specifically the Sustainable Journeys measure.
- the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with us on securing funding from the Office for Low Emission Vehicles (OLEV) (who were allocated £500m in the 11 March budget).
- there is an expectation that GM's Clean Air Zone will be introduced in 2021 so compliance with NO₂ legal limits is met in 2024.
- the government would like to be kept informed of progress of the Minimum Licensing Standards for hackney cabs and private hire vehicles, as it complements the GM Clean Air Plan.

6 GM RESPONSE TO MINISTER LETTER / DIRECTION

6.1 Councillor Western wrote in response to the Minister on 8 April, attached as Appendix Two, welcoming the initial tranche of funding along with the acceptance of our case for 2023 being the earliest point possible to bring LGVs into the scope of the charging Clean Air Zone and highlighting to government the following important outstanding elements:

- Ensuring that a clear funding position is agreed for Hackney Carriages – GM has been clear that the development of this funding ask is needed to support the progression of consultation on our plan with the taxi trade.
- Ensuring that a clear policy position is established for LGV fleet support – reflecting that the GM business community relies on the 70,000+ LGVs in operation here in Greater Manchester. It is stressed that this aspect of work needs to progress quickly so funding can be forthcoming as soon as possible, so as to ensure that bureaucratic delay does not use up the valuable time that could otherwise be available to enable vehicle replacement to happen, following the government agreement to exempt Category C vehicles to 2023.

- Ensuring that a mechanism is put in place for the large-scale rollout of replacement electric buses for the further 600+ vehicles for which there are no accredited retrofit options. The parallel funds for ultra-low emission buses, announced in the March Budget Statement, are highlighted as the logical source for this funding requirement and early confirmation is sought that this is the case.
- Ensuring that a workable arrangement is in place for JAQU to help to secure funding for Electric Vehicle charging infrastructure, noting that £500m was awarded to OLEV in the March budget statement.
- Finally, GM has highlighted outstanding issues regarding specific locations on the Highways England trunk road network that are needed for GM to refine the proposed charging CAZ boundary before it proceeds to statutory consultation.

6.2 The letter also set out that GM will also need to be mindful of the significant changes that could result from the impacts of the ongoing pandemic, more of which is discussed below.

6.3 A summary table of GM's asks v Government offer and commentary, is set out in Appendix Three. Of note, TfGM is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements.

6.4 The March 2020 Ministerial Direction means that the July 2019 direction (which required the conclusion of all necessary public consultation activity and submission of the FBC by end of 2019) is revoked. The new Ministerial Direction sets out new submission dates for consultation, delivery plans and FBC. Notably, the new Direction requires conclusion of all public consultation activity and submission of the Interim FBC by the end of October 2020.

7 IMPACT OF COVID-19

7.1 The letter and the accompanying direction were dated 16 March, before the enactment of the Coronavirus Act 2020, meaning that the implications of pandemic management policies had not been considered in setting the submission dates. As a result, GM colleagues have been working to understand the wider impacts of the coronavirus outbreak on this programme of work.

7.2 Most immediately is the timing of GM's consultation, which is assumed in the letter to be taking place in the summer. The decision regarding when to commence a consultation cannot be confirmed until there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.

7.3 On Wednesday 15 April, following consultation with Leaders, GM made a statement placing the consultation on hold – it can be found in full at: <https://cleanairgm.com/news/greater-manchester-clean-air-plan-consultation-update>.

7.4 This also means that the implementation of a GM CAZ is delayed to 2022 (a revised implementation date will be confirmed in a future consultation commencement report).

- 7.5 On Tuesday 28 April, Councillor Western received a letter from Rebecca Pow MP which set out that the Government understands the initial analysis that GM has made about the difficulties of holding a consultation at this time. However, she does encourage GM to continue preparations to be ready to launch one as soon as practicable.
- 7.6 The Government's Joint Air Quality Unit confirmed on 1 May that that authorities should continue to develop measures and packages to tackle the exceedances predicted from modelling to date, subject to further Emissions Factor Toolkit analysis to be provided by JAQU shortly. Furthermore, that there should be no revised economic analysis undertaken without JAQU consent, on the basis that the outcomes of COVID-19 are not yet understood, and that for now authorities should proceed on the basis of their current proposals.
- 7.7 To understand the wider impacts of the COVID-19 outbreak the GM CAP team will make an assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers. This assessment will include:
- whether the assumptions underpinning the GM CAP are still valid;
 - whether GM will remain in exceedance of legal nitrogen dioxide limits under the proposals as they currently stand;
 - the measures proposed in the package for consultation; and
 - whether the proposed support package will be sufficient.

8 THE CONSULTATION

- 8.1 GM needs to be mindful of moving its Clean Air Plan forward given the direction to act but also the need to balance this against the impact of COVID-19.
- 8.2 GM has been directed by Government to introduce a category C Clean Air Zone across the region and there is a requirement under Transport Act 2000 to consult 'such a local persons as they consider appropriate about the charging scheme'. The statutory nature of the consultation affords a large degree of discretion to the consulting authority, but would be expected to concern the fundamentals of the CAZ, i.e. the need for a CAZ, the proposed boundary, times of operation and vehicle types that would be subject to charges if non-compliant, the charges and discounts and exemptions. It is the latter two points that could be most affected by responses to the consultation, given that some of the other elements of the CAZ such as the need for a CAZ and the category of CAZ are mandated by the Ministerial Direction.
- 8.3 The supporting measures, the detail of proposals of the funds and vehicle finance are also set out to enable consultees to respond fully to the GM CAP proposals.
- 8.4 Any consultation conducted in a time of COVID-19-related restrictions will be less than perfect and GM would have to do everything it reasonably can to ensure that the consultation is fair.

- 8.5 GM intends to commence a consultation on the Clean Air Plan as soon as it judges that it could conduct a consultation that allows people, particularly impacted groups, the opportunity to consider and respond to the proposals in a meaningful way with particular regard to the context of Government guidance on social distancing at the relevant time. However, as the position regarding lockdown is fluid, it is not possible to definitively confirm that date, ultimately this will be a judgement call.
- 8.6 The judgement call will clearly be influenced by the government's lockdown exit plan, but also by the economic and social conditions that will present themselves after the realities of exiting lockdown and moving to the next phase of the COVID-19 response are known.
- 8.7 As part of the report that members will receive to determine progressing the consultation GM will set out how it has made the judgment to move forward to its consultation taking into account the information set out above.
- 8.8 Whilst the government has made a number of financial packages available to businesses and the self-employed in this extraordinary situation, our residents and businesses are focused on ensuring they and their families and employees stay safe. In addition, GM are very aware that the impact of pandemic management policies are being felt very strongly within the taxi trade. GM recognises that the transport sector has already been hugely impacted by the pandemic, and government policies to stem its spread; and its ability to recover from significant revenue loss whilst also being expected to renew fleet to respond to pre-epidemic policy priorities requires further thought and consideration. Therefore, the groups most affected by our Clean Air Plan may need even further assistance that we had anticipated at the time of our previous submission to Government.

9 GM'S ASPIRATIONS AROUND EV CHARGING

- 9.1 As set out above the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with us on securing funding from OLEV.
- 9.2 Securing funding is important as the current Electric Vehicle Charging Infrastructure (EVCI) provision in GM is below the North West and national averages of charge points per 100,000 population. GM's EV registration is also significantly below the national average. Based on engagement and delivery to-date it is considered unlikely that private sector investment will deliver the right infrastructure in appropriate locations to deliver the rapid transition to EVs required to support GM's ambitions.
- 9.3 There is therefore a continued need for substantial public sector intervention, supported by a clear policy position, to influence the scale and distribution of EVCI investment (both public and private) in a future network that supports our 2040 Strategy ambitions.
- 9.4 A draft EVCI Strategy is in development to support our 2040 Strategy ambitions and, in particular, delivery of GM's CAP. The strategy will set out:
- GM's vision for EVCI in across the region;

- A set of strategic principles to guide the design and future development of the network; and
- the estimated size, mix and spatial distribution of the network required to meet anticipated / forecasted demand.

10 DECARBONISING TRANSPORT & GM'S CLEAN AIR PLAN

- 10.1 In March this year the Government published its “Decarbonising Transport – Setting the Challenge” document. In setting the challenge Government identifies that current policies fail to deliver the reduction in emissions needed if transportation is to play its part in meeting the national legal obligation to be carbon neutral by 2050. There is an estimated gap of 16MtCO₂e projected emissions between the DfT’s current policy projections compared to the Clean Growth Strategy targets and the document identifies that **“there is no plausible path to net zero without major transport emissions reductions and delivered soon”**.
- 10.2 Figure 1 DfT’s latest domestic Green House Gas (GHG) emissions projections based on current policies, compared to Clean Growth Strategy targets and CCC Net Zero ‘Further Ambition and ‘Speculative scenarios’



- 10.3 Government have set out in the document that they are to produce a Transport Decarbonisation Plan¹ that will set out a credible plan on how to put the UK's entire transportation system on a pathway to deliver the necessary GHG reductions and identifies that fundamental changes in the way people and goods move around. They state that is key, identifying that the solution lies with innovation, developing further waste derived fuels, fundamentally changing people's travel behaviour and using smart data to give added value. There are 6 strategic priorities within the document:
- Accelerating modal shift to public and active transport,
 - Decarbonising road vehicles,
 - Decarbonising how we get our goods
 - Place based solutions for emission reduction
 - The UK becoming a hub for green transport technology and innovation
 - Reducing carbon in a global economy
- 10.4 Government propose to engage stakeholders through a series of three workshops based on the above priorities, test ideas and insight from public feedback and present a range of potential policies.
- 10.5 There are many co-benefits (defined by the IPCC as "positive effects that a policy or measure aimed at one objective might have on other objectives") of decarbonising transportation which include public health benefits through increased active travel, improved air quality and reduced noise. Taking action to decarbonise transportation will have beneficial effects not only on the environment but also on health, wellbeing and quality of life, especially those living in populated areas.
- 10.6 The GM CAP is a place based solution to tackle roadside NO₂ and proposes measures to secure funding for Electric Vehicle charging infrastructure, as well as ensuring that a mechanism is put in place for the large scale rollout of replacement electric buses, which will have a positive impact on carbon. As GM progress the development of its wider transport policies it will take account of these important environmental agendas to ensure alignment of policies.

11 MINIMUM LICENSING STANDARDS AND THE GM CLEAN AIR PLAN

- 11.1 The taxi/PHV trade represents c.20,000 drivers across GM and is a significant part of GM's transport offer.

¹ was planned to be published in the autumn, ahead of COP 26 in November 2020 but has now been postponed due to the COVID-19 epidemic

- 11.2 In 2018, GM's ten local authorities agreed to collectively develop, approve and implement a common set of minimum licensing standards (MLS) for Taxi and Private Hire services that cover the whole of GM. At that time, the primary driver for this work was to improve public safety, but vehicle age and emission standards in the context of the Clean Air agenda are now also a major consideration.
- 11.3 The trade has asked for certainty, funding, and long-lead in times for these changes. This is extremely challenging within the current and emerging policy environment. Officers have been working to develop policy proposals that can meet these needs as far as possible, which is why parallel consultations have been proposed for MLS and GM CAP, and that charging, funding, and licensing policy positions are coherent and joined-up.
- 11.4 The approach seeks to establish a basic and common minimum in key areas, whilst allowing Districts to exceed these minimums where they consider this to be appropriate. As licensing is a local authority regulatory function, the work to devise the Standards has been undertaken by the GM Licensing Managers Network, with TfGM supporting the co-ordination of this work, and alignment with other relevant GM policies, at a GM level.
- 11.5 There are four areas of focus for the MLS:
- Drivers: Criminal Records Checks; Medical Examinations; Local knowledge test; English language; Driver training; Driving Proficiency; Dress Code.
 - Vehicles: Vehicle emissions (diesel Euro 6 and above, petrol Euro 4 and above); Vehicle ages (under 5 years at first licensing, no older than 10 years); Vehicle colour (Black for Taxi/Hackney, white for PHV); Vehicle livery (common GM design with Council logo incorporated); Accessibility (all Taxis to be wheelchair accessible); Vehicle testing; CCTV; Executive Hire; Vehicle design and licensing requirements.
 - Operators: Private Hire Operators / staff will require basic criminal record check; more stringent requirements in relation to booking records; Operators to take more responsibility for the behaviour of their drivers.
 - Local Authorities: Applications may be submitted up to 8 weeks in advance of licence expiry; Once determined, licence issued within 5 working days; Agree to develop common enforcement approach and a framework to which licensing fees are set; Councillors to receive training before they hear applications.
- 11.6 The GM CAP will require taxi/PHV vehicles to meet stricter emissions standards than at present, which will mean a significant proportion of the trade will need to upgrade their vehicles to meet these emissions standards to avoid a charge. The CAP has the potential for a significant pot of funding to support the trade to upgrade their vehicles.
- 11.7 In addition, The GM Five Year Environment Plan (5YEP) sets an ambition for GM to be carbon neutral by 2038. This means sectors such as transport need to take very significant action now to reduce carbon emissions. For transport this means a rapid shift to vehicles that are not powered by fossil fuels.

- 11.8 From a policy perspective, GM wants to develop a position that minimises the impact on the trade while meeting the targets set out in the GM CAP and 5YEP. Incentivising a switch to an electric (or zero-emission capable, “ZEC”) vehicle, using clean air funding, provides a long-term solution to compliance and meets climate obligations.
- 11.9 To invest in ZEC vehicles, taxi proprietors also require long term confidence in the local policy landscape, including future interventions and supporting infrastructure. Other local authorities have a ZEC requirement now or have set out a clear roadmap to when their taxi/PHV fleets should be emission free.
- 11.10 For MLS, this means introducing two future dates within the MLS for:
- “new to licence vehicles” to be ZEC; and
 - All vehicles must be ZEC.
- 11.11 This will provide certainty for investment and maximise the funding through the clean air plan. The risk of an unclear policy is that it potentially drives the purchase of more fossil fueled vehicles, either locking new fleet into 10 years of emissions or putting proprietors at risk of future interventions mid-way through a vehicles useful life as a licensed taxi.
- 11.12 The dates proposed as the GM Taxi/PHV ZEC roadmap as the position for consultation are suggested as:
- From 2025 all new to licence vehicles would need to be ZEC; and
 - From 2028 all vehicles would need to be ZEC, meaning an entirely zero emission taxi/PHV fleet across GM by 2029.

12 NEXT STEPS

- 12.1 Officers will:
- Continue dialogue with JAQU to secure a clear response from government on GM’s outstanding clean air funding asks;
 - Continue to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures;
 - Continue preparations to be ready to move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable; and
 - Bring a report on the consultation on proposals to GM Authority decision makers when there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.

13 RECOMMENDATIONS

- 13.1 The recommendations are set out at the front of the report.

14 APPENDIX ONE – MINISTERIAL CORRESPONDENCE



200316 RP letter to
Cllr Western Trafford

15 APPENDIX TWO – GM RESPONSE TO MINISTERIAL CORRESPONDENCE



Letter to MoS
Rebecca Pow - GM C

16 APPENDIX THREE – GM summary table of GM's asks v Government offer

Measure	GM Ask	Government offer	Commentary
Clean Air Zone	£84m	£36m awarded to date and further funding promised.	GM continues to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures
Sustainable Journeys	£7m	Does not support measure proposed.	Travel behaviour change measures are now emerging as a key component of a COVID-19 response plan for Transport across Greater Manchester and TfGM will pursue alternative funding with DfT.
EV Infrastructure	£19m to include taxi only charging points	£0, but commitment to work together to secure other government funding.	TfGM will pursue alternative funding with DfT.
Bus retrofit	£16m	£15.4m	TfGM to confirm that this monies is an continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements.
HGV	£8m	£8m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Coach	£8m	£4m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.

Measure	GM Ask	Government offer	Commentary
Minibus	£2m	£2.1m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
LGV	£80m	TBC	Government have accepted the exemption to 2023 and further evidence is required to demonstrate the size of GM's funding ask.
PHV	£22m for replacement hackney / PHV and hackney try before you buy scheme	£10.7m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Hackney Cab		TBC	Government require further evidence to demonstrate the size of GM's funding ask for hackney cabs.
Bus Replacement	JAQU aware that there are 600+ vehicles for which there are no accredited retrofit options	TBC	GM are seeking solutions for large scale replacement.
Hardship Fund	c.£10m	TBC	Government require further evidence to demonstrate the size of GM's funding ask.

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Department
for Environment
Food & Rural Affairs

Rebecca Pow MP
Parliamentary Under Secretary of State

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Cllr Andrew Western
Trafford Council,
Trafford Town Hall,
Talbot Road,
Stretford,
M32 0TH

16th March 2020

Dear Andrew,

I am grateful for the work Greater Manchester authorities and the team at TfGM have undertaken on your plan to deliver nitrogen dioxide (NO₂) compliance in the shortest possible time. Following the submission of your OBC last year, we asked you to provide further evidence on a number of aspects. I am satisfied that, with the further evidence submission provided by TfGM at the end of January 2020, the main evidence queries set out in earlier correspondence from then Minister Coffey have been suitably addressed. There are some technical clarifications my officials will discuss with you to provide final assurances, however, I am content that you should continue to consult and implement your Class C Clean Air Zone (CAZ).

I am aware that you have also provided further evidence and justification to JAQU for an exemption to 2023 for LGVs in the Clean Air Zone. Following a review of this evidence I am prepared to accept your case for the exemption for LGVs to 2023.

Upon reviewing the evidence provided for the preferred option to achieve compliance, we do not support all of the measures proposed. While the modelling shows some additional support measures alongside a CAZ are required to enable delivery of NO₂ compliance in the shortest possible time, our assessment indicates that not all would be needed.

From the evidence provided, we are not convinced the sustainable journeys measure is necessary. The evidence shows this contributes a minimal amount to NO_x reduction in key locations. We can only support, from the Implementation Fund, measures that are needed to meet compliance as soon as possible so I regret we will not be supporting this measure in your plan. Similarly, I know you have been discussing electric vehicle charging infrastructure with JAQU. It is not a measure needed for compliance, so cannot be supported by the Implementation Fund. The JAQU will continue to discuss with TfGM other funding opportunities for this.

I am also aware that you have been looking for assurances to support drivers affected by the Clean Air Zone. We have always been clear that funding will be provided from the Clean Air Fund for businesses and individuals most affected by the Greater Manchester Clean Air Zone and least able to adapt, based on evidence of need. It is disappointing that this has led you to delay the consultation on the plan, and thus failing to meet the legal requirement to provide an FBC by the end of 2019.

Despite this, I am satisfied that you have continued to prepare and develop arrangements for the CAZ. I believe there is a case for releasing some funds from the Clean Air Fund now, ahead of your final plan to support businesses most impacted by the CAZ. I am pleased to provide an initial £41m in funding, comprising £15.4m to support bus retrofit; and the upgrade of PHVs (£10.7m), HGVs (£8m), coaches (£4.6m), and minibuses (£2.1m) through grant or loans.

The JAQU will continue to work with TfGM on a timeline for delivery of these schemes. This is without prejudice to further funding decisions. We will provide additional CAF funding for sectors affected by your plan based on demonstration of need once the final plan is approved. This is in addition to funding for implementing the CAZ, where we have already provided £36m and will make further funding awards based on your final plan.

I understand alongside the NO₂ plan, Greater Manchester authorities will also be consulting on minimum emission licensing standards for taxi and private hire vehicles. This will be an

important complementary measure to the NO₂ plan to support raising the standard of the fleet, alongside CAF funding. I looking forward to the conclusion of that consultation and confirmation of the standards and timing for when these will be in place. I would be grateful if you could keep JAQU informed of progress.

I look forward to Greater Manchester authorities commencing the consultation on your Clean Air Plan, and providing a final plan as soon as possible. As you know the requirement is to meet compliance with legal NO₂ limits in the shortest possible time. We are still expecting that, in line with the timetable Greater Manchester authorities have set out, that the Clean Air Zone will be in place in 2021 in order to meet compliance in 2024. Accordingly, I attach a revised direction to Greater Manchester authorities setting out delivery dates for key business case documentation based on your plans, requiring

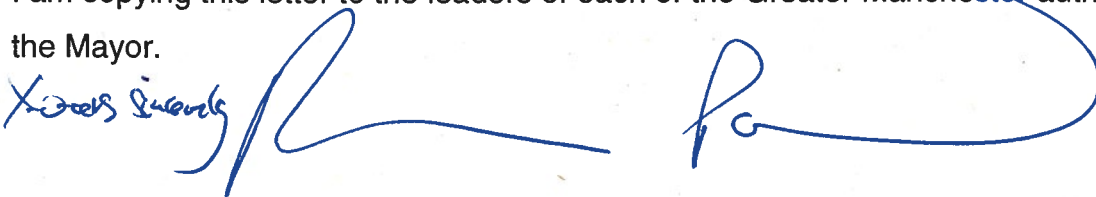
- (i) a draft delivery plan for each of the individual measures in your NO₂ plan by 31 July 2020;
- (ii) an interim FBC by 30 October 2020; and
- (iii) a report by 30 November 2020 that details: the results and analysis of the consultation; any proposed changes to individual measures; and the steps to FBC.

The delivery plans should set out the strategic, economic, commercial, financial and management detail of each measure, ahead of the FBC (and for the Clean Air Zone the outstanding commercial, financial and management detail).

We recognise that the draft delivery plans and interim FBC, under (i) and (ii), will be prepared ahead of the consultation and will be subject to change, further we also recognise that some documentation requested may be subject to formal governance by the 10 Greater Manchester authorities, so draft versions that have been prepared for governance to meet these dates are acceptable, so we can consider these documents in parallel recognising they may not be approved during the decision making process.

My officials will shortly be issuing grant letters for the Clean Air Fund award.

I am copying this letter to the leaders of each of the Greater Manchester authority councils and the Mayor.



REBECCA POW MP

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Rebecca Pow MP
Parliamentary Under Secretary of State
Department for Environment, Food and Rural Affairs
Seacole Building
2 Marsham Street
London
SW1P 4DF

08 April 2020

Dear Minister

I write further to your letter received on 18 March, regarding next steps with Greater Manchester (GM)'s Clean Air Plan proposals. My response to your letter is made with advice from TfGM ahead of a formal discussion with my Local Authority colleagues.

I welcome the confirmation that you are satisfied with the additional options appraisal evidence with the main evidence queries having been suitably addressed, recognising there are some further technical clarifications that are needed for final assurances; and the steps forward that are contained within your letter. In particular, I noted that your letter outlines:

- the government's desire for GM to consult on a Class C Clean Air Zone (accepting our case for exempting LGVs to 2023) with the timings of reporting back on the consultation suggesting that this activity is expected to take place in the summer;
- that the government will provide an initial tranche of funding of £41m for grants or loans – and that this is broken down as £15.4m for bus retrofit, £10.7m for PHVs, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses; and
- that there is an expectation that GM's Clean Air Zone will be introduced in 2021 so compliance with NO₂ legal limits is met in 2024.

Whilst the initial tranche of funding is welcome along with the acceptance of our case for 2023 being the earliest point possible to bring LGVs into the scope of the charging Clean Air Zone, there are a number of aspects within our Plan that your letter has not yet been able to provide certainty over.

Firstly, I have noted that the initial release of funds outlined in the letter does not currently set out an offer of funding for Hackney Carriages as proposed by Greater Manchester, however, I do note the intention to review this further with GM officials. Further development of this funding ask is crucial if consultation on our plan with the taxi trade is to be progressed in a fully informed manner.

I also noted that the initial release of funds outlined in the letter does not currently set out an offer of funding for the business community that relies on the 70,000+ LGVs in operation here in Greater Manchester. Again, I must encourage the work on this aspect to progress quickly so funding can be forthcoming as soon as possible, so as to ensure that bureaucratic delay does not use up the valuable time that could otherwise be available to enable vehicle replacement to happen, following your agreement to exempt Category C vehicles to 2023.

The funding for buses in your letter will provide the basis for developing a model to retrofit the circa 1,000 buses in Greater Manchester that are capable of being converted. However, there remain a further 600+ vehicles for which there are no accredited retrofit options. We

anticipate the parallel funds for ultra-low emission buses, announced in the March Budget Statement, may provide a source for this funding requirement, but we would welcome early confirmation that this is the case. Similarly, we would welcome clarification from JAQU, to help us to secure funding for Electric Vehicle charging infrastructure. I note that £500m was awarded to OLEV in the March Budget Statement.

Finally, we need to ensure that funding routes remain open to the other elements in our Plan that have not been supported by the letter, including the proposed Clean Air Hardship Fund; and the mobilisation/delivery costs for vehicle funds; and there remain outstanding issues regarding specific locations on the Highways England trunk road network that will be crucial to a coherent consultation proposal.

I note that your letter and the accompanying direction were dated 16 March, before the enactment of the Coronavirus Act 2020. Clearly since this time the focus of the nation has shifted dramatically to responding to the global COVID-19 pandemic. As a result, GM colleagues are working to understand the wider impacts of the coronavirus outbreak on this programme of work.

Most immediately, I would like to highlight the timing of GM's consultation, which is assumed in the letter to be taking place in the summer. The planning for this activity cannot be progressed until there is more clarity around the implications of the national response to coronavirus.

As you will appreciate, whilst the government has made a number of financial packages available to businesses and the self-employed in this extraordinary situation, our residents and businesses are rightly focused on ensuring they and their families and employees stay safe. In addition, we are very aware that the impact of pandemic management policies will be felt very strongly within the taxi trade. Furthermore, conducting a consultation in this lock down situation would seem inappropriate as many consultees may not have the opportunity or capacity to consider and respond to the proposals in a meaningful way as required by the public law principles of fair consultation.

Therefore, the proposition of consultation during this immediate period would not seem either viable or appropriate. Nonetheless, we remain committed to meeting our clean air obligations at the earliest opportunity and will be ready to continue to work as the circumstances change.

In doing so, we will also need to be mindful of the significant changes that could result from these exceptional times. We know that the transport sector has already been hugely impacted by the epidemic, and government policies to stem its spread; and its ability to recover from significant revenue loss whilst also being expected to renew fleet to respond to pre-pandemic policy priorities requires further thought and consideration. Therefore, the groups most affected by our Clean Air Plan may need even further assistance than we had anticipated at the time of our previous submission to Government.

More broadly, there will be wider economic impacts that may be sustained and that could significantly change the assumptions that sit behind our plans. Our officials have begun to consider this; and it is highly likely that we will need to update you and the JAQU team as the picture becomes clearer over time. I note that in recent days the JAQU team have made contact with TfGM to clarify that they understand that COVID-19 may impact our ability to progress this work and deliver to previously agreed timelines. They have also confirmed that they do not wish to create additional burdens on Local Authorities at this time. We understand they are committed to keeping an open dialogue with us keeping the situation under regular review, this position is welcomed.

Finally, we remain committed to continue to pursue dialogue with Government on supporting measures that we consider important in achieving plan outcomes, namely powers to act on congestion including moving traffic offences, and reforms to taxi and private hire legislation, in particular to end the practice of out-of-area operation which currently prevents effective local regulation of agreed standards for private hire services.

I hope that this letter helps to show that our commitment to clean air remains strong. However, given the extraordinary circumstances that will remain for some time, I hope that we can continue to work closely to ensure that its achievement is reached in a pragmatic and adaptable manner.

Yours sincerely,



Cllr Andrew Western

Leader of Trafford Council and Greater Manchester Portfolio Lead for Green City

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Date: 29 May 2020

Subject: GM Bike Hire – Procurement

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport and Eamonn Boylan, Chief Executive Officer, GMCA & TfGM

PURPOSE OF REPORT

This paper sets out the ambition and proposals for creating a Greater Manchester public bike share scheme, for which programme entry has previously been secured through the Mayor’s Challenge Fund.

In addition, it sets out the strategy for delivery of the scheme and how such a scheme integrates with the wider GM transport offer.

The paper seeks support from the GMCA to commence the formal procurement of a GM Bike Hire scheme in accordance with the proposed delivery strategy.

RECOMMENDATIONS:

The GMCA is requested to:

Endorse the proposal to move to commence the formal procurement of a GM Bike Hire scheme in accordance with the proposed delivery strategy set out in this report.

Financial Consequences – Capital:

The GM Bike Hire scheme has secured Programme Entry approval through the Mayor’s Challenge Fund which will enable access to capital funding subject to achievement of full business case approval. The decision to commence procurement does not have any direct Capital cost consequences as GMCA/TfGM is not obliged to award a contract once the procurement stage is completed.

Number of attachments to the report: N/A

Comments/recommendations from Overview & Scrutiny Committee

BACKGROUND PAPERS:

- 29 March 2018 – Transforming Cities Fund report to GMCA
- 25 May 2018 – Cycling & Walking Update
- 29 March 2019 – Mayor’s Cycling & Walking Challenge Fund

TRACKING/PROCESS		[
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
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?		
GM Transport Committee	Overview & Scrutiny Committee	

1. INTRODUCTION/BACKGROUND

- 1.1. Over the past five years, several independent studies and practical demonstrations have confirmed that there is a demand for a public bike share scheme in Greater Manchester. These include a Feasibility Study by Systra, lessons captured from the Mobike initiative by Atkins, analysis of the user data captured from the Mobike initiative by Salford University together with extensive engagement with the bike hire market/bike scheme operators. The culmination of this and other feedback has driven the decision to adopt a service-led model.
- 1.2. Greater Manchester's Vision is to have a successful public cycle hire scheme that integrates with the wider "Our Network".
- 1.3. The objectives are that the GM Bike Hire Scheme:
 - is accessible and affordable,
 - is easy to use by the target market,
 - is safe and secure,
 - is respected and valued by GM's communities,
 - promotes and supports modal shift to encourage more walking, cycling and "active" lifestyles.

2. AMBITION

- 2.1. A public bike hire service can be envisaged as a hop-on / hop-off transport facility that gives flexible options for travel to users. In operation the service would support first mile / last mile journeys by fixed public transport modes, and, in successful schemes around the world, such services complement tram, bus and rail networks. GMCA's target users include residents, students, commuters and visitors, and comprehensive market engagement and demand analysis underpins the assumptions of this report.
- 2.2. The scheme would be delivered as a managed service by the successful Service Provider and would be delivered in phases; Phase 1 focusing on the Regional Centre Authorities: Manchester, Salford and Trafford. The coverage of Phase 1 was determined from studies that suggested the Regional Centre and the inner southern suburbs have the necessary socio-demographic characteristics for the successful launch of a scheme with a large student population, high numbers of visitors, several attractors and a high cycle propensity amongst residents.
- 2.3. From the outset input and oversight from the other districts is integral and the established Service Agreement will cater for expansion beyond Phase 1 as well as further development in the phase 1 areas. Around 1,500 bicycles would be necessary to support the first phase, with them all being "docked", which adds security and supply certainty for users, while enabling an element of flexibility through localised bike tethering (known as geo-fencing). These bicycles, the docks and other associated street furniture would meet or exceed UK safety and serviceability standards and the standards set by CoMoUK, the UK's accreditation body for public bike hire schemes. A proportion of that fleet would be e-bikes. E-bikes extend the range and attractiveness of public bike hire schemes and generally raise greater

revenue income than mechanical only schemes. Elderly and less able-bodied users particularly find e-bikes attractive.

- 2.4. The Service Provider will develop the detailed design and implementation of Phase 1 of the Scheme, working with TfGM / GMCA and Local Authorities. Alongside the development of the Phase 1 Scheme, the Service Provider will also work with TfGM/GMCA and Local authorities to co-develop the future expansion.
- 2.5. The proposed bike hire scheme provides the opportunity to create a first mile / last mile service that complements and supports other modes. Flexible and affordable financial and physical access to the bike hire service will be critical to the success of the scheme and the service model enables GM to play a greater role in managing the direction of the scheme than a concession model would. Using a range of associated “access to bikes” services (such as longer-term loans, and/or community based ‘giveaways’) will enable disadvantaged communities to be supported in their access to bikes.
- 2.6. A public bike hire scheme would work alongside other efforts to ensure those seeking work, or, working in key sectors can gain access to bikes through loan or longer-term hire services supporting active travel choices, e.g. non-traditional bikes such as cargo bikes and other forms of flexible transport. It would also positively contribute to post-Covid Recovery by continuing to support people making journeys by walking and cycling.
- 2.7. A joint District / TfGM management board has been formed consisting of the TfGM programme team and District Chief Transport Officers. Membership on that board from Greater Manchester Police will be sought in due course (currently this is not practical due to COVID) that will be to seek to ensure that lessons learnt from previous schemes/pilots are incorporated.
- 2.8. District Officers have expressed concerns to ensure that the scheme supports wider ambitions in the regional centre, such as pedestrianisation and should assist in getting people to work and in linking to residential areas. Careful, co-production of the scheme will be undertaken to resolve these issues by enabling Districts to work closely with a supplier through a competitive procurement process to address such matters in an agile and outcome focused manner.
- 2.9. Early discussions have also been held with major regional development partners who have expressed support for the scheme. The social value of the scheme is under-investigation and it is estimated that at least 20 local jobs (based on the Phase 1 scheme) would be created by the scheme, together with additional benefits in the skills training, bicycle maintenance, supplier, distribution and administration functions that will be necessary to support the scheme.

3. PROCUREMENT AND DELIVERY STRATEGY

- 3.1. Subject to approval, it is intended to commence procurement at the end of May / early June. The service would be procured via an OJEU compliant ‘competitive procedure with

negotiation' process. This process will ensure that TfGM capture the knowledge and expertise of the bike hire market to develop the optimal solution for GM.

- 3.2. Following the issue of a 'Contract Notice' in late May / early June, it is proposed that a 'Selection Questionnaire' would be issued to create a short list of at least three bidders at the end of June. It is anticipated that following receipt of initial bidder proposals and a negotiation period, final proposals would be submitted in August/September. Following appoint of the Service Provider, TfGM and Local Authorities will work with the Service Provider during late 2020/early 2021 to develop and implement the Scheme with the first bikes currently scheduled to be 'on-street' in spring 2021.
- 3.3. Circa £10 million has been allocated for the first phase of the GM Bike Hire scheme in the prioritised allocation of the Mayor's Challenge Fund. This allocated funding is currently considered to be sufficient to deliver the infrastructure for and to manage the forecast net operating costs of Phase 1 of the Scheme Prior to commencing procurement.
- 3.4. The Outline Business Case will be submitted to TfGM's gateway review process to secure Conditional Approval and following a successful procurement outcome, full MCF funding approval will be sought through the CA.

4. RECOMMENDATION

- 4.1. It is recommended that GMCA endorse the proposal to move to commence the formal procurement of a GM Bike Hire scheme in accordance with the proposed delivery strategy set out in the report.

Date: 29 May 2020

Subject: A Better Deal for Bus Users – Update

Report of: Andy Burnham, GM Mayor and Eamonn Boylan, Chief Executive Officer,
GMCA & TfGM

PURPOSE OF REPORT

This report provides an update on the revised approach being taken by TfGM in response to the announcement of funding streams within the DfT’s ‘A Better Deal for Bus Users’ programme, in the light of the on-going coronavirus situation, and the proposed approach for Greater Manchester’s submission for funding for Supported Bus Services. It also updates on the other funding streams within the DfT programme.

RECOMMENDATIONS:

The GMCA is requested to:

1. Note the revised approach being adopted by TfGM to develop Greater Manchester’s Statement of Intent to DfT for £1,589,849 for supported bus services, in the light of the wider implications on the bus network, and commercial bus operators, of the on-going coronavirus situation;
2. Delegate the approval of the final approach and submission of the Statement of Intent to DfT by 26 June 2020 to the Chief Executive Officer, GMCA and TfGM, in consultation with the Mayor, Portfolio Lead for Finance and Chair of the Greater Manchester Transport Committee (GMTC); and
3. Note the work which is being undertaken to determine whether there are feasible proposals for the other funding opportunity for which GMCA is eligible for and delegate the approval for the final approach and submission of any expression of interest by 4 June 2020 to the Chief Executive Officer, GMCA and TfGM, in consultation with the Mayor, Portfolio Lead for Finance and Chair of the Greater Manchester Transport Committee (GMTC).

CONTACT OFFICERS:

Alison Chew	Interim Head of Bus Services	0161 244 1726 alison.chew@tfgm.com
Kate Brown	Director of Corporate Affairs	0161 244 1138 kate.brown@tfgm.com

Equalities Implications: n/a at this time

Climate Change Impact Assessment and Mitigation Measures – n/a

Risk Management: n/a

Legal Considerations: n/a

Financial Consequences – Revenue:

This report considers the potential submission of an expression of interest therefore there are no revenue implications at this stage but should a full business case be developed and submitted, further details will be needed on the on-going revenue implications.

Financial Consequences – Capital:

This report considers the potential submission of expressions of interest therefore there are no capital requirements at this stage but should a full business case be developed and submitted, further details will be needed on the local match-funding implications.

Number of attachments to the report: n/a

Comments/recommendations from Overview & Scrutiny Committee

BACKGROUND PAPERS:

Report to GMCA A Better Deal for Bus Users 21 February 2020

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
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?		n/a
GM Transport Committee	Overview & Scrutiny Committee	
n/a	n/a	

1. INTRODUCTION/BACKGROUND

1.1 As reported to the meeting of GMCA on 14 February 2020, earlier this year Department for Transport (DfT) announced details and guidance on the funding opportunities under its 'A Better Deal for Bus Users' programme; these included:

- £30m revenue funding for supported bus services for local authorities/Mayoral Combined Authorities, of which GM has been allocated up to £1,589,849;
- £50m fund for the first all-electric bus town or city;
- Up to £70m for 'Superbus' networks; and
- £20m Rural Mobility Fund for on-demand services.

1.2 In order to access GM's allocation of supported bus funding, a Statement of Intent was being prepared for submission in March, in line with the approach laid out in the February report, while the original date for submission of Expressions of Interest in the other funding streams was 30 April 2020. However, work was temporarily paused on this development work as a result of the urgent requirements which arose in the early stages of the response to the coronavirus situation, and further guidance has subsequently been issued by DfT.

1.3 This report outlines the revised approach to these funding streams which is now being adopted by TfGM to reflect the changed circumstances within Greater Manchester resulting from the current pandemic.

2 STRATEGIC CONTEXT AND CURRENT OPERATING ENVIRONMENT

2.1 When the funding was originally announced, the options for Greater Manchester's response were being developed to ensure alignment with the Greater Manchester 2040 Transport Strategy, recognising that bus travel needs to be an important part of the overall transport mix, playing a crucial role in Greater Manchester's Clean Air Plan proposals and forming a vital part of Our Network, Greater Manchester's ambitious plan for the next ten years to have a truly integrated public transport system, so that getting around the city-region is easy, accessible and affordable.

2.2 While the long-term strategic context in which GM's proposals were being developed earlier this year has not changed, the immediate and short-term environment has been fundamentally altered by the impact of the coronavirus situation. Patronage across commercial services has reduced by around 90% since before the lockdown was introduced, with serious corresponding reductions in revenue. It is estimated that financial support to the GM bus sector is likely to be required for a significant period.

2.3 While patronage has declined severely, bus plays a vital role in providing journeys to designated key workers and others who need to make essential journeys. To support operators to provide necessary services, a 12-week package of financial support was

announced by Government on 3 April, and interim arrangements for operator payments have been put in place by TfGM.

- 2.4 TfGM has been reviewing subsidised bus services with a view to making changes to reflect the pronounced reductions in patronage and staff numbers. Overarching principles have been established to ensure access to hospitals and food retailers is maintained, as well as a more general level of coverage for other essential travel. Further adjustments and revisions will be needed on an ongoing basis and in response to the changing circumstances of the national response to the pandemic and in response to commercial service changes.
- 2.5 The revised approach to supported services also seeks to ensure that local funds are directed in a way which best enables the bus network to support a transition out of lock-down and the wider GM economic recovery.

3 SUPPORTED BUS SERVICES

- 3.1 As noted above, £30 million of revenue funding in 2020-21 has been made available to all upper tier authorities (counties, metropolitan areas and unitary authorities) outside London to improve existing services, replace lost links or introduce new services or extensions.
- 3.2 In the weeks prior to the current emergency conditions arising, work had been undertaken to identify a shortlist of measures which fit DfT and TfGM's criteria for the allocation of funding earmarked for supported services under the Better Deal for Bus Users. These criteria were developed to ensure the most effective allocation of the limited, one-off funding pot, based on commercial sustainability, strategic fit, social inclusion and alignment with network planning principles.
- 3.3 This shortlist included a range of different types of interventions, for example, earlier morning/late evening journeys to accommodate shift workers, express journeys, extensions/diversions to new trip attractors and enhanced Sunday services. It was circulated to local MPs, Leaders and Chief Executives as part of the consultation process required by DfT, and some initial feedback had been received (9 MPs, 4 districts).
- 3.4 Officers had been in the process of refining the shortlist in conjunction with bus operators and scoring each in order to identify the final package of proposals for submission in line with the delegated approval process agreed at the February meeting of GMCA, when the nationwide lockdown was introduced in late March and work on the schemes was suspended in order to allow both officers and operators to focus on the emergency requirements of the crisis.
- 3.5 DfT have confirmed that the original deadline for submissions for all Statements of Intent remains 26 June 2020, after which time TfGM's allocation of funding would not be guaranteed. Furthermore, Ministers have approved allowing local authorities to use some or all of their funding allocation on retaining and restoring bus services affected by the outbreak, as opposed to improving current services. Statements are required to confirm whether this is now the intention, how the funding will be used e.g. creating a funding pot for restoring lost services, and how much of the funding will be used for this purpose.

- 3.6 There does remain some potential to re-allocate other existing resource from within the subsidised network in the short-term if needed. Therefore, the schemes initially proposed are being reviewed at the time of writing to identify which, if any, remain suitable candidates for funding as part of GM's recovery effort from the current conditions. This includes those which might best support economic growth, for example additional trips to key employment/health destinations. It is likely that a number of the original proposals will no longer be progressed as a priority for investment in the current climate, for example, seeking to introduce night services or funding marginal frequency enhancements. Operators will need to be re-engaged to re-validate the business case for each proposal and confirm their willingness to proceed.
- 3.7 The activity described in 3.6 will help to ascertain what proportion of the funding should be retained for the original purpose of the scheme, in terms of introducing enhancements, and what should be re-purposed into a funding pot to retain or restore links affected by the current crisis. While the original guidance required authorities to be fairly prescriptive in terms of the specific interventions being proposed, given the level of uncertainty around how the bus network will be impacted in the short- to medium-term, clarification is being sought from DfT around how much flexibility we can retain in terms of how and when the funding is allocated, potentially including only broad principles about how we intend to prioritise which services to fund.

4. ALL ELECTRIC BUS TOWN

- 4.1 £50 million is available for local transport authorities outside London to develop one or more all-electric bus town or city, enabling an entire place's bus fleet to be converted to full electric, or capable of operating in electric, zero-emission mode. DfT has confirmed that this funding will be going ahead with a later deadline set for expressions of interest by 4 June 2020.
- 4.2 Funding is based on the same model as used for the previous Ultra-Low Emission Bus (ULEB) fund, whereby a successful application would receive up to 75% of additional cost of an electric vehicle and associated charging infrastructure. The base cost and up to 25% of the funding would need to be met locally. All bus companies operating routes in the designated area, which should have a self-contained urban bus network, must sign up to the proposal and to the levels of investment that they are likely to need to contribute, with signatures from the national CEO and local area MD indicating a 5-year minimum commitment that they will run an electric bus fleet in the place.
- 4.3 Work has been carried out to identify a shortlist of suitable 'towns' with a recognised Clean Air problem by reviewing emission modelling, assessing these outputs against the fleet size and operator make-up to establish if the local networks could be converted within the available funding, using the ULEB model outlined in section 4.2.
- 4.4 While the outcome of this work indicates that there are some options which could potentially be developed into viable proposals within the DfT funding envelope, they would involve significant levels of capital investment, either directly by the operator or by GMCA

via a lease-back model, with estimates for total capital expenditure ranging between £60-125m depending on scheme/town.

- 4.5 In order to progress any scheme, engagement is required with each of the operators currently operating in the scheme area to establish if they would be willing to sign up to the scheme and commit any associated costs. Given the level of expenditure involved, this would represent a significant investment commitment at a time of major uncertainty within the bus market.
- 4.6 The outcome of these discussions will determine whether it will be possible to submit an expression of interest before the June deadline.

5. 'SUPERBUS' NETWORKS AND RURAL MOBILITY FUND

- 5.1 The original package of measures under 'A Better Deal for Bus Users' included provision of up to £70 million being made available for both capital and revenue spending under the 'Superbus' networks fund. DfT anticipated funding up to three places, with at least £10m of funding each. Under this fund, authorities were required to develop packages of schemes combining to increase bus patronage in a defined area, particularly ones which suffer significant levels of deprivation, focusing on 3 key priorities: comprehensive network of bus priority measures, fare caps and increased service frequencies.
- 5.2 TfGM had done some initial work to assess the potential opportunity to deliver a Superbus scheme in GM, however, DfT has now confirmed that it is no longer proceeding with the proposed pilots at this time, albeit they have indicated the scheme will be re-visited in the future.
- 5.3 The programme also includes the Rural Mobility Fund. £20m is available over 4 years to trial new or improved on-demand services in rural and suburban areas, with the aim of providing new or enhanced services which better meet residents' needs than traditional, timetabled bus services, as well as identifying barriers and potential solutions to address the sustainability of Demand Responsive Transport (DRT).
- 5.4 However, DfT has confirmed that, in line with the funding guidance, GM will not be eligible to apply as it has already received funding through the Transforming Cities Fund (TCF), and therefore it has had the opportunity to apply for extra funding through the Future Mobility Zones (FMZ) programme, albeit this bid was unsuccessful. The Department is keen to evaluate DRT in isolation from other measures included in TCF and FMZ projects.

6 PROPOSED WAY FORWARD

- 6.1 Subject to further discussion with DfT around the proposed approach, it is proposed that an update be provided to MPs, outlining the need to re-evaluate the allocation of the funding beyond the initial scope and seeking their endorsement for the revised approach.

- 6.2 TfGM will complete the review of existing proposals in the context of the wider changes in the operating environment, in conjunction with operators, to determine an appropriate allocation of funding to be focused on service enhancement and what element should be re-purposed for retaining or restoring links affected by the current crisis.
- 6.3 Agreement is sought to delegate the approval for the submission of the Statement of Intent by 26 June 2020 to the Chief Executive of the GMCA and TfGM, in consultation with the Mayor, Portfolio Holder for Finance and Chair of the Greater Manchester Transport Committee (GMTC).
- 6.4 If there is a positive outcome to discussions with operators regarding the introduction of an all-electric bus town, agreement is sought to delegate the approval for the submission of any such expression of interest by 4 June 2020 to the Chief Executive of the GMCA and TfGM, in consultation with the Mayor, Portfolio Holder for Finance and Chair of the Greater Manchester Transport Committee (GMTC).
- 6.5 A further report will be submitted to a future meeting, detailing the outcome of TfGM's response to both funding opportunities.

7 **RECOMMENDATIONS**

- 7.1 Recommendations are set out at the front of this report.

Eamonn Boylan

Chief Executive Officer, GMCA & TfGM

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Date: 29th May 2020

Subject: A Bed Every Night Phase 3 Homelessness Programme

Report of: Andy Burnham, Mayor of Greater Manchester and Paul Dennett, City Mayor, Salford

PURPOSE OF REPORT

The report summarises the approach and funding allocation for Phase 3 of A Bed Every Night (ABEN) which includes a revised specification in response to the COVID-19 crisis.

RECOMMENDATIONS:

1. Note the approach to Phase 3 of A Bed Every Night to provide a Covid-safe environment for people who were rough sleeping or are at imminent risk of rough sleeping
2. Note the approach to Phase 3 of A Bed Every Night to be provided through both grant and welfare reclaim funding to ensure viability for self-contained/non-shared accommodation model
3. Note and agree expenditure allocations of £4,750,000, with any further minor amendments to Local Authority grant payments to be delegated to the Treasurer in consultation with the Greater Manchester Mayor and Portfolio Lead for Housing, Homelessness and Infrastructure
4. Note that the GMCA will underwrite from Mayoral reserves any shortfall arising from Greater Manchester Mayors Charity fundraising to support 60 NRPf beds between October 2020 – March 2021

CONTACT OFFICERS: Molly Bishop, Strategic Lead for Homelessness and Rough Sleeping, GMCA Molly.Bishop@greatermanchester-ca.org.uk

Appendix 1: ABEN Phase 3 Framework

Appendix 2: Shared Accommodation Infection Control

1.0 CONTEXT

- 1.1. The A Bed Every Night programme has provided a key accommodation and support pathway for people who are experiencing rough sleeping, or at imminent risk, in Greater Manchester for the last 2 years.
- 1.2. Since 2018, over 3,000 people experiencing homelessness with no statutory duty owed them, including those with No Recourse to Public Funds, have been accommodated and supported under this programme.
- 1.3. The role of A Bed Every Night becomes even more critical as a humanitarian relief programme as we begin to 'live with Covid-19' and manage the continued risk to life that this presents to those who are vulnerable.
- 1.4. A Bed Every Night makes up one part of the response to accommodating those who have been accommodated under 'Everyone In', where this cannot be sustained.
- 1.5. The continuation of A Bed Every Night is essential to ensure that those currently accommodated within it, and Covid response hotels, have the certainty of ongoing accommodation and support, and to ensure that Greater Manchester can continue to offer accommodation and support to people who are sleeping rough, now and in the next 9 months.
- 1.6. A Bed Every Night in its third phase will run from July 2020 to March 2021.
- 1.7. Due to the current pandemic, there are even greater efforts to lobby National Government for policy changes to ensure that everyone who is rough sleeping can be provided with an accommodation and support offer that meets the variety of need and circumstance. This is being fed into the new Government Taskforce, chaired by Dame Louise Casey.
- 1.8. Following the dismantling of A Bed Every Night shared sleeping provisions into self-contained hotels and other forms of accommodation due to 'Everyone In', the challenge is to rebuild A Bed Every Night to be able to:
 - Operate in 'Covid-safe' conditions and provide infection control safety to residents
 - Provide a step down option for hotels and other alternative accommodation procured for 'Everyone In' that cannot be sustained, and prevent a return to rough sleeping
 - Meet the ongoing need and potential for increased demand of people rough sleeping or at imminent risk, due to the socio-economic pressures caused by the pandemic

2.0 PHASE 3 OUTLINE

- 2.1. A Bed Every Night will continue to operate as a Greater Manchester-wide response, which provides accommodation and support for people experiencing rough sleeping, or at imminent risk, who have no statutory accommodation options open to them.
- 2.2. It will be delivered as one part of a wider system of activity to prevent and relieve rough sleeping, including the Rough Sleeper Initiative, Rapid Rehousing Programme, and Housing First pilot, all of which should be delivered with reference to one another and provide options and complementary resources for people who rough sleep.
- 2.3. Phase 3 will seek to increase accommodation capacity up to 445 households (individuals and couples). Since Covid it has reduced to 292 due to shared space restrictions. Phase 3 will therefore increase actual currently available by 153.
- 2.4. Referral will operate through two key routes (Rough Sleeper Outreach and Housing Options/Solutions services) and work in partnership with local organisations and public services to identify, triage and support individuals to access provision effectively.
- 2.5. Accommodation will seek to be provided in non-shared sleeping arrangements, either in self-contained accommodation or accommodation with low density shared bathroom and kitchen facilities (such as Houses of Multiple Occupation).
- 2.6. In contrast to previous phases, Local Authorities are required to seek Housing Benefit or Universal Credit claims against accommodation (and where possible support) provided as part of their core funding model, in order to increase the financial viability of this next phase.
- 2.7. ABEN grant investment will seek to fill the gap in funding provided by benefit and subsidy charges, against actual costs. Local Authorities have projected expected rent recovery and bad debt, assuming a level of non-recovery due to delays, refusal to claim, and No Recourse to Public Funds.
- 2.8. Access to benefits will not be a condition of eligibility for ABEN but a key support aim for people when accommodated. Upon placement clients should understand that help to claim benefits will be provided and that, if eligible, they will be expected to claim to help the provider meet the costs of accommodation and support.
- 2.9. Phase 3 will ensure that individuals accommodated in ABEN have access to appropriate health and support services so that their wider needs are met. It outlines alignment of local arrangements around primary care, mental health and substance misuse, building on existing services and work undertaken during the emergency accommodation period.
- 2.10. This will be supplemented by a clear offer of interventions delivered at a pan GM level that can enhance this further including technology to allow remote access to health services, Covid-19 testing pathway, and screening and immunisations.

- 2.11. Guidance on Public Health infection control measures have been collated in the absence of specific Public Health England information for temporary accommodation settings, built from Care and Residential settings guidance. This will continue to be reviewed by GM Health and Social Care Partnership who are liaising with Public Health England and GM Public Health professionals to build a clear picture of safe practise.
- 2.12. Phase 2 delivered a more co-ordinated service delivery through a single commissioning specification and greater focus on public service integration, and Phase 3 will seek to build on this and demonstrate further integration especially focused on health services and community infrastructure.
- 2.13. Beyond respite and meeting immediate basic needs, move on into settled accommodation remains the central aim of A Bed Every Night. The continuing under-supply of social housing and challenges in accessing social and private affordable housing for this cohort remain significant hurdles. Continued efforts will be made to ensure realistic move on pathways are available into social and private rented accommodation via:
- The Ethical Lettings Agency (PRS)
 - Housing First (direct social lets and PRS)
 - Social Housing Registers
- 2.14. Without adequate move on 'flow' A Bed Every Night will struggle to deliver the capacity required to meet current and expected demand. Work to facilitate move on via the above methods will be prioritised.

3.0 PROVISION SPECIFICS

- 3.1. Continued improvements in the quality and integrated nature of support are being made. With all provisions demonstrating integration into local and regional health service offers, completing trauma awareness training, connecting into local specialist support services for minority groups, and providing assurance on the suitability and training for security guards.
- 3.2. Phase 3 will increase accommodation capacity up to 445 households (individuals and couples) to meet current and ongoing demand.
- 3.3. Within this there is fixed capacity for up to 60 households who have No Recourse to Public Funds. This will be continually reviewed based on demand and funding available through charitable sources.
- 3.4. Owing to the prevalence of fully self-contained accommodation in Phase 3 there is less demand for women's only provisions. However, there will be 50 women only

accommodation places for women experiencing trauma that provide a single sex accommodation and support space¹.

- 3.5. A new provision for people who are LGBT+ will be available for up to 6 people at any time.
- 3.6. Owing to the very small take up of accommodation allowing pets by people with pets no specific provision for people with pets is being provided. However a variety of provisions have flexible 'pets allowed' policies.
- 3.7. Further work will be undertaken to ensure effective referral and access pathways that link into wider support organisations and the public sector, including prison and probation services and hospital discharge.

4.0 INVESTMENT

- 4.1. The overall investment into ABEN Phase 3 is expected to be £4,750,000.

Investor	Investment
GM Mayor's Fund	£2m
GMHSCP	£1m
GM Joint Commissioning Board	£1m
HMPPS	£250,000
Police and Crime Commissioner	£250,000
Greater Manchester Mayor's Charity (Initial – July/September 20)	£200,000
Phase 2 unspent Evaluation monies 19/20	£50,000
	£4,750,000

Table 1: Investment ABEN Phase 3

- 4.2. Contributions from JCB, HMPPS and the Greater Manchester Mayor's Charity are to be confirmed.

5.0 EXPENDITURE

- 5.1. Funding will be apportioned against the following activities:

Provider(s)	Expenditure
GM Local Authorities accommodation and support delivery costs	£4,320,000
GM Local Authorities NRPF top up provision	£200,000
NRPF legal and support provider	£70,000
GMCA Data analysis, commissioning and project management functions	£80,000
Evaluation partner (Herriot Watt)	£50,000
Legal and consultancy costs	£20,000
ABEN lived experience training and development (GMHAN)	£10,000
	£4,750,000

¹ Manchester (30), Rochdale (10), Stockport (5), Tameside (5)

Table 2: Overall expenditure ABEN Phase 3

- 5.2. Due to the increased need for self-contained or HMO accommodation due to Covid-19 infection control, the funding model for this phase relies on welfare reclaim alongside grant funding in order to be viable.
- 5.3. The allocation to Local Authorities (broken down below) is a maximum core grant amount which does not in all cases take into account full welfare reclaim options. Welfare reclaim options are currently being worked out with legal advice and negotiation with Revenue and Benefits teams to identify reasonable assumptions. This will identify the level of grant funding required to meet the gap between delivery costs and welfare re-claim values across different provisions. It is proposed that any changes to indicative allocations arising from this process are delegated to the GMCA Treasurer in consultation with the Greater Manchester Mayor and Portfolio Holder.
- 5.4. Local Authorities' service delivery costs have been indicated significantly above the £4,320,000 accommodation and support budget available. By aligning wider rough sleeper funding and homelessness and health resources this has been reduced.
- 5.5. However, further reductions were necessary leading to consideration of proportionality, reasonable costs and assumptions based on the information available. It is hoped that an additional 79 bed spaces can be mobilised, however this will require further welfare reclaim work and/or additional funding.
- 5.6. The NRPF element of the grant covers accommodation for 60 households for full 9 month costs across Greater Manchester. Initial funding is being sought through the Greater Manchester Mayor's Charity meeting this cost for the first 3 months, £200,000 (pending formal approval). Further efforts will be taken by GMMC to fundraise for the following 6 months, maximising available grant funding and working in partnership with key VCSE delivery partners. GMCA will underwrite any shortfall in fundraising for NRPF accommodation costs from Mayoral reserves.

LA	Maximum Core Grant Allocation	NRPF Grant
Bolton	£353,793	
Bury	£166,399	
Manchester	£1,322,069	£297,000
Oldham	£231,000	£69,300
Rochdale	£183,067	£39,600
Salford	£1,440,347	£178,200
Stockport	£55,000	£9,900
Tameside	£250,000	
Trafford	£83,502	
Wigan	£234,823	
Total	£4,320,000	£594,000

Table 3: Local Authority grant allocations. Note that people with NRPF will be accommodated across Greater Manchester on a needs basis. However a fixed GM offer of accommodation and support will be delivered in the boroughs as outlined in the NRPF grant above.

- 5.7. Investment into additional specialist legal and support for people who have NRPF will be made to ensure statuses can be resolved and move on accommodation secured where possible. This service is likely to build on existing service providers, whose capacity to scale is being explored.
- 5.8. GMCA will retain funding for data analysis, commissioning and project management functions to ensure adequate project support and GM wide co-ordination.
- 5.9. Herriot Watt will provide research and evaluation capacity throughout Phase 3 and enable an evidence based review to be undertaken, providing regular reports into the Homelessness Programme Board and associated wider governance.
- 5.10. Legal and consultancy costs are included to cover services obtained to support the Housing Benefit and Occupancy Agreement advice and assurance required for maximum welfare reclaim. The legal service costs also cover the execution Grant Agreements with Local Authorities.
- 5.11. The ABEN training and development budget will be targeted at lived experience groups, co-ordinated by the GM Homelessness Action Network, to support ABEN provisions.

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A Bed Every Night

Framework for Phase 3: Preventing and Relieving Rough Sleeping through Covid Recovery



1. Background

- 1.1. A Bed Every Night (ABEN) is a Greater Manchester-wide response, which provides accommodation and support for people experiencing rough sleeping, or at imminent risk, who have no statutory accommodation options open to them. Initially developed as an additional service in the winter months, ABEN has seen continual iteration and grown to deliver an essential accommodation option for people experiencing rough sleeping, year round. Moreover, as the provision has developed our learning has helped us gain greater insight into what works and where the opportunities now lie for us adapt and position our response.
- 1.2. Phase 1 of ABEN ran from November 2019 to September 2019 with 2,541 people accommodated across 10 districts, with a maximum of 350 beds available on any one night. Phase 2 began in October 2019 and will run until the end of June 2020, with a maximum of 420 beds available on any one night.
- 1.3. As we move into Phase 3, and continue to build a coherent response to rough sleeping across Greater Manchester, it is more important than ever for us to set out the core aims and principles of ABEN and its position within a wider range of support and provision both specific to rough sleeping and within our wider support for people and communities:

Core Aims	Core Principles
To help end the need for people to sleep rough by providing accommodation and support	A consistent Greater Manchester wide accommodation and support offer (within parameters of variety and specialism required)
To invest and work in partnership across relevant sectors and organisations	Transitional, rapid relief pathway
To fill the gaps and complement existing provisions so that everyone has accommodation	Flexible and ongoing access that recognises an individual's journey may not be linear
To constantly learn and improve the Greater Manchester response to rough sleeping, case make and build an evidence base to inform lobbying, commissioning and funding	Support to meet immediate needs (harm reduction, safety and shelter) and give respite

To support a stronger whole system response to preventing and relieving homelessness	Person centred, gender-responsive and trauma informed support to recover and reconnect
To raise public perception of rough sleeping and provide a channel for action	Aligns and complements statutory duties under Homelessness Reduction Act and knits into local infrastructure
	For individuals with a local connection to Greater Manchester
	Continued learning from local practice and personal experiences, feeding into all relevant agendas and policy areas
	To stimulate and raise engagement with voluntary and community organisations, and support mature and resilient community infrastructure

1.4. ABEN but is part of a range of approaches and programmes to support work in tackling homelessness. ABEN forms one part of a series of coordinated approaches including the Rough Sleeper Initiative, Rapid Rehousing Programme, and Housing First pilot, all of which should be delivered with reference to one another and provide options and complementary resources for people who rough sleep.

2. Current Position and Learning

2.1. Phase 2 has delivered a more co-ordinated service delivery through a single commissioning specification and greater focus on public service integration. This phase has also delivered a more specialised provision for women, couples, people with higher needs and people with pets. There have been 420 core beds commissioned and this has extended upwards to 470 reflecting the changing demand in different seasons and the need for flexibility to meet uplift in winter months.

2.2. The provision of ABEN beyond June 2020 is essential not only to continue to provide for individuals who will be accommodated at that time, but also to ensure the key aims of ABEN as a philosophy are upheld. We now also have a range of learning and insight from ABEN use to date. Interim evaluation can be summarised:

- Continued uptake of ABEN by young adults across 18-25, 26-30 and 31-35 age groups. They attest for over 50% of all referrals.
- Prevalence of move on into supported accommodation settings. This makes up 40% of all positive accommodation outcomes suggesting the high needs of clients.

- Use of ABEN as a preventative or early rough sleeping intervention, with high records of sofa surfing and people deemed to be at imminent risk of rough sleeping making use of the service. Prevention makes up 25% of total referrals, with a further 53% having rough slept for under one month.
- Prevalence of three self-identified support needs; substance misuse, mental health and English as a second language (for men)/domestic abuse (for women)

2.3. We now have the added necessity of developing our provision in light of the Covid-19 outbreak. This means ensuring not only that provisions are safe against infection and spreading for clients and staff, but also that we are flexible enough to adapt alongside advice and guidance from Central Government. The biggest impact will perhaps be demand for homelessness services, expected to rise and place greater pressure on scarce affordable rehousing opportunities. It is therefore vital that ABEN works in close alignment with wider programmes, integrated public service delivery and makes use of all available community assets.

2.4. Accepting this context, we also have a desire to take the opportunity to step up the development of our provision as part of local integrated models of delivery. As such it is necessary to refresh some of our intentions and adapt our specification. Key differences will be:

- Ensuring provision is 'Covid-19 compliant' including preference for self-contained or HMO accommodation where possible
- Ensuring provision supports a safe exit plan for those who have been accommodated in hotels and hostels during the lockdown period.
- Ensuring specialised provision for women as transition from women's only site during Covid-19
- A greater emphasis on holistic support in addition to accommodation which includes;
- Expansion or further development of the holistic health offer.
- Better connecting support for clients with digital and integrated models of delivery.
- A professional-led model supported by a robust voluntary sector offer
- A focus on gender-responsive and trauma informed support
- Looking to ensure value for money through Housing Benefit or Universal Credit claims where possible for the ABEN accommodation.

3. COVID-19 and Public Health Guidance

3.1. Clearly our provision in Phase 3 now has to adapt in light of the outbreak of Covid-19, our standards and framework need to ensure that clients are able to socially distance themselves, that staff are also supported to and have the equipment to carry out safe practices during this period, that we adapt our provision around the current local response (e.g. Community Hubs), and that we are also compliant with the latest government guidance and regulations. As a

minimum it is encouraged that all accommodation provision will be in non-shared sleeping conditions as opposed to shared, where possible and financially viable.

3.2. As part of the response to Covid-19, 1,500 placements have been made into non-statutory alternative accommodation in Greater Manchester, such as hostels and hotels, which have enabled people to self isolate and be supported with other needs such as food, health and wellbeing. We need to ensure that ABEN can help to provide a safe exit option for those that need it (where accommodation need to be stepped down) who have come from positions of rough sleeping or emergency accommodation due to rough sleeping risk. There are also areas of learning which it will be helpful for us to take note of.

3.3. Current Public Health Guidance is as follows:

- The COVID-19 virus calls for much greater standards of hygiene, both individually, and in the place where a person lives. During the pandemic, accommodation providers should ensure that staff and people they support are maintaining good personal hygiene and managing infection control as much as possible.
- General interventions to prevent spread of infection may include increased cleaning activity to reduce risk of retention of the virus on hard surfaces, making antibacterial hand gel available where possible and keeping property properly ventilated by opening windows whenever safe and appropriate.
- ABEN accommodation should be suitable for self-isolation and shielding as far as possible, although there is an acknowledgement some may be group living environments with communal areas and others wholly self-contained. Any shared living space means infection can easily be passed around. It is therefore vital to take the steps that can help prevent infection occurring.
- Accommodation providers and staff should follow [social distancing](#) measures (2 meters apart) for everyone accommodated wherever possible, and the [shielding guidance](#) for anyone who falls into this extremely vulnerable group.
- Substantial lowering of the limit on maximum number of occupants staying in any shared accommodation at any one time (to ensure at least 2m distance can be adhered to) should be considered in dialogue with Public Health colleagues.
- Adjustment on how people move around buildings and use the space within in should be made to ensure safe distancing is possible at all times. This is supported by use of floor marking to indicate safe distances.
- Appropriate signage and posters should be displayed on site to alert people to increased risk. If not available locally, some examples are available [here](#) and [here](#).
- If neither the support worker nor the individual accommodated is symptomatic, then no personal protective equipment is required above and beyond normal good hygiene practices.

- It is not expected to have dedicated isolation facilities for people living in the accommodation but you should implement isolation precautions when someone in the accommodation displays symptoms of COVID-19. Where possible any resident presenting with symptoms of COVID-19 should be separated in a single room with a separate bathroom. Contact the NHS 111 COVID-19 service for advice on assessment and testing.

Further details on Infection Prevention and Control and precautions for symptomatic individuals is included as an Appendix and additional guidance around infection control in shared accommodation is included as part of the suite of documents.

4. Health support

- 4.1. We anticipate further developments to the health support offer for clients in this phase and as much as possible the ambition is for this to be hoslitc/wrap around, tailored to the needs of each client and avoid (where possible) unnecessary referrals on.
- 4.2. Individuals accommodated in ABEN should have access to appropriate health and support services to ensure their wider needs are met. This should be arranged locally, engaging with local providers and commissioners to ensure alignment and support to ABEN. At a minimum this should include;
 - Access to General Practice and links made with nearby surgeries
 - Mental health support and assessment pathway
 - Drug and alcohol services providing support, including harm reduction interventions
- 4.3. Where services require strengthening, upscaled capacity or different arrangements as a result of Covid-19 or to support the recovery period, additional costs should be recovered from NHS through local CCG arrangements. This is an opportunity to engage health commissioners in bringing additional capacity that will support individuals residing in ABEN schemes.
- 4.4. This baseline will be supplemented by interventions that can be delivered at a pan-GM level;
 - Technology to allow remote access to General Practice and other health services as required
 - Covid-19 testing pathway
 - Groundswell 'Call and Check' service for low level MH support – FUNDING NEEDS CONFIRMING
 - Provision of screening and immunisation (Hepatitis C and Influenza)
 - Emergency dental pathway
 - Access to optometry

5. Funding model

- 5.1. Funding for this phase of ABEN takes into consideration the emphasis on self-contained and HMO accommodation to increase Covid-19 infection control. Local Authorities should seek to

claim Housing Benefit or Universal Credit against accommodation provided, in order to increase the financial viability of this next phase. ABEN will seek to fund the gap in funding provided by benefit and subsidy charges, against actual costs. Local Authorities should project expected rent recovery and bad debt from this cohort and add this into the funding required. This model has been delivered in numerous boroughs through Phase 2 and a working group has developed shared knowledge of local practises.

- 5.2. Initial proposals should set out expectations around Housing Benefit or Universal Credit claims. Where it is not expected that such claims can be made, the reasons why should be set out. If Housing Benefit or Universal Credit will be claimed, it would be useful to understand under which rate. Additionally local authorities should clearly set out the landlord and support provider organisations in order to understand in more detail the potential benefit arrangements. Where a private landlord is being used the reasons why should be clearly set out.
- 5.3. Legal and housing consultancy has been sought to support Local Authorities understand the options open to them and the implications of occupancy agreements. This technical note will be issued at the beginning of June and amendments to preliminary grant agreements can be made if increased benefit reclaim is possible following agreement with Revenues and Benefits teams locally.
- 5.4. Rent loss due to accommodate people who have No Recourse to Public Funds will be provided at a top up rate, currently set at **£1,100 per person per month**. A set amount of accommodation for people with No Recourse to Public Funds is being proposed to be able to manage the potential for exponential costs. This will initially be set at 60 places but will be reviewed regularly against presenting demand. Additional investment in a bespoke legal service for people with No Recourse to Public Funds will be made to focus on status settlement and move on for this cohort.
- 5.5. GMCA is keen to avoid exclusivity due to lack of immediate ability to claim benefits and keenly emphasise that access to benefits should not be a condition of eligibility for ABEN but a key support aim for people when accommodated. Upon placement clients should understand that help to claim benefits will be provided and that, if eligible, they will be expected to claim to help the provider meet the costs of accommodation and support.
- 5.6. Local Authorities should outline alignment of wider resources such as Rough Sleeper Initiative and other local services which overlap with this cohort and aim to prevent and relieve rough sleeping.

6. Provider suitability and quality

- 6.1. It is expected that localities take responsibility for ensure the suitability and quality of providers. We would however, anticipate that due consideration would be given to social value and in particular supporting our collective ambitions around the GM Good Employment Charter.
- 6.2. There is a clear history of ABEN working in partnership with community and voluntary organisations that are active in supporting vulnerable people. Local Authorities are encouraged to include VCSE organisations in their onward commissioning or supply chain where possible, and support the strengthening community infrastructure.
- 6.3. Consideration should be given to the Covid-19 structures that have been established, such as local Community Hubs and food provision services. Alignment with these structures and services may provide helpful throughout Covid-19 recovery phases.

APPENDIX 1 CRITERIA

1.1 General Eligibility:

- Over 18 years old
- All genders (trans* inclusive)
- Accessible to couples, those with limited mobility and people with dogs
- Individuals must be currently rough sleeping in GM or at imminent risk of rough sleeping and face significant risk of harm.
- Individuals should only be accommodated in GM ABEN accommodation if routine responses to provide accommodation, statutory or discretionary, are unavailable.
- Access to ABEN should be managed by Local Authority Housing Options or Rough Sleeper Outreach services in the first instance, or the function can be provided by partner organisation(s) as agreed.
- An individual is eligible for GM ABEN when they are deemed to not be owed a statutory duty to interim accommodation. This requires a Homelessness Reduction Act assessment. Where possible access to assessment should be available via outreach, at day centres, or over the phone to increase accessibility for people who are rough sleeping.
- Individuals with no recourse to public funds (NRPF) should be accommodated and referred for appropriate immigration advice and support. A clear referral pathway for such support will be in place, signposting according to nationality and the nature of their immigration issue. Funding has been provided in this phase for legal support, which will primarily focus on the 60 dedicated NRPF beds, with an advice line and triage system for those accommodated outside of those. Decisions on support offered and length of ABEN stay will be made on a case by case basis.
- For individuals who have no local connection to any of the GM Local Authorities, Local Authorities and their providers will reconnect individuals back to the Local Authority with whom they have a local connection to. However, individuals can be offered ABEN accommodation on a night by night basis for a maximum of 3 nights, whilst reconnection arrangements are made.

APPENDIX 2 SERVICE DESCRIPTION

- 2.1 The GM ABEN is a service of last resort and Local Authorities will continue to place individuals into other local provision where possible, through Housing Options services.
- 2.2 **Assertive Outreach:** Across GM all Local Authorities deliver a dedicated rough sleeper outreach service developed as part of the Rough Sleeper Initiative. All local authorities will be expected to align this resource with their ABEN delivery model and ensure that people who are sleeping rough are encouraged and prioritized to access ABEN where appropriate.
- 2.3 The Assertive Outreach approach includes:
 - “case-finding” activities where workers regularly visit locations and respond to intelligence to visit new hotspot areas where there are known rough sleepers to engage with those people building relationships and trust.
 - “Assertive referral follow up” where workers respond to specific referrals and attempts to make and maintain contact even when engagement is difficult.
- 2.4 **Homelessness Assessments:** Assessments as part of the Homelessness Reduction Act must be completed for all service users to determine eligibility into accommodation, with GM ABEN provision existing to provide non-statutory accommodation where there is no reason to believe the individual may be in priority need. For individuals who are in priority need but deemed intentionally homeless, Local Authorities are encouraged to consider the suitability of ABEN placements and exercise discretion where possible. This assessment should take place prior to placement where possible. No person should be accommodated in GM ABEN provision without a homelessness assessment under the HRA for more than 48 hours and should not remain there if they are found to be eligible for statutory or other accommodation.
- 2.5 **Support:** An individual should enter ABEN with a Personal Housing Plan, or be supported to complete one shortly after arrival, to ensure that their move on options from ABEN are clearly explored and responsibility for achieving this is clearly laid out. The Personal Housing Plan can support the creation of an effective support plan for individuals when in ABEN accommodation.
- 2.6 GM ABEN will offer individuals support, on site or locally, that provides activity and focus on a day to basis as far as possible. This may take time to develop and involve partnerships with local groups and organisations.
- 2.7 As required individuals will be supported to access to primary care, mental health, substance misuse and welfare services. Routes to support for people speaking English as a second language should be identified. People should be assisted to access support services by linking in to current integrated neighborhood and place based teams, community hubs, voluntary sector, charities and other public services.

- 2.8 ABEN aims to be **short term and transitional accommodation**. This should be clearly communicated to the client and ongoing support provided to achieve this. There is a recognition that a fixed period of days is not helpful or achievable for some individuals, however as a matter of course assurance from LAs on their move on efforts will be measured against 14, 21 and 42-day periods.
- 2.9 As a scarce and emergency resource, it should be made clear that a stay in ABEN can be time limited if an individual is making no efforts to engage with support. Reasonable move-on options in line with current procedures and policies, must be accepted to enable the ABEN provision to accept other individuals who need it.
- 2.10 **Involvement and Information:** The service must support individuals to make realistic choices, taking into account their views and aspirations.
- 2.11 Individuals need to be made aware of the following information or reasonable access to:-
- Admission information
 - Support plans, needs and risk assessments
 - Complaints procedure
 - Whistleblowing/safeguarding procedure
 - Equality and diversity
 - Local amenities
 - Translation services
- 2.12 **Accommodation:** Provision of accommodation will be localised and vary from borough to borough to meet the needs of individuals in their locality and taking in to account local infrastructure and partnerships opportunities with the public, voluntary and faith sectors.
- 2.13 Accommodation should be suitable for specific demographics where there is evidenced local demand, this may include women, people with pets and people with more complex needs.
- 2.14 Local Authorities should set out who the accommodation provider and landlord are proposed to be and if necessary the relationship between the two. For example a lease or spot purchasing of accommodation on a nightly basis.
- 2.15 The landlord should be suitable and provide the clients with a written occupancy agreement with a rental charge included. This will ensure that there will be the possibility to claim Housing Benefit or Universal Credit. If this will not be the case Local Authorities should set out why.
- 2.16 The landlord should demonstrate experience in working with a similar cohort to ABEN clients. If they are unable to, the local authority should explain the suitability of the accommodation provider.
- 2.17 Over the winter months additional units of accommodation are usually required to meet increased need for those who may only come inside due to cold weather. Local Authorities do not need to outline how winter pressures will be met at this stage, as further guidance on Covid-19 and Government funding will be needed to establish a safe and viable model.

- 2.18 All accommodation provided for ABEN should meet the GM ABEN Accommodation Standards (Appendix 7)
- 2.19 **Bed allocation:** Bed spaces will be allocated on a first come first served basis and according to need. I.e. disability access rooms, and accommodation with pets for those who need it.
- 2.20 As part of the **resettlement process** for people accommodated out of borough, individuals should be reconnected and resettled in the borough they have a local connection with, if it is appropriate and safe for them to do so. The wishes of the client with regards to long term re-housing and support should also be taken into account. This will require collaboration and partnership across Local Authority teams and an appreciation of each other's pressures and resources.
- 2.21 **Move-on:** All ABEN provision staff will work pro-actively with individuals, Local Authority Housing Options/Solutions Services, rough sleeper initiatives, referring agencies, accommodation providers and other services to try to achieve quick, realistic and sustainable move-on or reconnection.
- 2.22 **Food** may be provided to clients to support them with material costs and to build good support relationships. Owing to Covid-19, any joint eating areas should meet with strict hygiene and distancing rules for infection control. It is preferable that some food is provided in all settings and that Local Authorities source this through their Covid Community Hubs through the recovery phase. Provision of food will not be mandated but should be considered and provided on some days where possible. Partnerships with food charities are encouraged, and existing Government funding is available <https://www.gov.uk/guidance/coronavirus-covid-19-apply-for-the-food-charities-grant-fund>.

APPENDIX 3 SERVICE DELIVERY AND MANAGEMENT

- 3.1 The strategic liaison with GMCA and GM Local Authorities will come under the auspices of the GMCA Homelessness Team and the GM Homelessness Programme Board.
- 3.2 **Staffing:** Local Authorities will ensure sufficient and specified numbers of staff deliver the programme, ensuring safety and safeguarding considerations are fully met with regard to client needs. Staffing should reflect risk management protocols and be adequate to facilitate key functions:
- Acceptance of referrals, allocation of rooms and items
 - Team management
 - Building and site management
 - Hygiene management and control
 - 1-1 client support
 - Data capture
 - Liaison with other services.

These functions may be split across different organisations and some may be met by volunteers.

- 3.3 All ABEN provision will have a nominated manager and at least one deputy manager. Authorities should seek to ensure that there is management presence on site or on-call via the telephone at all times. Matrix management across multiple sites may be used.
- 3.4 Local Authorities will ensure that those employed have the **appropriate skills, qualifications and competencies** to deliver a quality service to clients with a history of rough sleeping and multiple and complex needs. They will ensure that staff are able to work positively with clients to address their needs and aspirations proactively, realistically, and sensitively.
- 3.5 All staff and volunteers should have an up to date DBS check.
- 3.6 Local Authorities will ensure that staff are fully aware of how to work in line with central government and Public Health England guidance in relation to Covid-19
- 3.7 All staff and volunteers including management should be trained appropriately in health and safety, lone working, safeguarding adults, substance misuse, public health safety, and in equal opportunities and diversity. This includes security staff.
- 3.8 All ABEN services will commit to understanding what specialist support is available in their locality for specific cohorts, to work in partnership with specialist organisations to support people with specific needs, and to access further training where beneficial i.e. Sex work, domestic abuse, LGBT+, BAME, disability, mental health, substance misuse etc.
- 3.9 Local Authorities will ensure that staff are fully aware of how to work in line with central government and Public Health England guidance in relation to Covid-19
- 3.10 All staff and volunteers including management should be trained appropriately in health and safety, safeguarding adults, substance misuse, public health safety, and in equal opportunities and diversity. This includes security staff.
- 3.11 All ABEN services will commit to understanding what specialist support is available in their locality for specific cohorts, to work in partnership with specialist organisations to support people with specific needs, and to access further training where beneficial i.e. Sex work, domestic abuse, LGBT+, BAME, disability etc.
- 3.12 All ABEN services will commit to undertaking **trauma awareness** training and be supported by Clinical Psychologists in trauma informed practice. ABEN seeks to provide accommodation and support for people who have multiple needs and experience exclusion, recognising the links to rough sleeping and destitution. Whilst unmanageable behavior that causes danger or abuse to individuals (clients or staff) cannot be tolerated, ABEN provisions will work to minimise exclusions and evictions by undertaking trauma informed training and staff and reviewing policies and procedures to accommodate for trauma.

- 3.13 Within the boundaries of maintaining a safe environment to live and work, a pro-active and flexible approach will be taken in respect of incidents within the ABEN provision, using person centred responses to reduce harm, understand causes and triggers and support individuals. Individuals who have been excluded temporarily or permanently should be referred to the local rough sleeper outreach team and attempts made to re-engage them and potentially seek other accommodation options.
- 3.14 Support requirements and activity for individuals should be documented in both **risk assessments** and **support plans**. These can be tailored to the cohort and provision to ensure that they are gender responsive and trauma informed, and offer a template for good risk and support management.
- 3.15 All clients should have a clear **move on plan** either as part of their support plan or stand alone. This should take into consideration the information provided on their Personal Housing Plan if they have one. This plan should be discussed at the earliest suitable opportunity in order to support the client in accessing more suitable longer term accommodation and avoiding the ABEN service becoming a long term housing solution.
- 3.16 Local Authorities will ensure that they tackle all **employment issues** and will ensure that they:
- Comply with legislation prohibiting discrimination
 - Obtain relevant disclosures from the Criminal Records Bureau before engaging staff for the service
 - Ensure that staff are not on the Safeguarding Vulnerable Adults (POVA)/Safeguarding Children register
 - Ensure that a minimum of two written references, one from the last employer, is obtained and that the person is legally entitled to work in the UK.
- 3.17 Where food is prepared or provided on site in ABEN provision, food safety certificates should be made available where applicable.
- 3.18 Local Authorities will enforce codes of conduct and disciplinary procedures for its staff and volunteers and take appropriate disciplinary action against any individual employed who transgresses the codes and procedures, or through commissioned organisations.
- 3.19 **Accommodation sites:** Having secured locations to deliver the service Local Authorities will liaise with the GMCA and Public Health colleagues to identify suitability against key criteria including:
- Room layout / sleeping arrangements
 - Availability
 - Value for money
 - Standard of accommodation
 - Health and safety
 - Accessibility
 - Location
 - Flexibility and ability to address divergent need where needed
 - The suitability of premises to support 'Covid Compliant' environments

3.20 Whilst self-contained and shared facility accommodation (such as HMOs) are preferable, some shared sleeping settings may be necessary. This is acceptable if the Local Authority works in partnership with Public Health guidance and local colleagues to establish safe arrangements for infection control.

3.21 **Liaison with professionals and services:** The ABEN service will build close working relationships with a variety of key partners to the benefit of clients. The staff will endeavor to make sure that communication is characterised by:

- Honesty
- Promptness
- Respect
- Realism
- Optimism and good faith.

3.22 **Joint working:** trust, respect and flexibility between agencies must be expected to maximise opportunities for clients and to make best use of scarce resources. It is thus expected that the ABEN staff should model excellent communication in keeping individuals and colleagues informed about decision-making, opportunities, changes and risk, and that this is reciprocated by referring agencies and other staff.

3.23 **Communications:** Local Authorities should have their own Communications Plan setting out the process that they will undertake to communicate ABEN programme information in their locality. GM wide, generic, service information will be shared by GMCA Communications Team in consultation with Local Authority communications teams.

3.24 Service providers should direct all media enquiries to their Local Authorities who will liaise with their own press office and the designated GMCA officers in respect of the media. Any issues of media interest or concern will be communicated to the relevant stakeholders depending on the nature of the enquiry or in emergency services and will work positively with them to highlight the issue of homelessness.

APPENDIX 4 PERFORMANCE MANAGEMENT

4.1 **Data and recording:** Data requirements in line with the referral document for ABEN will be recorded on the GM ABEN monitoring spreadsheet (TO BE RENEWED) in as near to real time as possible. Monitoring returns will be sent to the GMCA's designated officer/Huddle by Monday Mid-Day each week.

4.2 The **GM-Think** database is currently being developed to support ABEN as well as other rough sleeper initiatives. Local Authority Housing Option services and RSI Outreach teams will be given licenses to access GM-Think to record and monitor ABEN. For other services/providers to have access to GM-Think via access requests will need to be made to the GM-Think Steering Group for discussion. Access to GM-Think is limited only to those that work directly with rough sleepers.

- 4.3 Following stalled roll out, Local Authority leads will be invited to take part in GM-Think User Testing to ensure the system is fit for purpose. This will take place at the earliest opportunity and be followed by Information Governance consultation leading to sign off and roll out.
- 4.4 The effectiveness of the GM ABEN will be measured by a range of criteria and monitored by the GMCA, and their nominees. Throughout Phase 3 **Herriot Watt University** will carry out an ongoing evaluation of the service to provide iterative and longer term insights and support the continued development of Greater Manchester's approach to rough sleeper relief and reduction, of which ABEN makes up one part.
- 4.5 **Assurance Framework**
An assurance framework will be produced as part of the Grant Agreement to Local Authorities, this will detail the means in which GMCA will monitor the fulfilment of this framework against the services being delivered and release payment.
- 4.6 Local Authorities will comply with reasonable requests for information from the GMCA and other key stakeholders in respect of the programme to help the appraisal, development and evaluation of services.

APPENDIX 5 INFORMATION MANAGEMENT

- 5.1 Local Authorities and providers of ABEN will use their own Confidentiality and Privacy policies and will comply with best practice and the law to make sure that individuals are aware of the information that is held and give informed consent where necessary in regard to the sharing of information to enable access to services.
- 5.2 Individuals or their representatives have the right to see their personal files held by the Local Authority and their Service provider in accordance with the Data Protection Act 1998, the common law and other relevant national and international legislation including GDPR.

APPENDIX 6 FINANCE

- 6.1 Payments will be allocated from the GMCA quarterly in arrears. Local Authorities will be aware of their quarterly grant claim as a proportion of their overall grant allocation. This will be supplemented with NRPF as needed.
- 6.2 The total allocation to a Local Authorities for delivering the GM ABEN service will be dependent on individual Local Authority delivery costs.
- 6.3 Funding will be set at a fixed rate, to allow certainty for Local Authorities in their onward commissioning and staffing arrangements. Local Authorities will still be required to submit expenditure reports with invoices each quarter to demonstrate actual spend against grant allocation.

APPENDIX 7 Accommodation standards

Categories	Minimum Standards
Opening Times	People should be able to access the emergency accommodation 24hours a day if it is self-contained or within an HMO according to their occupancy agreement.*
	If the provision is shared sleeping accommodation (Night Shelter) it may be shut from 8am-7pm but alternative locations for people to be should be sought.
	People who are working should be able to negotiate to arrive after the usual closing time in the evening if this applies (Night Shelter).
Respect	People should be treated with respect and dignity by staff and volunteers at all times.
	Where security guards are used then they should be carefully selected and inducted to ensure that they are working within an ethos of respect and support.
Safety	As a priority staff should aim to create an environment where everyone feels safe and where issues regarding safety can be openly reported.
Age Restrictions.	No one under 18 should be allowed to stay in emergency accommodation that isn't specifically designed for this age group and referrals should be made to the Local Authority Children Services Team.
Acceptable Behaviour & Rules	There should be a set of clear rules displayed clearly in each building which is being used as GM ABEN accommodation. These should be positive 'I will/I can' statements, as well as laying out activity that is not permitted.
	A written agreement should outline the code of conduct which people are expected to abide by. This should be explained to each person on their first night. The use of pictures, translation such as Google translate or translated materials should be used to help explain them to people with limited English.
	There should be clear and non-judgmental route for residents to lodge complaints or raise issues about the provision.
Belongings	If in shared sleeping arrangements (Night Shelter), a place for people to safely store a small amounts of belongings should be provided.
Food/drinks	There should be a dedicated, separate food preparation area where meals are prepared on site in line with Covid-Complaint guidance**
	Services should aim to provide hot food free of charge on some if not all nights of the week. If a hot meal cannot be provided on site, signposting options should be provided where people can access this during the evening and day.
	Snack facilities such as tea and toast should be made available at the accommodation in line with Covid-Complaint guidance**
Toilets/washing facilities	Dependent on location and capacity, there should be appropriate toilet and washing facilities available in line with health and safety requirements. Shower facilities are also highly recommended.
	Hygiene regimes in shared facilities should comply with Covid-Compliant guidance.
Beds	A bed/mattress should be provided for each person. This should be free from damage and stains and have impervious finish to facilitate cleaning.
	If provided, sheets should be laundered daily and bedding should be laundered regularly. Soiled bedding should be removed immediately.
	Beds should be separated by the maximum distance the accommodation allows or at least 2m to be Covid-Compliant.
	There should be separate sleeping areas for men, women and couples.
Activities	Where possible, a range of things should be provided for people to do such as games, books, access to the internet, TV/films etc. Consideration should be given to ensure that activities support Covid infection control.

Safety Standards	Accommodation should meet legal standards for accommodation for vulnerable people. Where the landlord is a LA or RP they will meet the standards of the Regulator/Charities Commission.
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*Subject to professional guidance regarding benefits and liability impacts.

**Where there is not current specific Covid-Compliant guidance on the above, we will seek to provide it by working with Public Health England and local leads to establish sensible best practise. We are also happy for good working practise that has been developed locally to be evidenced and approved by Directors of Public Health.

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Infection Control for Shared Accommodation

1. Contacts

Michael Linnell is the single point of contact for Manchester and he can be contacted at: michael.linnell17@icloud.com

Public Health England Greater Manchester Health Protection Team at Public Health England: **0344 225 0562 (Option 3)**.

Admission/General Site Administration

As there is no national guidance on shared accommodation, Public Health England recommends the use of pre-admission checks and/or testing (when available) and providing temporary non-shared for COVID +ve or symptomatic.

All suspected/confirmed cases should be isolated in temporary non-shared accommodations room with their own bathroom for 14 days from onset of symptoms unless they require high intensity/critical care in a hospital.

In line with current national recommendations, you may wish to consider asking residents to wear cloth face coverings in communal areas – but social distancing should still apply and please note that there is insufficient evidence as to their efficacy at preventing COVID spread at this time.

A lower limit on the max. number of occupants staying in the shelter at any one time is recommended to facilitate social distancing

- As many service user/1:1 interactions to take place over the phone as possible
- Separately risk assess any staff and service users for vulnerabilities which mean they should be more stringent with social distancing and/or avoiding front line work etc.

Source: Public Health England NW – Infection Control Team and Clinical Homeless Sector Plan (Note: this could not be approved by PHE but was agreed to be published by Pathway Healthcare for Homeless)

2. Infection Control Lead

Each site should have a person who is designated as an Infection Control contact

- The contact is responsible for current infection prevention and control policies and procedures and that these are readily available and appropriate to the site and understood by all members of staff. The lead is responsible for:
 - Recording and reporting symptomatic guests and arranging for isolation/transport
 - Recording information on incidents/challenges and training/education of staff where needed.

- Ensuring 100% staff adherence rate with up-to-date infection prevention and control policies
- Nominating a COVID-19 co-ordinator per shift
- Deliver/reinforce staff and guest education on hand and respiratory hygiene
- Ensure adequate supplies – hygiene, tissues, soap, paper towels, cleaning materials
- Ensure adequate PPE is available – disposable gloves, aprons, fluid repellent
- face masks and eye protection
- Coordinating testing for staff/guests
- The Infection Control Lead should have access to advice on infection prevention and control from a suitably qualified individual. Queries can be submitted to:
 - Public Health England North West: ICC.Northwest@phe.gov.uk or Darryl.Quantz@nhs.net

Source: Adapted from Care Home IC Guidance and discussed with PHE to confirm applicability.

3. Social/Physical Distancing

The primary approach to infection control is social distancing. Staff should follow DH guidance:

- All persons should remain at least 2 metres (3 steps) apart at all times.
- The importance of social distancing should be explained, explored and emphasised to all individuals upon check in and repeated as often as necessary.
- Staff should model safe distancing for residents at all times.
- Adjustment on how people move around buildings and use the space within in should be made to ensure safe distancing is possible at all times. This is supported by use of floor marking to indicate safe distances.

4. Symptom Identification/Outbreak Reporting

Residents should be asked to self-report on a daily basis (or twice daily is possible) regarding any new symptoms of Covid-19:

- **a new, continuous cough** – this means coughing a lot for more than an hour, or 3 or more coughing episodes in 24 hours (if you usually have a cough, it may be worse than usual)
- **a high temperature** – this means you feel hot to touch on your chest or back (you do not need to measure your temperature)

Please note that Public Health England have advised that not all cases of COVID-19 will display pyrexia (raised body temperature), especially those with other health

conditions. It is a very non-specific symptom, and those with pyrexia could just as easily have a UTI as COVID-19. Taking temperatures (unless it is self-administered), is likely to increase the exposure of staff to infection rather than improve detection of cases. Therefore regular temperature monitoring is not recommended. However, where individual guests are self-reporting feeling hot, they could be supported to use the Tempa Dot ([Instruction Video](#)).

Whenever possible, symptom monitoring should be supported by health care staff (through regular interactions) or on-site visits from St John's Ambulance.

Any suspected symptoms of Covid-19 should be reported via 111 immediately and advice followed. If the individual is advised to self-isolate, this should be reported to the Central Allocation Team immediately for advice on appropriate accommodation and self-isolation support measures.

If 2 or more cases are suspected in one site, please contact the Public Health England Greater Manchester Health Protection Team at Public Health England: **0344 225 0562 (Option 3)**. They will be able to provide tailored advice specific to the situation.

Source: Consultation with Public Health England NW Health Protection Team

5. Personal Protective Equipment (PPE)

PHE NW has recommended following the PPE guidance available for Community and Other Settings ([Table 2](#) or [Table 4](#)) and highlights the definition of 'direct patient care' in these settings defined as:

Patient contact is now defined as being within 2 metres (rather than within 1 metre) of a patient, which is more precautionary and is consistent with the distancing recommendations used elsewhere.

Although it is not anticipated that staff onsite are providing direct care, the experience has been that social distancing is not possible and staff are working with a population with high needs in many cases. Further, sites have not been cohorted (to date) to Covid-19 symptomatic sites, so the approach should be to consider that all sites could have possible cases. As well, emerging evidence is showing that spread is also through asymptomatic cases so this is in line with this evidence.

Given these circumstances, the most applicable guidance in [Table 2](#) would be the scenario of "working in reception/communal area with possible or confirmed case(s) and unable to maintain 2 metres social distance" which recommends the use of Fluid-resistant (Type IIR) surgical mask for a sessional use. A session is defined as:

A single session refers to a period of time where a worker is undertaking duties in a specific care setting/exposure environment. A session ends

when the worker leaves the care setting/exposure environment. Sessional use should always be risk assessed and considered where there are high rates of cases. PPE should be disposed of after each session or earlier if damaged, soiled, or uncomfortable.

For any direct patient care within 2 metres, gloves and aprons will be made available to workers to use. These should be changed frequently to avoid spreading infection from person to person.

General Principles

- Staff should be trained on donning and doffing PPE. PHE has recommended the following [training video](#). A visual guide is also [available](#).
- Staff should know what PPE they should wear for each setting and context
- Staff should have access to the PPE that protects them for the appropriate setting and context
- Hand hygiene should be practiced and extended to exposed forearms, after removing any element of PPE

6. Cleaning

General Principles

- The virus can survive on environmental surfaces – the amount of surviving virus reduces dramatically after 72 hours, but may last up to 9 days on hard surfaces
- The virus is easily inactivated on surfaces using bleach containing solutions (where appropriate) and standard detergents
- The virus is easily inactivated on hands by washing with soap, water and drying, or by using alcohol-based hand gels
- Frequent cleaning of touch sites, door handles, switches, hand rails etc. use of communal areas should be avoided as much as possible

Responsibility

- Whilst hotel cleaning is contracted, workers might wish to regularly disinfect their own work stations and equipment.
- Cleaning is being contracted out but should still follow standards for [non-health care settings](#). Individual rooms should be thoroughly cleaned between residents following non healthcare cleaning guidance - including the use of broad spectrum disinfectant ie 1000ppm chlorine.
- PHE advises that guests be supported to clean their own during their stay and therefore staff only need to clean rooms when they are vacated (which would reduce the usage of PPE)
- All spillages of blood, faeces, saliva, vomit, nasal and eye discharges should be cleaned up immediately, wearing PPE.
- Clean spillages using a product which combines detergent and disinfectant (and ensure it is effective against both bacteria and viruses). Always follow the manufacturer's instructions. Use disposable paper towels or cloths to clean up

blood and body fluid spills, and dispose of after use. A spillage kit should be available for bodily fluids like blood, vomit and urine.

7. Sharps Waste/Disposal

- Use a sharps bin to dispose of used needles or sharps.
- For sharps managements and waste the situation is straightforward for those hotels located in Trafford and Bury with GMMH both issuing injecting equipment and responsible for waste collection.
- Further guidance is available [here](#).

8. New Residents

- Normal care/social distancing would be applicable for *any new resident* unless people are symptomatic (which would be triaged as per the accommodation protocols developed (e.g., separate hotel, health care setting if needed, etc).

Source: Admission and Care of Residents guidance and consultation with PHE NW.

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Date: 29 May 2020

Subject: Greater Manchester’s Adult Education Plan for the Academic Year 2020/2021

Report of: Councillor Sean Fielding, Portfolio Lead for Education, Skills, Work and Apprenticeships, Joanne Roney, Portfolio Lead Chief Executive for Education, Skills & Work.

1. PURPOSE OF REPORT

1.1 The purpose of this paper is to seek approval for proposed changes to GM’s Adult Education Budget policy and processes for 2020/21 in order to provide continued support for Greater Manchester’s residents/employers and ongoing financial stability for the provider base delivering this vital provision.

1.2 It follows the recent approval of measures to support Greater Manchester’s provider base in delivering around 100 GM contracts for skills and employment support programmes (with a cumulative value of over £200m) during the current pandemic and as we plan for future recovery.

1.3 The devolved Adult Education Budget (AEB) programme is managed on an annual academic year basis, i.e. 1st August to 31st July, and the Education, Skills and Work Directorate are now planning and preparing for 2020/21, which will be the 2nd year of the devolved AEB.

1.4 This report sets out the proposed approach for the management and administration of the devolved AEB for the 2020/2021 academic year and outlines proposed provider allocations for the 2020/2021 academic year. The allocations have been calculated in line with the principles and process for future years as previously agreed by the Combined Authority ahead of 2019/20, which gave GM’s AEB grant providers non-binding indicative budgets for a further academic year and a 1+1+1 approach for procured contracts, subject to performance and affordability.

2. SUMMARY

2.1 In summary the full report covers the following information in more detail:

- 2.1.1 A summary of the AEB powers and related funding devolved to the Combined Authority. The Department for Education has confirmed that the authority's AEB budget for 2020/2021 is £96,266,837. This is an increase of £3,666,969 compared to the 2019/2020 allocation, the breakdown of this is detailed within the background section paragraph 4.2.
- 2.1.2 Key information about what has been delivered in 19/20 along with positive changes in relationships with the colleges & providers across GM are shown under section 1.
- 2.1.3 It must be noted that due to the impact on provision from February following the Covid-19 outbreak it is difficult to give a full year picture of delivery & impact for 19/20.
- 2.1.4 The AEB has supported around 65,000 - 70,000 GM residents each year and **GMCA aims to support approximately 75,500 GM residents by the end of the first devolved academic year.** The latest actual data up to March 2020, skills providers has supported over 43,000 residents, as reflected in Chart 2 below, with the aim to maintain delivery at the planned levels, subject to the impact of COVID19.

3 PROPOSED APPROACH

- 3.1 The proposed approach for 2020/2021 is to start to deliver changes (maintaining those implemented in Yr1) to support the delivery of the Local Industrial Strategy and to respond to key policy areas (including Covid-19 Recovery) for GMCA including,
 - 3.1.1 **Utilise AEB as a vital element of a flexible coordinated recovery package in response to the coronavirus Covid-19 pandemic**, with a particular focus in the short term on supporting key workers/essential services. In the medium- to long-term, use AEB to harness the potential of temporary volunteers by developing packages of learning that support them onto training pathways with line of sight into key worker occupations/priority sectors, and up-skilling and retraining individuals who have been furloughed or made redundant due to the outbreak. Development of the GM model for the National Retraining Scheme will be an important element of this.
 - 3.1.2 **Create clear lines of sight and training pathways into and within GM's frontier and foundation sectors** by aligning AEB with ESF Skills for Growth programme (due to be commissioned over the summer).
 - 3.1.3 **Support priority cohorts of individuals through closer policy links across the CA**, building on the GM model for unified public services and using flexibilities to tailor support for, for example, offenders in the community, vulnerable and marginalised women, workers in GM's night time economy.
 - 3.1.4 **Maintaining and developing the focus on place**, working closely with local authorities to ensure that the needs of resident, businesses and communities are being met, particularly in the context of Covid-19 recovery
 - 3.1.5 Maintain stability with providers & colleges: GMCA has already approved a 2 year stable approach for Grant funded providers to bed in GMCA approaches to AEB. It is proposed

given the massive economic shock we face at present that GMCA extend this to Independent Training Providers ensuring performance management in year where appropriate.

RECOMMENDATIONS:

The GMCA is requested to:

Provide approval on the points below which will enable Education, Skills and Work Directorate to progress the management and administration of the devolved AEB for 2020/2021 and, in particular, **to have the flexibility to use AEB responsively and swiftly in relation to coronavirus Covid-19 recovery:**

1. The proposed approach for the management and administration of devolved AEB for the 2020/2021 academic year, as outlined in Appendix 1.
2. GMCA are asked to approve the proposed provider allocations for the 2020/2021 academic year. **GMCA has already approved a 2 year stable approach for Grant funded providers to bid in GMCA approaches to AEB. It is proposed given the massive economic shock we face at present that GMCA extend this to Independent Training Providers ensuring performance management in year where appropriate. Allocations set out in Appendix 2.**
3. The request to provide delegated authority for in year changes to the GMCA Treasurer in consultation with the Leader & Chief Executive Portfolio Leads for Skills, Work & Digital to:
 - a. Make decisions relating to distribution of funding for continuing learners. Current indicative allocations indicated in Appendix 2.
 - b. Make decisions relating to procurement of any new AEB activity which relates and responds to local needs, to the skills gaps outlined in the GM LIS and specific needs identified by GM priority groups i.e. care leavers, over 50's, offenders etc. Further details outlined in Appendix 1.
 - c. Make in-year provider exception funding decisions.
 - d. Make decisions on provider re-allocations mid-year and at the end-of-year reconciliation.

All decisions taken under this delegated authority will be reported at the next relevant GMCA Committee meeting.

The delegated authority requested relates to the 2020/21 academic year only. If delegated authority is identified as necessary for the 2021/22 academic year this will be requested at the relevant point during 2021.

CONTACT OFFICERS:

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Equalities Implications: Will be continually monitored

Climate Change Impact Assessment and Mitigation Measures – Will be continually monitored

Risk Management: Paragraph 9

Legal Considerations: Paragraph 10

Financial Consequences – Revenue: Paragraph 11

Financial Consequences – Capital: N/A

Number of attachments to the report: 0

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

BACKGROUND PAPERS:

The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100D (1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as identified by that Act.

- 19. Devolution of the Adult Education Budget (July 2019) – link needed
- 21. Devolution of the Adult Education Budget (March 2019)
https://www.gmcameetings.co.uk/meetings/meeting/668/greater_manchester_combined_authority
- 14. Devolution of the Adult Education Budget (October 2018)
https://www.gmcameetings.co.uk/meetings/meeting/598/greater_manchester_combined_authority
- 20. Devolution of the Adult Education Budget (June 2018)
https://www.greatermanchester-ca.gov.uk/meetings/meeting/514/greater_manchester_combined_authority
- 11. Devolution of the Adult Education Budget (April 2018)
https://www.greatermanchester-ca.gov.uk/meetings/meeting/480/greater_manchester_combined_authority
- 19. Update on Devolution of the Adult Education Budget (June 2017)
https://www.greatermanchester-ca.gov.uk/meetings/meeting/325/greater_manchester_combined_authority
- 22. Devolution of the Adult Education Budget in Greater Manchester (February 2017)
https://www.greatermanchester-ca.gov.uk/meetings/meeting/321/greater_manchester_combined_authority

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		Yes
EXEMPTION FROM CALL IN		
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	
N/A	No scrutiny due to Covid arrangements	

1. INTRODUCTION/BACKGROUND

1.1. The Education, Skills and Work Directorate is responsible for the development, commissioning and performance/programme management of the devolved Adult Education budget which supports GM residents to improve their skills and progress on to further learning or in to employment or progress in work. The AEB funds are for the delivery of education and skills provision delivered to individuals aged 19+. In terms of devolution this budget is expected to cover a number of elements including:

- Statutory Entitlements, e.g. maths and English, digital etc.
- Other adult education categorised as formula funded.
- Non-formula funded community learning.
- Learner and learning support.

1.2. The 2019/20 academic year saw the first year of the devolved AEB programme to GM, and the key focus was to ensure that adult education and skills functions worked better when planned and managed locally than as part of a national 'one size fits all' approach. GMCA has been clear from the outset that its approach would not involve sweeping changes to funding policy in the early years, but rather the development of an evidence base to inform future policy changes, building strong collaborative relationships with providers, working together to proactively monitor and management performance, and a more strategic approach to the number and range of providers delivering AEB funded provision to our residents (compared to the 300+ providers operating in GM prior to devolution, of which over three quarters were based outside of GM and a fifth delivered provision to just a single GM resident within their AEB cohort).

1.3. Taken together, these year one objectives would be the first steps towards ensuring that the adult skills provision offered to residents and employers was fit for purpose to support individuals to progress in life and in work, and to help grow and strengthen our economy/productivity in the context of GM's (then) new Local Industrial Strategy.

1.4. The changes we have made in the first year have enabled GMCA to:

1.4.1. **Ensure free education and training for all residents without a first full level 2 qualification.** Previously, courses were only part funded for employed learners aged 24+ years. This will ensure that all low-skilled residents can access essential skills provision, regardless of age or employment status, without the potential barrier of fees.

1.4.2. **Provide free learning for employed residents earning below the national living wage.** Previously, employed people with low or no qualifications in employment would only be entitled to fee remission if they earned below the national minimum wage. This flexibility raises that income threshold.

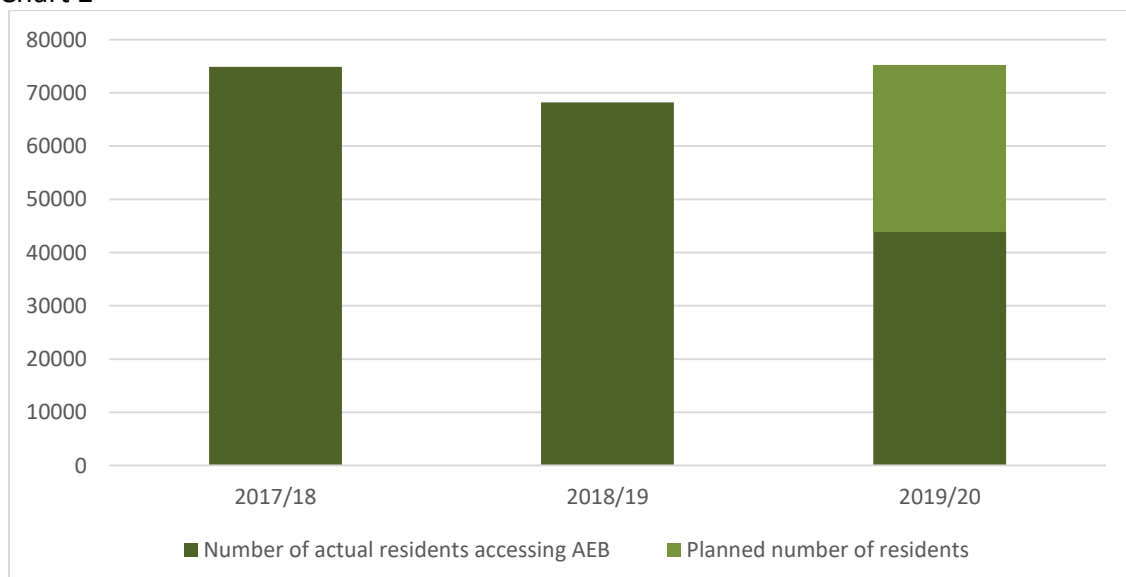
1.4.3. **Provide funded units of advanced training and education at level 3,** particularly linked to priority sectors, a flexibility designed to help people progress in work by improving, refreshing and updating their skills. Previously, all level 3 learning (other

than the entitlement to a first full level 3 qualification for 19 to 23 year olds) has been loan funded by the individual.

- 1.4.4. **Provide free British Sign Language (BSL) provision for residents for whom BSL is their first language** where no other funding is available. This brings relevant BSL qualifications into line with comparable entitlements for English, where previously they would not have been eligible for funding on the same basis.
 - 1.4.5. **Test the impact of packages of wraparound support for priority sectors**, including license to practice (LTP) where it is linked to a job outcome. This is being trialed in the first instance in the construction industry, where a CSCS card is a prerequisite for workers/trainees to attend a site. Previously, LTPs were not eligible for funding other than for unemployed individuals meeting specified criteria.
 - 1.4.6. **Ensure that all providers delivering GMCA funded AEB provision (including colleges) are Good or Outstanding**. Previously GM had no control over the quality of provision being delivered to Greater Manchester residents, but this has been a key consideration in our commissioning where a provider has had a recent Ofsted judgement for its adult education provision.
 - 1.4.7. **Better align adult skills provision and employment support for residents**. We will ensure that skills interventions and broader support for people who are long term unemployed are more closely integrated via the AEB and the devolved GM Working Well (Work & Health) Programme, where previously the skills and welfare systems operated in parallel rather than in partnership.
 - 1.4.8. **Ensure better value for money, maximising funding that goes to the front line**, by setting out clear expectations during procurement about subcontracting fees (linked to sector best practice/recommendations) and by removing the tolerance for under-delivery by grant funded providers. Previously, as long as grant funded providers delivered 97% of their funding allocation, the remainder would not be clawed back from the institution. This tolerance applied by the ESFA (which is increasing from 3% to 7% in 2019/20), has not been mirrored by GMCA, which has been clear that any money paid must be related to actual evidenced delivery.
 - 1.4.9. **Support LIS frontier and foundation sectors** by approving provider growth cases worth £917k for provision linked to relevant occupational areas and/or supporting learner progression.
- 1.5. The Education, Skills and Work Directorate have, implemented and progressed key areas in relation to the first year of devolved AEB for 2019/20 including:
- 1.5.1. Full programme management team recruited including, 3x FTE Strategy & Partnership function; 4x FTE Contract & Performance Management function; and 1x FTE Support.

- 1.5.2. All 10x Local Authorities have an embedded AEB Partnership arrangement, to bring together local providers, local work and skills leads and key stakeholders to discuss: Local provision, including mapping and duplication; local priorities and how the AEB delivery can respond; and links to other programmes and funding.
 - 1.5.3. All lead providers have received a compliance visit, with supportive actions agreed, where quality of provision continues to be priority.
 - 1.5.4. Strong relationships built with key stakeholders including: All 36 AEB Prime Providers; Local Authorities; in particular local Work & Skills Leads; and DWP; in particular Job Centre Plus.
 - 1.5.5. Other positive aspects of managing the overall programme have been: High engagement levels on Social Media; in particular Twitter; Showcase event held in December 2019 with welcome speeches from Andy Burnham & Sean Fielding; discussions between senior figures from all 36 providers as to the direction of GMCA Devolved AEB; and comprehensive ongoing support in relation to Covid-19.
- 1.6. The impact on the reduction in the number of organisations delivering adult education to GM residents compared to previous years is a positive one **as it means that GMCA is focusing contracts and relationships with organisation whose main interest is to support GM residents** and no one contract, for a lead contract provider or supply chain provider delivers provision to less than 10 GM residents.
- 1.7. The AEB has supported around 65,000 - 70,000 GM residents each year and **GMCA aims to support approximately 75,500 GM residents by the end of the first devolved academic year**. The latest actual data up to March 2020, skills providers has supported over 43,000 residents, as reflected in Chart 2 below, with the aim to maintain delivery at the planned levels, subject to the impact of COVID19.

Chart 2



1.8. As we continue to build up the level of data and begin to analyse the detail, and until we have a full year of data, we will be able to better understand the policy changes for 2019/20 as outlined in paragraphs xx to xx above and hence we aim to continue with the changes for this year in to 2020/21, and hence not making any further changes from year 2.

2. Year 2 objectives

2.1. In 2020/21 we are now looking to build on the important shifts that we have set in train in the first year of devolution, continuing with the core objectives of supporting essential skills and progression within learning and/or employment, but with the following additional high-level objectives:

2.1.1. **Utilise AEB as a vital element of a flexible co-ordinated recovery package in response to the coronavirus Covid-19 pandemic**, with a particular focus in the short term on supporting key workers/essential services. In the medium- to long-term, use AEB to harness the potential of temporary volunteers by developing packages of learning that support them onto training pathways with line of sight into key worker occupations/priority sectors, and up-skilling and retraining individuals who have been furloughed or made redundant due to the outbreak. Development of the GM model for the National Retraining Scheme will be an important element of this.

2.1.2. **Create clear lines of sight and training pathways into and within GM's frontier and foundation sectors** by aligning AEB with ESF Skills for Growth programme (due to be commissioned over the summer).

2.1.3. **Support priority cohorts of individuals through closer policy links across the CA**, building on the GM model for unified public services and using flexibilities to tailor support for, for example, offenders in the community, vulnerable and marginalised women, workers in GM's night time economy.

2.1.4. **Maintaining and developing the focus on place**, working closely with local authorities & local CVS to ensure that the needs of resident, businesses and communities are being met, particularly in the context of Covid-19 recovery as well as growth areas.

3. Confirmed 2020/21 Devolved AEB Allocation

3.1. On the 5th Feb 2020 DfE confirmed the 2020/2021 GMCA AEB budget as being £96.2m for the academic year. This figure is calculated using performance data from the 2017/18 academic year.

3.2. The confirmed budget represents an increase of £3,666,969 on GMCA's 2019/20 allocation. This is due to:

3.2.1. £2,300,800 - Funding for continuing learners which, during the 2019/20 academic year, was held by the Education and Skills Funding Agency (ESFA) as part of the move

from national to devolved arrangements, and for which GMCA will also need to ensure funding is available for continuing learners from 2019/20 in to 2020/21. Indicative amounts are included in the allocations table at Appendix 2.

3.2.2. £719,169 - Funding released due to reduction in funding for the national 19-24 traineeships programme.

3.2.3. £647,000 - Funding to support the National Retraining Scheme (NRS), which is ring-fenced and GMCA will need to consider its approach and whether this will need to be different to the national approach. No further information has been forthcoming from DfE and extra clarification is still needed.

4. Proposed approach to the 2020/21 Academic Year

4.1. GMCA will use the 2020/21 academic year to start to deliver changes which will support delivery of the LIS and associated developing Work and Skills Plan. At the same time GMCA will continue to have a focus on provider stability and working positively with the provider base and work to support the current COVID-19 response and begin to implement suitable recovery provision.

4.2. GMCA will use 2020/21, to develop and implement a range of GM and locally focused initiatives, aligned with ongoing policy developments and supporting evidence to target over and above the main statutory entitlements of the AEB requirements. These will be implemented as test and learn initiatives (constructed and commissioned where appropriate or potentially granted to LA), and these will continue to be enhanced and developed during 2021/22 academic years and beyond.

4.3. Whilst GMCA will make system changes for 2020/21 these will mainly be focused on amendments to GMCA's devolved AEB funding and performance management rules, to provide greater clarity and start to bring consistency in the interpretation of the rules.

4.4. GMCA will continue the grant funded approach for the FE Colleges and Local Authorities and GMCA will continue with procured providers which were commissioned in pre-2019/2020, whilst also preparing for an additional limited amount of procurement during 2020/21.

4.5. GMCA will continue to ensure that the ILR remains the key instrument for recording delivery during 2020/21, however we also recognise there are limitations to the ESFA system and we will need to begin to consider our own data collection and reporting system, to give GMCA and our local partners confidence in the data, evidence and what changes we plan to make with AEB in the future.

4.6. GMCA will continue to develop the current smaller (compared to historical ESFA numbers) provider base combined with the utilisation of sub-contracting.

4.7. An explanation of the specific approach and changes that GMCA are proposing to make are contained in appendix 1.

5. Split of Budget

5.1. The proposed split of the 2020/21 AEB budget is as follows:

Budget Line	Value (£)	% of Overall Budget
Grant Provider Allocations	£65,794,522	68.3%
Procured Provider Allocations	£22,676,226	23.6%
Resident Provision (out of area delivery) contingency allocation	£500,000	0.5%
Indicative Allocation for Continuing Learners from 2019/20	£2,300,800	2.4%
National Retraining Scheme	£647,000	0.7%
Responsive and Test and Learn Commissioned Provision	£2,904,287	3%
GMCA Management and Administration	£1,444,002	1.5%
TOTAL	£96,266,837	100%

5.2. Explanation of these budgetary lines is as follows:

5.3. Grant Provider Allocations: At 68.3% of the total AEB budget this represents the grant funding allocations to providers – FE Colleges, Local Authorities and sixth form Colleges. The allocation by provider is based on the financial value of their GMCA allocation for the 2019/20 academic year. Allocations detailed in Appendix 2.

5.4. Procured Provider Allocations: At 23.6% of the total AEB budget this represents the procured funding allocations to providers which went through a procurement exercise pre-2019/20, these include independent training providers, non GM colleges and voluntary and community organisations. The allocation by provider is based on the financial value of their GMCA allocation for the 2019/20 academic year, and we originally procured on a 1+ 1+ 1 basis. Allocations detailed in Appendix 2.

5.5. Resident Provision contingency allocation: At 0.5% of the total AEB budget this supports Greater Manchester (GM) residents who choose to access adult education from a training provider which does not hold an existing contract with GMCA¹ (whether based within GM for specialist provision or outside of GM).

5.6. Indicative Allocation for Continuing Learners from 2019/20: At 2.4% of the total AEB budget these monies will be used to fund continuing learners who started their provision during the 2019/20 academic year but will complete during the 2020/21 academic year. Indicative amounts are included in the allocations table at Appendix 2.

¹ For training providers within GM this will only apply for specialist provision. For those outside of GM, all principles will apply.

- 5.7. National Retraining Scheme Support Activity: At 0.7% of the total AEB budget this funding has been provided by the Department for Education to support National Retraining Scheme activity. Details are outlined in Appendix 1, section National Retraining Scheme.
- 5.8. Responsive Test and Learn Commissioned Provision: At 3% of the total AEB budget this represents the funding that GMCA will use to test innovative approaches to tailored targeted support for GM's or LA priority cohorts/places/sectors during the 2021/22 academic years and beyond. Details are outlined in Appendix 1, section Innovative and Responsive Targeted Work streams.
- 5.9. GMCA Management and Administration: At 1.5% of the total AEB Budget this represents the funding required to manage and administer the devolved Adult Education Budget for the 2020/21 academic year. This is well below the average management fee for major programmes and remains both appropriate and proportionate to the scale and nature of activity.

6. Proposed Allocations

- 6.1. During the 2020/21 academic year GMCA are proposing to continue to fund the same group of providers that were funded during the 2019/20 academic year. This approach enables GMCA to focus on development of the provider curriculum plan process whilst also ensuring continued stabilisation of the overall system and the associated provider base, including the wider supply chain.
- 6.2. It is proposed to not change the allocations for 2020/21 as GMCA have not been able to measure a full year of activity prior to needing to notify providers of the allocations for the second year of devolved AEB and alongside the impact of COVID19.
- 6.3. Overall for the 2020/21 academic year GMCA are proposing to continue to fund 36 providers in total. The financial value of the allocation for each provider will mirror the one agreed with the provider for the 2019/20 academic year.
- 6.4. GMCA will distribute funding relating to continuing learners on the basis of the RO12/RO14 2019/20 data points so this funding covers actual delivery to learners.
- 6.5. The list of proposed allocations can be found in Appendix 2. This includes the current indicative allocation by provider for the continuing learners' value. This will be monitored monthly and updated.

7. Delegated Authority:

- 7.1. Delegated authority to the GMCA Treasurer in consultation the Leader & CEX portfolio holder for Skills, Work & Digital along with the Director of Education, Skills & Work and the Work and Skills Executive to:
- 7.1.1. Make decisions relating to distribution of funding for continuing learners. Indicative allocations are detailed in Appendix 2.
- 7.1.2. Make decisions relating to procurement of any new AEB activity which relates and responds to local needs, to the skills gaps outlined in the GM LIS and specific needs

identified by GM/LA priority groups i.e. care leavers, over 50's, offenders etc. Details are provided in Appendix 1, sections National Retraining Scheme and Innovative and Responsive Targeted Work streams.

7.1.3. Make in-year provider exception funding decisions.

7.1.4. Make decisions on provider re-allocations mid-year and at the end-of-year reconciliation points.

7.2. All decisions taken under this delegated authority will be reported at the next relevant GMCA Committee meeting.

7.3. The delegated authority requested relates to the 2020/21 academic year only. If delegated authority is identified as necessary for the 2021/22 academic year this will be requested at the relevant point during 2021.

8. Risk Management

8.1. GMCA's Education, Skills and Work Directorate will continue to work with the selected providers to ensure comprehensive processes are in place to identify and mitigate risks, including managing the performance of the delivery, linked to the Devolved AEB Funding and Performance Management Rules, which includes audit and compliance procedures and risk ratings applied to individual providers during the year.

9. Legal Considerations

9.1. GMCA's Education, Skills and Work Directorate will continue to work with the legal support from MCC, to ensure all contractual documents are appropriate and in place for the academic year.

10. Financial Consequences – Revenue

10.1. Revenue funding is taken from the Adult Education Budget, which is received on an annual basis each financial year.

APPENDIX 1 - Proposed approach to the 2020/21 Academic Year

APPROACH	RATIONALE	INTENDED IMPACT
<p>Allocations</p> <ul style="list-style-type: none"> For the 2020/21 academic year GMCA will work with the same provider base as during the 2019/20 academic year. The provider’s allocation will be confirmed, and the grant funding agreement or contract for service issued, once their related delivery and financial plan has been agreed with GMCA (see below), subject to ongoing COVID 19 response. 	<ul style="list-style-type: none"> For the 2020/21 academic year GMCA will not have a full year’s worth of delivery data to consider to inform our approach. As such substantive revisions to funding amounts is not recommended as there would not be a solid evidence base to underpin the decisions. Agreeing allocations in April 2020 enables GMCA to concentrate on engaging with the provider base more fully and agreeing the provider delivery plans for 2020/21. This will result more effectively planned provision alongside stability for the provider base. Given the current COVID19 impact on the sector, agreeing allocations now will provide early assurances to all providers, to ensure they are able to commence planning for 2020/21. 	<ul style="list-style-type: none"> Providers understand earlier in the process whether GMCA intends to fund them for the 2020/21 academic year. Providers are able to focus on compiling, and agreeing with GMCA, their associated delivery plans. GMCA is able to focus more fully on the delivery plan process and the details of each provider’s delivery/provision.
<p>Provider Plans:</p> <ul style="list-style-type: none"> As part of the allocations process all providers will need to submit and agree a delivery and financial plan with GMCA for their devolved provision. 	<ul style="list-style-type: none"> 2019/20 was the first year GMCA implemented the requirement to submit a delivery and financial plan for the full year, and GMCA is seeking to 	<ul style="list-style-type: none"> Devolved Adult Education provision which is visibly planned, relates directly to the LIS and E&S Plan and is

APPROACH	RATIONALE	INTENDED IMPACT
<ul style="list-style-type: none"> For 2020/21 the plan will detail, and justify, the providers' proposed provision including: targeted learners, skills sectors being targeted and where the provision will be focused by local authority. The plan would be agreed with GMCA between May 2020 and mid-July 2020. 	<p>ensure that providers are able to demonstrate how their provision offer addresses the needs outlined in the GMCA Local Industrial Strategy and particularly within the local authority areas they plan to support.</p> <ul style="list-style-type: none"> GMCA seeks to work with providers who can demonstrate that they fully understand the needs of (and the challenges faced by), residents, communities and employers in the GMCA area. 	<p>understandable to GMCA, learners, employers and stakeholders.</p> <ul style="list-style-type: none"> Providers are supported to move to a more demonstrably planned and open/understandable delivery model.
<p>Sharing of Provider Delivery and Financial Plans:</p> <ul style="list-style-type: none"> GMCA will share the provision offer as agreed with all providers' from their delivery and financial plans with local authority work and skills leads and across the devolved GMCA provider base. 	<ul style="list-style-type: none"> Through 2019/20 GMCA has worked closely with each lead provider to ensure GM's local authorities are aware of what provision is being offered within their areas. GMCA is looking to progress this further in 2020/21 and in later academic years to enable all providers to discuss and share their intended delivery with other providers and local stakeholders. This can result in unnecessary duplication of provision in some areas while other areas are underserved. GMCA is seeking are more constructed and open Adult Education landscape in the GMCA area where providers are 	<ul style="list-style-type: none"> * An increase in joint working between providers and delivery of effectively planned provision. * Increased support for learners especially in terms of progression and pathways through provision. * Identification of oversupply and undersupply in relation different communities/areas. • Reduction in unnecessary duplication. Where provision is duplicated this would be considered deliberate and necessary.

APPROACH	RATIONALE	INTENDED IMPACT
	<p>aware of each other's provision and can factor this in when planning their own.</p> <ul style="list-style-type: none"> • GMCA is also seeking a more joined up approach between providers to better support learners and employers especially in terms of progression through provision. 	
<p>Updated GMCA Devolved AEB Funding and Performance Management Rules</p> <p>* GMCA are currently reviewing and amending the Rules for 2019/20, to ensure they are reflective of necessary changes, including, but not limited to:</p> <ol style="list-style-type: none"> a. Including national digital entitlement guidelines (as per ESFA requirements); b. Further clarification on GM Flexibilities implemented in 2019/20; c. Updating the performance management processes, after testing them in 2019/20; d. Review of supply chain management across the wider provider base; e. Start to provide clarity on general rules, so that all providers are clear on definitions and understanding of what is eligible or not. 	<p>* Learners in GM must continue to have the same availability to the national legal entitlements as learners in non-devolved areas.</p> <p>* GMCA is seeking to improve the quality of its provision and in particular, understand the impact of the activities.</p>	<p>* Learners will have greater flexibilities available to them which support the LIS and E & S Plan.</p> <p>* GMCA will be able to demonstrate the positive impact that the AEB has made, particularly surrounding progression pathways.</p>
National Retraining Scheme:		

APPROACH	RATIONALE	INTENDED IMPACT
<p>Within the allocation to GM there is a ring-fenced amount which will be required to support the National Retraining Scheme, and this can be tailored to meet the needs specifically for Greater Manchester. NRS aims to support residents who need to access in-work training; inclusion of substantial/in-depth IAG and employer engagement in the scheme</p>	<ul style="list-style-type: none"> • GMCA will evaluate other pilots which have been implemented by other MCAs • Look at other best practice-to know what alternatives with regards what the allocation can be utilised for. 	<ul style="list-style-type: none"> • Improve access to information for residents who are looking to retrain to change careers or improve their knowledge and skills level for new opportunities they have moved into.
<p>Innovative and Responsive Targeted Work streams:</p> <ul style="list-style-type: none"> * GMCA will use the 2020/21 academic year and beyond to respond to policy developments in the following areas , but not limited to, as additional evidence becomes available: <ul style="list-style-type: none"> I. Targeted delivery of Level 3 provision to LIS sectors & establish a GM entitlement list; II. Level 2 qualifications offer linked to Level 3 above; III. Responding to barriers to accessing ESOL & other learning provision across GM; IV. Supporting Offenders, care leavers and over 50s; V. Support in-work progression; VI. Supporting CVS/LA work and skills leads to respond to need in local areas to access learning; 	<ul style="list-style-type: none"> * The current Level 3 Legal Entitlement list does not include qualifications that link directly to the LIS and E and S Plan. * The current Level 2 Legal Entitlement list does not contain the pathways in certain sectors to the current level 3 Legal Entitlement list. * Local leads/CVS and providers have indicated a need for a consistent approach towards ESOL provision to prevent waiting lists and under activity in some areas of GM. * Offenders, care leavers and over 50s have been identified as facing serious disadvantage in their life chances and AEB provision can provide bespoke programmes of support to improve their chances to progress. 	<ul style="list-style-type: none"> * Learners will have access to learning/career pathways that link directly to GM’s growth and foundation sectors, providing an improved skills base for local employers. * Barriers to ESOL provision will be identified and resolved bringing ESOL accessible to all residents that require it and coverage in under-represented areas. * Residents that are furthest away from employment will be supported with relevant, high quality provision to aid their progression. * Providers and their supply chain partners will remain financially stable throughout the Covid 19 pandemic with the ability to flex their offer to meet immediate demand.

APPROACH	RATIONALE	INTENDED IMPACT
<p>VII. Develop a response to the post COVID19 impact;</p> <p>VIII. Provision targeted to key sectors (LIS, Work and Skills Plan etc.)</p>	<ul style="list-style-type: none"> * LAs have identified gaps in their place that are not currently supported with Skills and Work usual activity. * Covid 19 has created challenging times with potentially devastating impact. This work stream is intended to provide financial stability to the provider base and enable providers to flex their delivery offer to support changing priorities in the current economic climate. 	

APPENDIX 2 – Full list of Greater Manchester AEB providers and Allocations for 2020/21

Provider Name	Allocation type	2020/21 total AEB allocation (£s)	Continuing Learners Indicative Value 2020/2021 (@ March 2020)*	Total Allocation (inc. indicative continuing learners value)
AQUINAS COLLEGE	Grant	£85,243		£85,243
ASHTON SIXTH FORM COLLEGE	Grant	£156,477	£6,400	£162,877
BOLTON COLLEGE	Grant	£3,679,131	£14,695	£3,693,826
BOLTON METROPOLITAN BOROUGH COUNCIL	Grant	£2,168,234		£2,168,234
BURY COLLEGE	Grant	£2,061,164	£62,486	£2,123,650
BURY METROPOLITAN BOROUGH COUNCIL	Grant	£1,422,905	£1,983	£1,424,888
CHEADLE AND MARPLE SIXTH FORM COLLEGE	Grant	£220,489	£16,280	£236,769
HOPWOOD HALL COLLEGE	Grant	£4,644,156	£84,538	£4,728,694
LTE GROUP	Grant	£17,209,543	£228,984	£17,438,527
MANCHESTER CITY COUNCIL	Grant	£7,624,356		£7,624,356
OLDHAM METROPOLITAN BOROUGH COUNCIL	Grant	£2,804,233		£2,804,233
SALFORD CITY COLLEGE	Grant	£6,127,216	£120,407	£6,247,623
STOCKPORT METROPOLITAN BOROUGH COUNCIL	Grant	£1,210,294		£1,210,294
TAMESIDE COLLEGE	Grant	£2,656,872	£46,763	£2,703,635
TAMESIDE METROPOLITAN BOROUGH COUNCIL	Grant	£818,418		£818,418
THE OLDHAM COLLEGE	Grant	£3,084,101	£145,608	£3,229,709
THE TRAFFORD COLLEGE GROUP	Grant	£5,585,775	£171,636	£5,757,411
WIGAN AND LEIGH COLLEGE	Grant	£3,518,930	£97,852	£3,616,782

WIGAN METROPOLITAN BOROUGH COUNCIL	Grant	£716,985	£81,676	£798,661
ACCESS TO MUSIC LTD T/A ACCESS CREATIVE COLLEGE (LOT 2)	Contract for Services	£391,928		£391,928
BABINGTON BUSINESS COLLEGE LTD (LOT 1)	Contract for Services	£749,779		£749,779
BACK 2 WORK COMPLETE TRAINING LTD (LOT 1)	Contract for Services	£2,159,492		£2,159,492
BACK 2 WORK COMPLETE TRAINING LTD (LOT 2)	Contract for Services	£526,500		£526,500
GLOUCESTERSHIRE COLLEGE (LOT 2)	Contract for Services	£371,025		£371,025
GROUNDWORK OLDHAM AND ROCHDALE (LOT 2)	Contract for Services	£162,955		£162,955
MANTRA LEARNING LTD (LOT 1)	Contract for Services	£4,162,626		£4,162,626
MAXIMUS PEOPLE SERVICES LTD (LOT 1)	Contract for Services	£1,359,344	£50,605	£1,409,949
PATHWAY FIRST LTD (LOT 1)	Contract for Services	£657,949		£657,949
PEOPLEPLUS GROUP LTD (LOT 1)	Contract for Services	£1,475,431		£1,475,431
SEETEC BUSINESS TECHNOLOGY CENTRE LTD (LOT 1)	Contract for Services	£955,659		£955,659
STANDGUIDE LTD (LOT 1)	Contract for Services	£964,000		£964,000
SYSTEM GROUP LTD (LOT 1)	Contract for Services	£2,051,659		£2,051,659
THE EDUCATION AND SKILLS PARTNERSHIP LTD (LOT 2)	Contract for Services	£394,752		£394,752
THE GROWTH COMPANY LTD (LOT 1)	Contract for Services	£3,009,790	£39,708	£3,049,498
THE TRAINING BROKERS LTD (LOT 2)	Contract for Services	£535,225		£535,225
TOTAL PEOPLE LTD (LOT 1)	Contract for Services	£771,389	£35,287	£806,676

WORKERS' EDUCATIONAL ASSOCIATION (LOT 1)	Contract for Services	£1,976,723	£7,655	£1,984,378
TOTALS		£88,470,748	£1,212,564	£89,683,312

- * These are indicative allocations for continuing learner activity, and the Education, Skills and Work Team will review this on a monthly basis for any changes (increases or decreases) and final allocations for continued learners will be updated when the final values are confirmed (July 2020).

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Date: 29th May 2020

Subject: Greater Manchester Economic Dashboard

Report of: Councillor Elise Wilson, Portfolio Lead for Economy & Business

PURPOSE OF REPORT

To provide GMCA with the latest version of the Greater Manchester Economic Resilience Dashboard.

RECOMMENDATION:

The GMCA is requested to note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard

CONTACT OFFICERS:

Simon Nokes, Executive Director Policy & Strategy, GMCA
Simon.nokes@greatermanchester-ca.gov.uk

Equalities Implications:

There are no direct equalities impacts arising from this report.

Climate Change Impact Assessment and Mitigation Measures:

1. *No direct impacts arising from this report.*

Risk Management:

None

Legal Considerations:

None

Financial Consequences – Revenue:

None

Financial Consequences – Capital:

None

Number of attachments to the report: 1

Comments/recommendations from Overview & Scrutiny Committee

None

BACKGROUND PAPERS:

The author of the report must include list of those documents on the subject matter which:

- Disclose any facts or matter on which the report or an important part of the report is based;
- Which have been relied on to a material extent in preparing the report

TRACKING/PROCESS		[All sections to be completed]
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
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?		Please state the reason the report is exempt from call-in
GM Transport Committee	Overview & Scrutiny Committee	

1. BACKGROUND

1.1 The Economic Resilience Dashboard was created to monitor a suite of economic measures related to the impact on the Greater Manchester economy of the UK's exit from the European Union. Following the outbreak of Covid-19, the dashboard will be used to aid in the monitoring of the impact of the pandemic on the GM economy as well as continuing to provide an assessment of the impact of Brexit and other economic developments. The dashboard will be periodically reviewed to ensure the indicators provide timely and accurate information on the economic climate in Greater Manchester.

1.2 The indicators are grouped under three themes – Economic Resilience, Business and Sectors and People. The latest version of the dashboard can be viewed live at this link (and is attached at Annex A):

https://www.gmtableau.nhs.uk/t/GMCA/views/GMEconomicResilienceDashboard-May2020/FrontSheet?iframeSizedToWindow=true&:embed=y&:showAppBanner=false&:display_count=no&:showVizHome=no&:origin=viz_share_link

2. HEADLINE MESSAGES:

2.1 The May dashboard update shows:

- National Purchasing Manager Index (PMI) measures, which use surveys to assess business activity, fell to historically low levels in April. The manufacturing, construction and services measures of purchasing intent all had substantial falls with the latter two falling to their lowest level since surveying began in 1992.
- Regional PMI also recorded a substantial fall across all regions of the UK in April. Whilst still experiencing a substantial decline from 40.7 in March to 19.7 in April, the North West had the smallest level of decline of all UK regions.
- Consumer confidence fell 25 points to -34 in April, its lowest level since the 2008 financial crisis.
- The volume of export documents processed by the Greater Manchester Chamber of Commerce decreased 19% month on month in April to 2,157.
- Data released on 19th May 2020 covers claimant count information and Universal Credit (UC) statistics (available by district) and reflects the initial impact of the coronavirus pandemic on the benefits system in Greater Manchester.
 - The number of people on UC in GM increased by 65,820 in April 2020 - a 38% increase from March 2020. The total number of people claiming UC in GM was 240,460 in April 2020. The increase in UC claimants is slightly lower than the increase that has occurred in the UK as a whole (40%) and in the North West (39%).
 - The claimant count in GM rose from 74,760 in March 2020 to 120,730 in April 2020, an increase of 61%. Again, this was slightly lower than the increase in the UK of 66%.

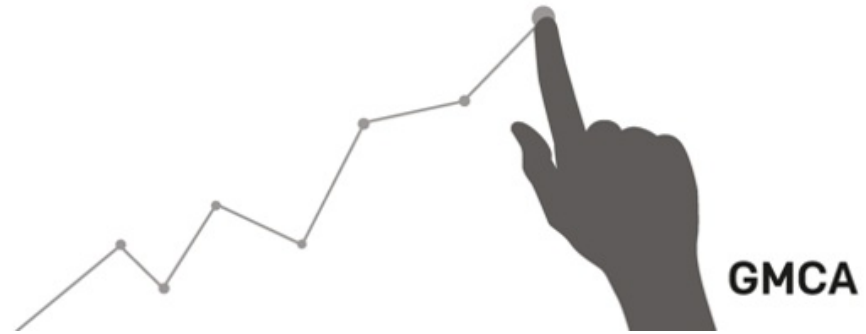
- 2.2 For a number of the indicators included in the dashboard, the data are not yet available to allow analysis of the impact of the Covid-19 pandemic. The GMCA research team are reviewing these measures to determine whether more timely indicators can be added to the dashboard to strengthen the insight into the current situation.

3. RECOMMENDATION

- 3.1 The GMCA is requested to note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard

Economic Resilience Dashboard

Tracking the GM Economy



Page 155

The Economic Resilience Dashboard was created to monitor a suite of economic measures related to the impact on the Greater Manchester economy of the UK's exit from the European Union.

Following the outbreak of Covid-19, the dashboard will be used to monitor the impact of the pandemic on the GM economy as well as continuing to provide an assessment of the impact of Brexit and other economic shocks.

We intend to periodically review the indicators in this dashboard to ensure they provide timely and accurate information on the economic climate in Greater Manchester and would welcome feedback on the most appropriate measures. If you have any feedback please email jack.james@greatermanchester-ca.gov.uk.

The indicators are grouped under three themes – Economic Resilience, Business and Sectors and Residents.

ECONOMIC RESILIENCE

Yield Spread

UK government bond yield spread improved slightly from 0.06 at the end of March to 0.2 in April 2020. A number close to or less than zero indicates that bond markets have little confidence in the future.

Regional Purchasing Managers Index

The NW regional PMI fell from 40.7 in March to 19.7 in April, across the same period the UK average fell from 35.5 to 12.9. All regions of the UK saw a record breaking decline in incoming new work in April amid reports of client closures and a collapse in both international and domestic demand, however, the North West saw the slowest decline in activity compared to all other regions of the UK.

Greater Manchester Index

GM Chamber's GM Index™, increased from 13.1 in Q4 2019 to 32.9 in Q1 2020. It should be noted that the Q1 2020 only includes a short period at the end of March during lockdown. The GM Chamber of Commerce's Weekly Tracker Report which examines the impact of Covid-19 has shown a severe downward trend in both current sales and advance orders since the start of lockdown, with scores for the period 25 April to 1 May showing an indexed score of -58 and -60 respectively.

House Sales

The volume of house sales in GM decreased by 21% in December 2019 to 2,804, from 3,543 in November. This reflects the underlying trend, with the 3 month rolling average of sales down 8%. The analysis relates to the most recent available data and due to the lag in reporting does not yet take account of the Covid-19 pandemic.

BUSINESS & SECTORS

Purchasing Managers Index

All three measures of PMI fell in April with both Services (13.4) and Construction (8.2) PMI measures falling to their lowest levels since surveying began in 1992. Whilst the most resilient of the three measures, Manufacturing PMI also declined substantially from 47.8 to 32.6

Retail Sales

The volume (not value) of retail sales remained the same at 108.2 on the retail sales index in February. There was little change in the underlying trend in the retail industry, as the three-month on three-month measure improved just 0.1 in February. It should be noted that this figure refers to the pre-lockdown period.

Export Documents

Export documents decreased by 19% month on month in April, to 2,157 from 2,668 in March, and declined by 32% y-o-y.

Credit Risk

The latest breakdown of credit risk data by size of firm is not yet available however, from the latest report as at 11th May, 5.4% of firms in GM (10+ staff) have 'high' credit risk, compared to 5.4% in the UK, a decrease by 0.1% in GM and no change across the UK from last week; 3.5% (decrease from 3.7%) of GM firms with 250+ employees have 'high' credit risk compared to 3.0% (no change from last week) of large firms in the UK. Accommodation and food (within Hospitality, Leisure and Tourism) continues to indicate the largest percentage of businesses with 'high' credit risk, both in GM (20.5%) and the UK (19.6%).

Inward Investment

Inward investment in GM created GVA of £47.6 million and safeguarded £4.1 million in quarter 4 of 2019/2020; this is compared to £39.5 million created and £40.5 million safeguarded in quarter 3. In 2019 Inward investment in Greater Manchester created £182.0 million (down 41% compared to 2018) and safeguarded £74.1 million (up 70% compared to 2018).

PEOPLE

Consumer Confidence

The UK Consumer Confidence Index fell 25 points to -34 in April 2020, this is the lowest figure since the 2008 financial crisis. This is primarily due to low confidence in the country's economic situation, poor household finances and low willingness to make major purchase largely in response to Covid-19.

Claimant Count and Universal Credit

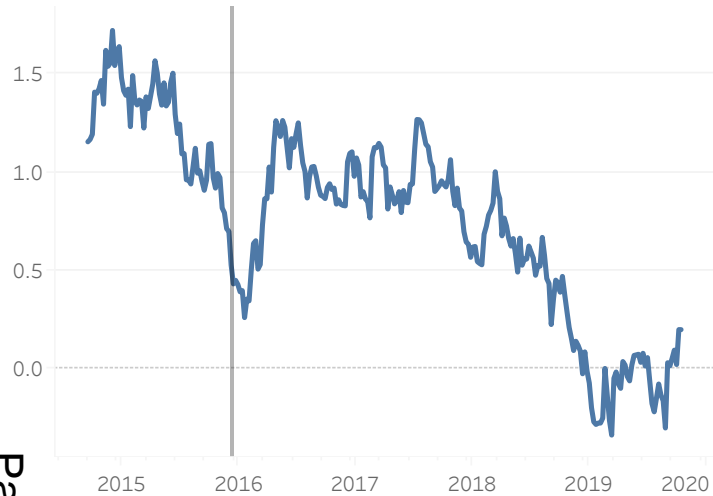
The number of people on UC in GM increased by 65,820 in April 2020 - a 38% increase from March 2020 - taking the total number of UC claimants in GM to 240,460. The increase in UC claimants was slightly lower than the increase that has occurred among UC claimants in the UK as a whole (40%). Data on the 'alternative claimant count' - combining UC unemployed with claimants of Jobseekers Allowance - also reflected a sharp rise between March and April 2020. The claimant count in GM rose from 74,760 in March 2020 to 120,730 in April 2020, an increase of 61%. Again, this was slightly lower than the increase in the UK of 66%

Job Vacancies

Job vacancies fell by 11% between q4 2019 and Q1 2020 from 64,712 to 57,345. In addition, Job vacancy intelligence is available weekly at a GM level from Labour Insight providing an indication of how the labour market is functioning during the Covid-19 pandemic. The weekly data indicates a drop in overall volume of vacancies since the beginning of March 2020. The most recent data shows the situation as of 9 May 2020. There has been a fall in the overall volumes of recruitment postings (just over 2000 adverts - about 890 fewer than in the previous week. Total postings are 2225 fewer than in the equivalent week in 2019. Comparing the recruitment picture in the first week of May with that of the first week in February, there has been a drop in total postings per week of 5470 job adverts. All three of the main recruiting industries registered a fall.

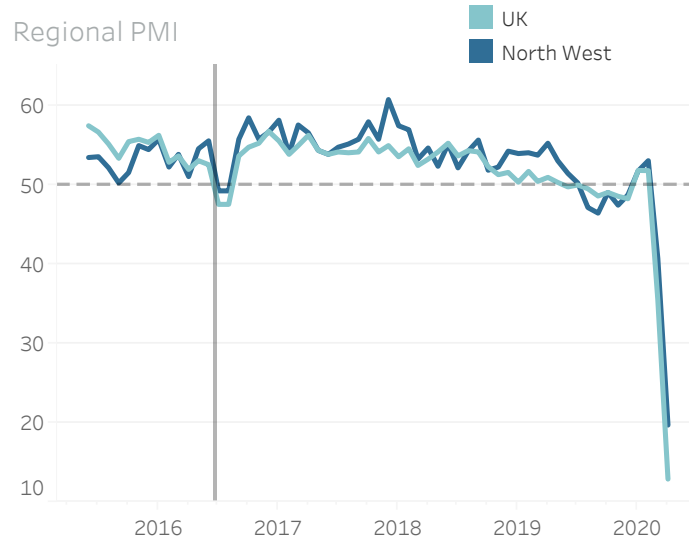
National Indicators

Yield Spread



Regional Indicators

Regional PMI



ECONOMIC RESILIENCE

The economic resilience variables track how the national, regional, and GM economy is performing at a macro level to identify any potential economic sho..

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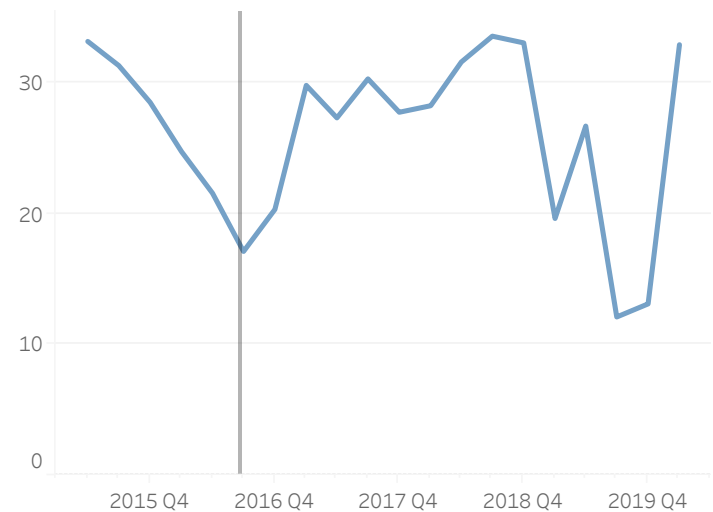
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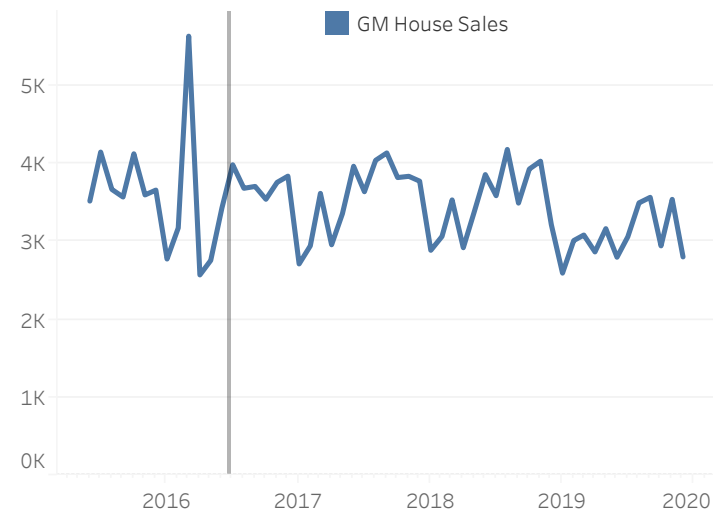
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Greater Manchester Indicators

GM Index

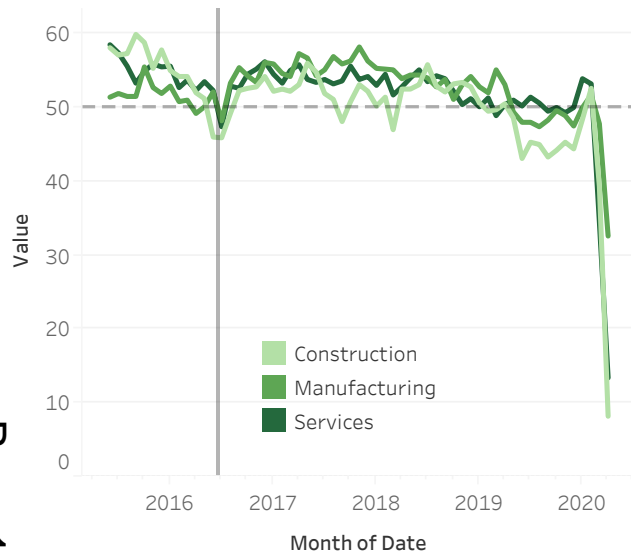


GM House Sales

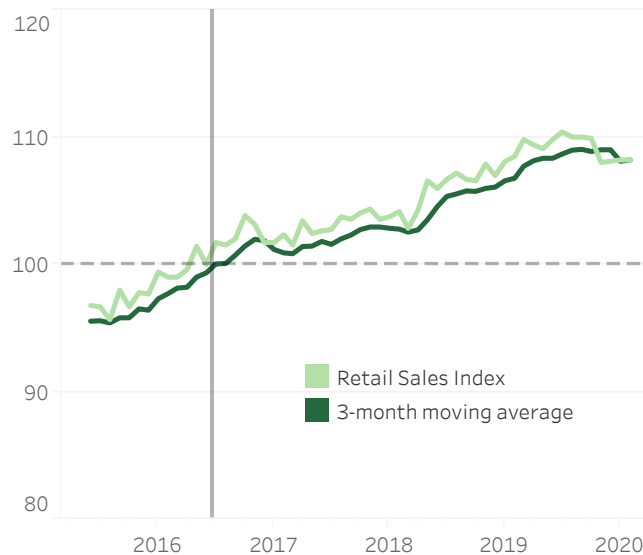


National Indicators

Purchasing Managers Index



Retail Sales



BUSINESS & SECTORS

The business & sectors variables track how businesses and sectors are performing to give a more in depth picture of the current economic landscape

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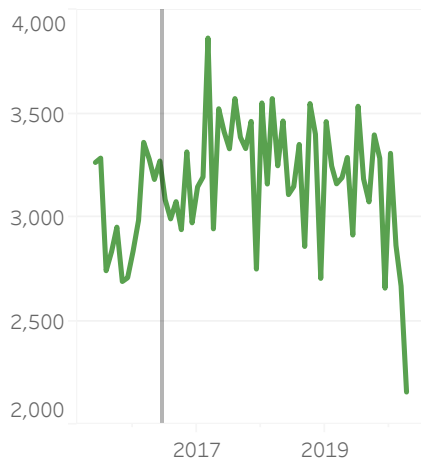
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Greater Manchester Indicators

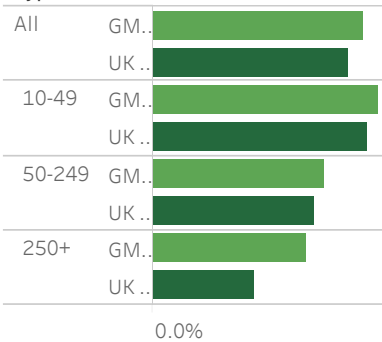
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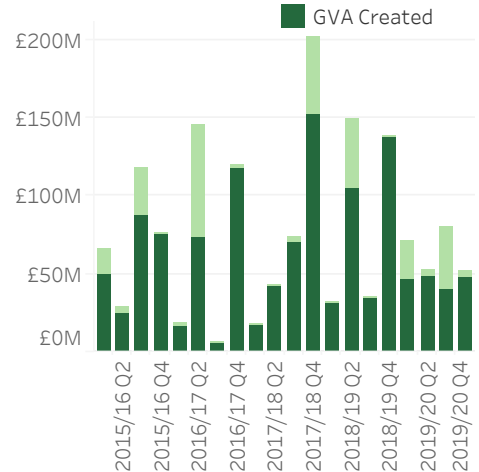
Credit Risk

% of SMEs reported as having 'high' credit risk

Business Type

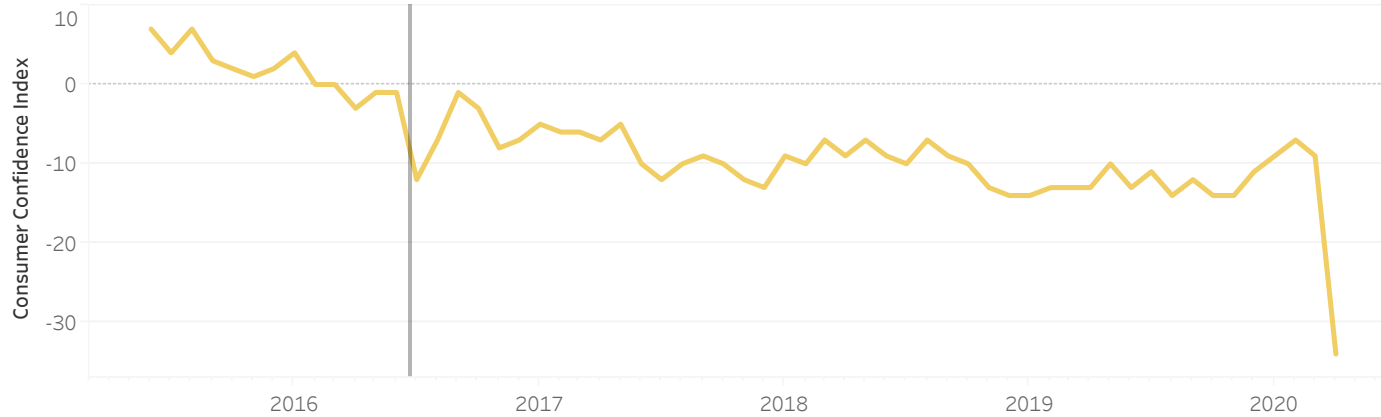


Inward Investment



National Indicators

Consumer Confidence



PEOPLE

The people variables track the wellbeing of people in GM in order to understand the material impacts of an..

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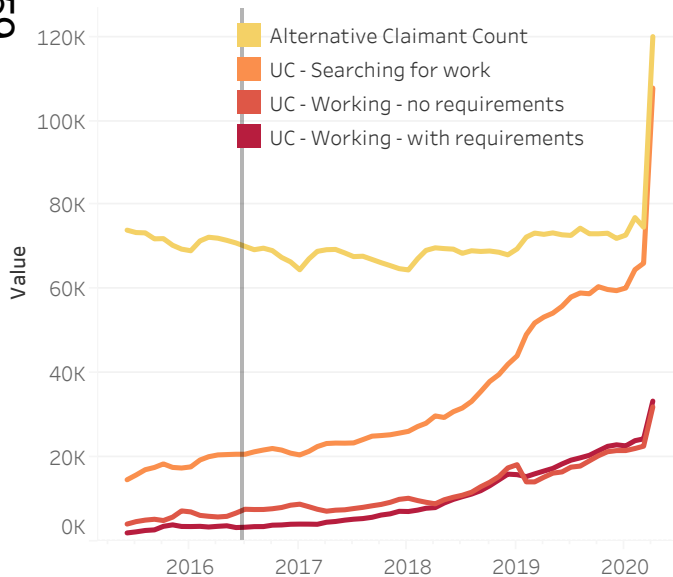
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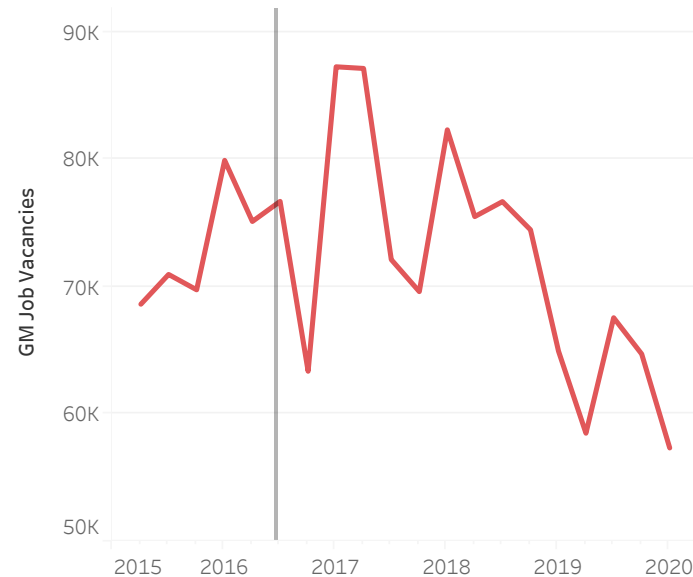
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Greater Manchester Indicators

Claimant Count and Universal Credit



Job Vacancies



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Date: 29th May 2020
Subject: GMCA Financial Implications of COVID 19
Report of: Steve Wilson, GMCA Treasurer

PURPOSE OF REPORT

The purpose of this paper is to summarise the financial implications of the GMCA and Local Authority response to the impact of measures put in place to support residents and businesses through the Covid-19 crisis and direct implications from loss of income and additional expenditure.

RECOMMENDATIONS:

The GMCA is asked to:

- Note the estimated financial impacts of COVID 19 on GMCA and TFGM budgets
- Approve the utilisation of £1 million of transport reserves held by GMCA and TfGM to fund the shortfall in Metrolink net revenues in the period to 31 March 2020
- Delegate authority to the GMCA Treasurer, in conjunction with the TfGM Finance and Corporate Services Director to make the necessary 'Capital / Revenue switch' to enable the funding of GMIP development costs of up to £7m from the Transforming Cities 2 fund
- Note the proposed approach to finance in the recovery phase of the COVID 19 response

CONTACT OFFICERS:

Name: Steve Wilson, Treasurer to GMCA
Telephone: 0161 778 7004
E-Mail: steve.wilson@greatermanchester-ca.gov.uk

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	No
EXEMPTION FROM CALL IN	
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

Risk Management

Legal Considerations

Financial Consequences – Revenue – these are set out within the report

Financial Consequences – Capital - n o n e

BACKGROUND PAPERS: None

1. INTRODUCTION

- 1.1 The purpose of this paper is to summarise the financial implications of the GMCA and Local Authority response to the impact of measures put in place to support residents and businesses through the Covid-19 crisis and direct implications from loss of income and additional expenditure.
- 1.2 Government has so far provided funding to Local Government and fire and rescue services of £3.2 billion nationally. This is in addition to national schemes for providing support for business through the Business Rates Relief Scheme of £1.8 billion, the Hardship Fund for residents of £500m and funding for bus and light rail services.
- 1.3 The report provides a summary of returns submitted to Ministry for Communities and Local Government (MHCLG) made on 15th May from GM Local Authorities. The report also includes a financial update for Transport for Greater Manchester.

2. IMPACT ON GM LOCAL AUTHORITIES

- 2.1 The table below summarises the funding provided to Local Authorities and GMCA from Government so far (this excludes funding passed through to local businesses for COVID 19 support grants, the business rates relief scheme and hardship fund):

Govt Funding	2019/20	2020/21		
	Homelessness	Coronavirus Response Funding		
		Tranche 1	Tranche 2	Total
National	£3.2m	£1.6 bn	£1.6 bn	£3.2 bn
Districts	£m	£m	£m	£m
Manchester	0.068	18.589	15.167	33.756
Bolton	0.008	9.251	7.857	17.108
Bury	0.003	5.364	5.253	10.617
Tameside	0.004	7.676	6.231	13.907
Trafford	0.001	6.118	6.539	12.657
Stockport	0.000	8.276	8.052	16.328
Wigan	0.006	10.465	9.003	19.468
Rochdale	0.004	7.500	6.116	13.616
Salford	0.008	8.911	7.141	16.052
Oldham	0.003	7.641	6.531	14.172
GMCA	0.000	0.564	2.108	2.672
Total	0.105	90.355	79.998	170.353

2.2 The costs and lost income for local authorities significantly exceeds the funding provided by Government. Local authorities submitted returns to MHCLG on 15th May 2020 which are summarised in the table below for GM districts and shows an estimated funding gap of £406m.

Covid Returns 15th May 2020	GM Local Authorities
	£m
Costs	169
Lost income	405
Total	574
Less Funding	168
Gap	406

2.3 To ensure consistency, the financial implications have been estimated based on the ‘lock down’ period to the end of July. It is not possible to accurately predict the financial impact as the country emerges from ‘lock down’ as the Government’s five tests for controlling the virus are evaluated. The estimated impact does not include potential financial implications of a period of ‘living with COVID’.

3. GMCA BUDGETS

3.1 Costs incurred directly by GMCA will be captured in district returns to Government as appropriate and met from a range of funding sources within districts or GMCA resources as agreed with Treasurers.

Greater Manchester Fire and Rescue

3.2 The GMCA/GMFRS COVID 19 Emergency Funding of £2.672m received from Government is intended to provide support for cost pressures in the following areas:

- Overtime costs as whole-time FF self-isolate or take on caring responsibilities
- On Call staff costs, where relevant
- Overtime costs as support staff self-isolate or take on caring responsibilities ☐ ICT infrastructure/licencing
- Reduction in income due to FRSs not providing ‘special services’ for which they charge
- Personal Protective Equipment to meet public health guidelines
- Station cleaning/decontamination

3.3 During March and April costs of £45k and £56k have been incurred with further commitments of £1.117m and loss of income from Prince’s Trust of £0.794m forecast. This is a total expected impact of £2.012m.

Waste

- 3.4 Following the Government's decision to emphasise a 'Stay At Home' message from 23rd March 2020, there has been a change to waste delivered by the GM districts to the authority's facilities. The changes have arisen from the residents of Greater Manchester spending more time at home, from changes to collection regimes as employees self-isolated and from the closure of the Household Waste Recycling Centres (HWRC) which were classed as non-essential services.
- 3.5 During this time, any available Suez employees were diverted to provide additional resources for district waste collections.
- 3.6 Provisional changes to tonnage figures for April 2020 are shown below:

	Additional waste	%
Residual	10,485	37
Biowaste	479	3
Commingled	1,998	22
Pulpables	(908)	(13)
Street Sweepings	(588)	(28)
Trade	(1,460)	(37)
Total	10,004	14

- 3.7 Residual waste is the most expensive to treat and the additional tonnage in April 2020 will result in an additional cost of £0.858m. The levy allocation to districts is based on forecast tonnages and an adjustment is calculated at the end of the financial year to reflect actual tonnages delivered by each district. The impact of the above changes to deliveries from forecast tonnages would normally be passed back to the districts via a levy adjustment. It is proposed that GMCA seek to manage the overall impact on districts within the budget for 2020/21 and if necessary reserves. There will, however, be an impact on individual charges to districts due to changes to relative shares of the overall waste tonnage.
- 3.8 The cost of the commingled and pulpable waste streams incurred by the authority are affected by movements in market prices and it is expected that markets will be affected by decreased global activity. GMCA is exposed to the difference between contract price received and the budget fixed price paid by the districts.
- 3.9 HWRCs were closed from 24 March 2020 until 2 May 2020 when a limited reopening was implemented. The limitations were on opening times, type of waste allowed to be disposed of and vehicle movements. This was designed to prevent the queues and disruption that have been reported in other areas of the country. Additional costs will be incurred by the Authority due to traffic management both on and off site and additional signage. Initially

only residual waste was able to be received but a limited range recycling containers have been added from 16 May 2020. It is currently too early to assess the tonnages being received but limitations on recycling containers could increase the volumes of waste for residual treatment which is the most expensive form of treatment.

- 3.10 It is currently anticipated that there will be no cost saving from the closure of the HWRCs as staff were diverted instead to cover COVID related absences elsewhere and supporting District deliveries of waste. The saving from having no waste to dispose of in April may well be offset against the cost of receiving mostly residual waste, the most expensive to treat, alongside a limited amount of other waste streams in May. It is currently too early to assess this impact.

Rough Sleeping

- 3.11 The 2020/21 budget approved by the GMCA in February 2020 included the continuation of funding for the 'A Bed Every Night' programme. The scheme has provided a key accommodation and support pathway for people who are experiencing rough sleeping, or at imminent risk, in Greater Manchester for the last 2 years. Due to the current pandemic to ensure that everyone who is rough sleeping is provided with an accommodation and support offer, the immediate reaction to Covid-19 in the 'Everyone In' policy will incur costs of £1.9m for the 3 month period to end of June 2020 for 300 people. This is in addition to £2.5m of costs to date for accommodation and support incurred directly by Districts.
- 3.12 The role of A Bed Every Night becomes even more critical as a humanitarian relief programme as we move towards 'living with Covid-19' and manage the continued risk to life that this presents to those who are vulnerable. The continuation of A Bed Every Night is essential to ensure that those currently accommodated within it have the certainty of ongoing accommodation and support, and to ensure that Greater Manchester can continue to offer accommodation and support to people who are sleeping rough, now in the next 9 months. It is intended that Bed Every Night in its third phase will run from July 2020 to March 2021.
- 3.13 Following the change from A Bed Every Night shared provisions into self-contained hotels and other forms of accommodation due to 'Everyone In', the challenge is to rebuild A Bed Every Night to be able to:
- Operate in 'Covid-safe' conditions and provide infection control safety to residents
 - Provide a step down option for hotels and other alternative accommodation procured for 'Everyone In' that cannot be sustained, and prevent a return to rough sleeping
 - Meet the ongoing and potential for increased demand due to the ongoing socio-economic pressures caused by the pandemic
- 3.14 It is proposed that the estimated cost of £1.9m incurred on the 'Everyone In' policy to end of June is met from GMCA earmarked reserve for Life Chances Fund of £5m. The Government is yet to confirm whether it will proactively continue or amend an 'Everyone In' approach that is sustainably funded. This is being fed into the new Taskforce, chaired by Dame Louise Casey.

In the absence of government funding being forthcoming further investment to extend the ABEN scheme from July 2020 to March 2021 is being considered.

Personal and Protective Equipment (PPE)

- 3.15 As a critical part of the emergency response the GMCA and AGMA procurement teams and GMFRS have provided central purchasing, storage and logistical support to districts and some health functions for PPE, including facial masks, aprons, gloves and hygiene sanitiser. Orders with a total cost of £2.8m have been received to date and charges to districts have been made for onward charge to CCGs where relevant of £0.7m. Funding has been underwritten by retained business rates up to a maximum of £5m to allow for rapid sourcing of stock, however following appropriate onward charges the residual cost to the combine authority is likely to be circa £1m.

Temporary Mortuary

- 3.16 In April the government announced the provision of an extra 30,000 temporary mortuary places nationally during the coronavirus pandemic as a precautionary measure. The Combined Authority has led the implementation a facility for managing the risk of the death management process being overwhelmed during the outbreak, through the creation of a centralised additional storage capacity within Greater Manchester.
- 3.17 The estimated cost for installation of the facility, operational costs and eventual decommissioning is £2.4m. The cost is being shared by the 10 GM Local Authorities on a per capita basis.

SUMMARY GMCA BUDGETS

- 3.18 The table below summarises the costs incurred directly by GMCA and the planned funding source.

Direct costs to GMCA	Costs / lost income to date	Total Estimated April - July	Funding Source		
			Districts	GMCA	To be determined
	£m	£m	£m	£m	£m
GMFRS	0.850	2.012		2.012	
Waste	0.858	2.000		2.000	
Rough Sleeping (to June 2020)	0.656	1.900		1.900	
Personal, Protective Equipment	1.700	2.800	0.700	1.000	1.100
Temp Mortuary	1.409	2.400	2.400		
Total	5.473	11.112	3.100	6.912	1.100

4. OTHER FINANCIAL IMPLICATIONS FOR GMCA

- 4.1 Whilst there is no direct loss of income for GMCA general budget in 2020/21, there is a potential detrimental impact on Business Rates growth for 2020/21 which will reduce the 50% element subsequently retained by the CA. In addition there is likely to be a deficit on Local Authority collection funds and a reduction in the overall Council Tax base which will reduce income from GMFRS, Mayoral and PCC precepts in cash terms from 2021/22.
- 4.2 In order to maintain continuity and stability with key providers and contractors GMCA has put in place measures which align to the principles of the Government's emergency policy advice set out in the Procurement Policy Note (PPN) – Supplier Relief due to COVID-19. It applies to goods, services and works contracts being delivered in the UK and is effective until 30th June 2020 and applicable to all contracting authorities.
- 4.3 GMCA will review the interim arrangements every quarter commencing from June 2020 with the view to returning to the original contracting arrangements as soon as deemed reasonable. Providers are expected to act on an 'open-book' basis and make cost data available during this period. They should continue to pay employees and flow down funding to their subcontractors, which will reduce the need to utilise the Government's Job Retention Scheme for furloughed workers.
- 4.4 There is potential slippage on capital programmes which could lead to risks where time limited grants are a funding source. Whilst GMCA is seeking maximum flexibility from Government, work is ongoing to review the position on this and determine mitigating action where necessary.
- 4.5 Housing and Business loans funds are being reviewed for risk of default. All businesses that have requested it have been given a six month capital and interest repayment holiday. No new business investment applications are being progressed in the immediate term whilst the impact of COVID is being determined and businesses are being directed to the government interventions.
- 4.6 The criteria for housing investments is in the process of being reassessed in order to decrease the risk of losses to the fund. Most housing developments are back on site but delays in planned completion are expected. There is expected to be an increase in demand for housing funds if banks reduce their activity and schemes fail and require support for completion. Measures for the CA to increase capacity are limited, so it will be looking to Government to provide additional funding for housing and commercial property.
- 4.7 In addition to Government grant funding from local authorities, the Coronavirus Business Interruption Loan Scheme (CBILS) has been established to provide loans of between £5,000 and £250,000 to qualifying companies. In conjunction with the Local Enterprise Partnership, working with the Growth Company, GMCA has identified additional capital funding of £3m to supplement capital from the traditional banking sector to provide urgently needed financial support for Greater Manchester businesses via Coronavirus Business Interruption Loan Scheme (CBILS).

5. TRANSPORT BUDGETS - GM TRANSPORT LEVY AND STATUTORY CHARGE

5.1 YEAR ENDED 31 MARCH 2020 OUTTURN

Metrolink

- 5.1.1 Before the implementation of lockdown on 16th March 2020, Metrolink net revenues were forecast to outturn in line with the budget including the amounts required to contribute to GMCA financing costs.
- 5.1.2 Following lockdown, patronage reduced significantly and has subsequently 'stabilised' at approximately 5% of pre COVID 19 levels. In recognition of the reduced patronage and in order to mitigate costs, whilst ensuring a service was maintained which continued to support travel for key workers, service patterns were adjusted to a 20-minute service on 6 April 2020.
- 5.1.3 As a result of the 95% reduction in patronage, Metrolink income for 2019/20 was some £3m below the amount that had been included in the 2019/20 budget.
- 5.1.4 On 1st May 2020, following a number of weeks of discussions, the Department for Transport (DfT) announced a funding package to support the significant reduction in Metrolink revenues for the period from mid-March to 8 June. This totaled £11.6 million for the period, which equates to c. £970,000 per week. This represents around 73% of the current net weekly deficit of £1.33 million, based on the current 20-minute service pattern and net of cost mitigations, including the impact of the operator, KAM, having furloughed in the order of 350 members of staff.
- 5.1.5 For the period to 31st March 2020 the DfT funding will contribute c. £2 million, leaving a remaining shortfall of £1 million, which will need to be funded from Transport Reserves. As this was an 'unplanned' drawdown, TfGM was not able to obtain prior approval for the release and therefore this is included in the recommendations for approval in this report.

Our Pass

- 5.1.6 The actual drawdown on the concessionary reserve for Our Pass costs was, primarily as a result of lower patronage in March, £0.4 million below the amount included in the last reforecast of £1.7 million.

5.2 ESTIMATED IMPACT ON 2020/21 BUDGETS

Metrolink

- 5.2.1 Following the initial reduction in service frequency from 6 minute to 12 minutes on 23 March 2020, a further reduction to a 20 minute cross network service was implemented on 6 April 2020.

- 5.2.2 The vast majority of Metrolink costs relate to the operating contract with Keolis Amey (KAM), these costs are largely 'fixed'. TfGM has been working closely with KAM to mitigate revenue losses as far as possible. This has primarily been through reducing service levels, whilst at the same time ensuring that it continues to maintain services for key workers.
- 5.2.3 This reduction of service frequencies has resulted in reductions in operating costs of £1.2 million per month through reduced variable costs such as electricity; mileage-driven maintenance as well as KAM furloughing around 320 employees through the Covid Job Retention Scheme.
- 5.2.4 Outside of the operating contract the majority of other operating costs are also 'fixed'. These relate to rates, insurances and depreciation, and includes 'other costs' including communications and marketing. Ongoing savings are being delivered in 'other costs', although these are being offset in the short term by additional costs associated with COVID 19, including PPE and additional costs of cleaning.
- 5.2.5 Based on the above the current monthly net income (after financing costs) is a monthly deficit of c.£5.3 million, compared to the budgeted break-even position, after financing costs. For the period to 8th June 2020, this position is mitigated through the grant from DfT which provides c. £4 million or around 73% of this deficit position, leaving a shortfall (including financing costs) of approximately £1.3 million per month.
- 5.2.6 This deficit will need to be funded from reserves to the extent that any further savings are not deliverable.
- 5.2.7 Discussions are ongoing with DfT about the funding position beyond this initial period.
- 5.2.8 With the easing of lockdown measures, the operator is preparing to increase Metrolink from the current 20 minute service, that we implemented on 6 April, to a 12 minute, mostly double, tram service from 26 May. This will enable us to provide additional capacity across the Metrolink network to respond to the anticipated increase in demand and to enable those who need to travel by public transport to do so more safely.
- 5.2.9 There is still a great deal of uncertainty as to how public transport provision will, and will be expected to, recover over the coming months. However, our current sensitivity analysis projects that we can expect to experience net losses of between £40 million to £50 million (or potentially higher) for the remainder of the financial year (from early June 2020 to 31 March 2021) in addition to the circa £4 million of unfunded losses in the period from mid-March to 8 June. This is before any additional costs which may be incurred in order to manage social distancing protocols. These costs could potentially be in the order of £30 million for the remainder of this financial year.
- 5.2.10 Out with the immediate impact of COVID 19 and social distancing, it is very likely that commuting travel patterns will be significantly impacted by the recent events. This includes the likelihood that working from home, for at least part of each week, will become much more

prevalent, which will impact the challenging growth assumptions on which the Metrolink funding plan is based.

Bus

- 5.2.11 As part of its work to support Bus operators, and to ensure that a viable bus network has remained in place to support essential travel for key workers, the DfT has put in place a package of financial measures to support commercial bus operators.
- 5.2.12 These include 'urging' transport authorities such as TfGM to continue to reimburse bus operators for concessionary travel and subsidised bus services at 'pre Covid' levels of activity. Based on this TfGM has continued to pay bus operators in GM at c. 85% of pre Covid levels, with all reimbursement based on pre COVID 19 activity levels with the exception of the Our Pass 16-18 concession, which is in a pilot phase, where reimbursement is being made based on actual usage. It is estimated that of the c£6 million per month paid to operators in both April and May, c£1 million relates to tendered services not provided; and £3.2 million relates to concessionary journeys not made i.e. an 'overpayment' of c£4.2 million per month.
- 5.2.13 DfT has made a further grant available to bus operators through the 'Coronavirus Bus Services Support Grant' (CBSSG) from mid March to 8 June. GM is receiving c. £3.5 million a month through this source to pay onto bus operators based on them operating up to 50% of pre Covid mileage.
- 5.2.14 TfGM continues to have discussions with DfT on the future basis for payments for the period beyond 8 June. The GM Mayor and other city region Mayors and Local Authority Leaders have written separately to the Secretary of State in relation to proposals for Bus funding beyond this period, including proposals to:
- allow transport authorities to deploy available resources to ensure networks meet the specific needs of the areas they serve and to coordinate the provision of bus networks with light and heavy rail services; and
 - reflect the Government's stated intention to devolve responsibility for local transport services and for city regions to be able to write their own recovery plans which reflect local circumstances and aspirations

Other Income

- 5.2.15 TfGM is experiencing significant reductions in its non-grant income streams. Should this remain the case this will significantly impact the budget for the current year and further savings would be required, which would very likely impact service levels. The following income streams are currently running at significantly reduced levels compared to budget during lockdown:
- On Bus Revenues: farebox income on the services TfGM provides, primarily on schools' services (budget £0.5 million per month);

- Departure Charges: charges to bus operators for use of bus stations (£0.3 million a month); and
- Other commercial income: relates to rental income; advertising; ticket sales commissions; income from issuing travel passes; and others specific service charges (£0.5 million a month).

Cost impacts

- 5.2.16 TfGM is incurring additional costs in a number of areas including cost of additional PPE; additional IS costs to support remote working; and staff time where resources have been deployed to support or deliver GM priority Covid related infrastructure and other projects.
- 5.2.17 Discussions are ongoing via GMCA to attempt to recover this lost income and additional costs from government.
- 5.2.18 The range of likely outturn is dependent on the levels and timescales of ramp up of commercial/rental revenues and on bus income. Work is currently ongoing to develop options for meeting the likely shortfall in the current year and further, regular, updates will be presented to GMCA.

Our Pass

- 5.2.19 As described above, journeys being undertaken by 16-18s using Our Pass are being reimbursed on an actual basis, rather than at pre Covid levels. This has resulted in payments of c£70,000 per month in April and May compared to an average month's budget of c£1.3 million. The resultant annual underspend is, like a number of other issues, extremely difficult to predict, but will need to be considered in the context of the broader financial issues. It is proposed that an update on Our Pass will be brought to GMCA in July.

5.3 OTHER 'NON LEVY/PRECEPT' FUNDED TFGM PROGRAMMES AND ACTIVITIES

- 5.3.1 The CA and Mayoral Transport Budgets approved on 14 February 2020 included a number of other transport activities which were being funded from other funding sources. An update on these is given in this section.

Greater Manchester Infrastructure Programme (GMIP)

- 5.3.2 The Budget report presented to GMCA in February noted a potential investment of £10m in 2020/21 to support the development of the Greater Manchester Infrastructure Programme (GMIP). Release of this funding was to be subject to a business case which it was originally anticipated would be submitted in March 2020.
- 5.3.3 Due to COVID 19, the business case was not presented and subsequent work has been undertaken to reconsider the requirements for expenditure in 2020/21 in the context of the

wider pressures on funding and reserves. It remains essential, however, that GM has an appropriate pipeline of infrastructure schemes in place for when funding is brought forward beyond the immediate COVID 19 time horizon.

- 5.3.4 The revised priorities for 2020/21 include scheme development for early delivery of infrastructure to support fiscal stimulus objectives; developing solutions that assist in the viability of the Existing Land Surplus element of the GMSF; in formulating GM's response to the Integrated Rail Plan, including HS2; and supporting the delivery of Our Network.
- 5.3.5 Recognising the pressures on Local Authority funding, it is proposed to progress the work, but rather than funding from Retained Bus Rates in 2020/21, it is proposed to fund the revised forecast costs in 2020/21 from a 'top slice' of up to 10%, which would equate to up to c. £7 million from the previously announced £69.7 million of 'Transforming Cities Fund 2'.
- 5.3.6 Subject to approval of the proposal above, it is proposed to delegate authority to the GMCA Treasurer, in conjunction with the TfGM Finance and Corporate Services Director, to make the necessary 'Capital/Revenue switch'.

Bus Reform

- 5.3.7 It is proposed that an update report on Bus Reform will be brought to GMCA in June.

5.4 TFGM CAPITAL PROGRAMME

- 5.4.1 TfGM has been reworking the Transport Capital Programme for 2020/21 to take account of the anticipated impacts of COVID 19 on capital projects. An initial high-level review based on an assessment of status and criticality of all projects indicates a forecast reduction in expenditure of between £11m to £32m in 2020/21. Further work is ongoing to review the projects and programmes in further detail.

6. NEXT STEPS AND FINANCIAL RECOVERY

- 6.1 Beyond the immediate impact of the COVID 19 emergency, there will be an important role for finance teams across GM to undertake as part of the recovery process. This includes ongoing work to manage and mitigate the financial impact of the crisis as well as work to support other areas of recovery, including both humanitarian and economic elements.
- 6.2 Work has commenced with a sub group of treasurers looking at ways to mitigate financial impact through joint work across GM. This will include:
- Maintenance of accurate record of COVID related expenditure incurred and forecast including recovery costs
 - Lobbying of central government for funding of all COVID costs
 - Ensuring all recovery activities are appropriately costed and financed
 - Developing opportunities for financial recovery working across GM and within districts

- Reviewing existing pre-COVID investment priorities to determine whether these are still applicable in the short to medium term world but also identifying new priorities which may have emerged
- Support other recovery activities where appropriate

7. RECOMMENDATIONS:

7.1 The GMCA is asked to:

- Note the estimated financial impacts of COVID 19 on GMCA and TFGM budgets
- Approve the utilisation of £1 million of transport reserves held by GMCA and TfGM to fund the shortfall in Metrolink net revenues in the period to 31 March 2020
- Delegate authority to the GMCA Treasurer, in conjunction with the TfGM Finance and Corporate Services Director to make the necessary 'Capital / Revenue switch' to enable the funding of GMIP development costs of up to £7m from the Transforming Cities 2 fund
- Note the proposed approach to finance in the recovery phase of the COVID 19 response

Date: 29 May 2020
Subject: Greater Manchester Bounce Back Loans
Report of: Steve Wilson, Treasurer, GMCA

PURPOSE OF REPORT

This report requests that Combined Authority approves in principle the establishing of a Greater Manchester Bounce Back Loan Scheme.

The scheme would be established under the Government scheme announced on 4th May 2020 and is 100% underwritten by Government through the British Business Bank.

RECOMMENDATIONS:

The GMCA is requested:

1. To approve in principle the establishing of a Greater Manchester Bounce Back Loan Scheme under the Government scheme
2. To approve an amendment to the GMCA capital programme to fund £10m of capital for the scheme subject to appropriate funding arrangements
3. To approve the delivery of the scheme via the Growth Company Business Finance Team
4. To grant approval to the Chief Executive and Treasurer to authorise a contract to be awarded directly to the Growth Company by way of exemption from GMCA constitution Contract Procurement Rules (Part 6 section B) on the basis of urgency (Rule 3.2ii)
5. To delegate the finalising of arrangements for the scheme to the GMCA Treasurer and Monitoring Officer

CONTACT OFFICERS:

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Risk Management

Legal Considerations

Financial Consequences – Revenue – see paragraph 7

Financial Consequences – Capital – see paragraph 6

Number of attachments included in the report: none

BACKGROUND PAPERS:

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	Yes
EXEMPTION FROM CALL IN	
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?	Yes, there is an urgent requirement to put arrangements in place as soon as possible to support the recovery from Covid – 19.

1. INTRODUCTION

- 1.1 This report requests that Combined Authority approves in principle the establishing of a Greater Manchester Bounce Back Loan Scheme with an amendment to the GMCA capital programme to fund £10m of capital for the scheme.
- 1.2 Approval is subject to confirmation of an appropriate funding source for the scheme.
- 1.3 The scheme would be established under the Government scheme announced on 4th May 2020 and is 100% underwritten by Government through the British Business Bank.

2. BOUNCE BACK LOANS

- 2.1 As part of a £330bn package to support UK businesses affected by Coronavirus, on the 23rd March the Government launched the Coronavirus Business Interruption Scheme (CBILS) to provide businesses with loans of up to £5m. CBILS are available from accredited Banks and lenders, funded from their own capital, but with guarantees against default provided by the British Business Bank (BBB) to a maximum of 80% of an individual loan. While in excess of £6bn has been lent under the scheme, there has been dissatisfaction from the business community with the speed of delivery, specifically from smaller businesses.
- 2.2 In GM the Growth Company Business Finance team (GCBF) are accredited CBILS providers and from significant initial enquiry numbers found many businesses have not proceeded with an application due to issues providing the information required to enable a loan decision, within the assessment requirements of the scheme.
- 2.3 In response to the perceived issues with CBILS, the Government launched the Bounce Bank Loan Scheme on 4th May 2020. The Bounce Back Loan Scheme (BBLs) provides loans of up to £50k to individual businesses, the application supported by a series of applicant self-declarations, rather than a lenders assessment of affordability. To protect lenders an amendment was made to the Consumer Credit Act removing the requirement for the lender to complete the normal affordability assessment,
- 2.4 The product offers:
 - Loans up to £50,000 – To a maximum of 25% of 12 months turnover
 - 100% Guarantee to the lender from British Business Bank
 - Fixed Interest rate of 2.50%
 - Term 6 years with a capital repayment holiday for 12 months and interest paid by BBB for the first 12 months.
 - Business had to be established by 1 March 2020
- 2.5 Since launch BBLs almost 70,000 loans amounting to £2bn+ was agreed in the first 2 days and in the first 2 weeks lending exceeded £8bn. Despite this there is continued dissatisfaction from the business community

3. THE MARKET GAP

- 3.1 Banks are delivering high volume numbers of BBLS loans, but only to existing account holders, which (although 85% of UK businesses bank with the Big 4) presents a structural gap, with smaller more vulnerable businesses unable to access the scheme and seeking an alternative option.
- 3.2 For example work undertaken with Nationwide and the Co-op bank in 2019 confirmed that both have thousands of small businesses, either operating through personal accounts or having small business accounts. As neither of these institutions, both strong in the North West are currently eligible BBLS providers, this confirms a supply gap for large numbers of small businesses who are unable to access BBLS unless they have a secondary account with a Big4 Bank. Starling Bank a new FinTech came to market as a newly appointed BBLS provider on Monday 11th May with a streamlined account opening process tied to the BBLS application process, but such was the demand they received that they have had to shut down the Sole Trader application process after the first week until 1st June, again indicating the scale of unmet demand
- 3.3 Further, and importantly for GM's approach, none of the current BBLS providers appear to target their offering to support Charities or small social enterprises, who will similarly be experiencing problems through the lock down period. We have had a preliminary conversation with Greater Manchester Centre for Voluntary Organisation (GMVCO) about a dedicated webinar to their members to raise understanding.
- 3.4 BBLS provides a financial blanket for businesses but in these unprecedented times does not link to further business support, able to assist businesses through lock down but also importantly in the critical period as businesses reopen.

4. THE GM PROPOSAL

- 4.1 In the two days following the launch of the CBILS scheme on 23rd March GCBF received 866 enquiries for CBILS lending with a borrowing requirement of £48m. Of these enquiries 60% qualified for a BBLS loan. There is an opportunity therefore to support those GM businesses that are unable to apply through their current bank, with loans tied into the wider GM support network helping to maximise business survival rates through the C-19 Pandemic period and beyond.
- 4.2 GCBF is able to deliver a GM Bounce Back Loan scheme, targeting those businesses unable to access the scheme currently, resulting in:
 - Quicker access to funding for GM businesses, with no requirement to be tied to a bank.
 - Access into the GM support network.
 - Encourage take up of the Greater Manchester Good Employment Charter

- As a Responsible Finance provider GCBF can provide funding to GM Charities and Social Enterprises.
- GM jobs protected

- 4.3 The proposed scheme would see a £10m fund provided from GMCA capital to the Growth Company for onward lending by the Growth Company Business Finance team to support GM businesses. The scheme would carry zero risk of capital loss, with funds repaid by either the borrower over the term of the loan (maximum 6 years) or when a business fails, through a claim from the BBLs guarantee, which would accelerate capital repayment.
- 4.4 The capital would be fully used to invest in businesses, with the interest received over the term of the loans (paid by BBB in first 12 months) being sufficient to cover the delivery and servicing costs of the fund loan portfolio.
- 4.5 The data informs there is a potentially significant market gap, which excludes a large number of small business from accessing this vital financial support in the current unprecedented period. GM has the opportunity to address this market not just with finance but to also add value through a wide range of support which will assist business through the current lock down period and in the recovery period. The proposed application journey also introduces the applicant to the GM Good Employment Charter to widen awareness and bring further support to these businesses.

5. GROWTH COMPANY BUSINESS FINANCE

- 5.1 As an accredited CBILS provider, GCBF has applied for an allocation from the BBLs scheme, it is expected that the allocation will be confirmed week commencing 25th May 2020. The BBLs scheme was launched as a high-volume scheme and therefore has a requirement for a minimum of £10m of capital available to invest into BBLs loans.
- 5.2 GCBF is a Fund Manager for the Northern Powerhouse Fund and manages all the Government Start Up Loans scheme, c£400m across the whole of the UK, so has the capability to deliver BBLs.
- 5.3 An online application process is being finalised which will:
- Enable a customer journey and turnaround as good as the mainstream provider for the applicant.
 - Gathers the Applicants consent to an introductory call from the GM Good Employment Charter team.
 - Provides access to the Growth Company support network
- 5.4 BBLs loan applications rely on applicant self-certification meaning there is an increased focus on the potential for Fraud from applicants. GCBF existing Risk and Assurance framework, which has been independently assured through internal audit meets the standards and requirements of the scheme to ensure the requirements of the scheme are achieved.

- 5.5 The intelligence gathered from the wider market continues to indicate significant unfulfilled demand for BBLs. The majority of demand will be met by the banks, through their existing market share, but there remains a large cohort of smaller more vulnerable businesses who are unable to access the scheme. While the specific unsatisfied demand within GM cannot at this stage be exactly quantified, the number of BBLs eligible enquiries received through the CBILS scheme indicate that there is potentially a significant demand in GM which would benefit from a simpler access to funding, tied in with business support.
- 5.6 It is proposed the contract is awarded directly to the Growth Company by way of exemption from the Contract Procurement Rules detailed at part 6 section B of the GMCA constitution on the basis of urgency (Rule 3.2ii). The contract would be permitted under the Extreme Urgency exemption of the Public Contract Regulations 2015 - Regulation 32(2)c, with a requirement to publish a Contracts Finder Notice (if the value of the contract is over £50,000) and an also OJEU Contract Award Notice (if the value exceeds £189,330).

6. FINANCIAL CONSEQUENCES – CAPITAL

- 6.1 Funding of the proposed scheme would require a change to the GMCA Capital programme for 2020/21.
- 6.2 The GMCA Capital Programme for 2020/21, approved at the CA meeting of 14th February 2020, totaled £351.9m. This paper seeks approval to increase that by £10m to fund the Bounce Back Loan Scheme.
- 6.3 It is anticipated that the additional capital costs of the programme will be met through the repurposing of resources currently available to the Combined Authority. If this is not possible and further borrowing has to be sought and we will report back to the CA detailing how interest costs have been funded.

7. FINANCIAL CONSEQUENCES – REVENUE

- 7.1 There is no requirement to make a Minimum Revenue Provision for this scheme as it will be funded over six years by capital receipts either from the borrower or from the Government. There would be no exposure of the GMCA to risk of default as the scheme is 100% underwritten by the Government.
- 7.2 The cost of managing the scheme will be funded through the gross interest payments to the Growth Company.
- 7.3 If external borrowing is required as described above, the funding for the requisite interest would be detailed to the CA.

8. RECOMMENDATIONS:

- 8.1 The GMCA Chief Executive is requested:

- To approve in principle the establishing of a Greater Manchester Bounce Back Loan Scheme under the Government scheme
- To approve an amendment to the GMCA capital programme to fund £10m of capital for the scheme subject to appropriate funding arrangements
- To approve the delivery of the scheme via the Growth Company Business Finance Team
- To grant approval to the Chief Executive and Treasurer to authorise a contract to be awarded directly to the Growth Company by way of exemption from GMCA constitution Contract Procurement Rules (Part 6 section B) on the basis of urgency (Rule 3.2ii)
- To delegate the finalising of arrangements for the scheme to the GMCA Treasurer and Monitoring Officer

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Date: 29th May 2020

Subject: GMCA Treasury Management Strategy Statement, Borrowing Limits and Annual Investment Strategy 2020/21

Report of: Cllr David Molineux, Portfolio Lead for Investment & Resources and Steve Wilson, Treasurer to GMCA

PURPOSE OF REPORT

To set out the proposed Treasury Management Strategy Statement, Borrowing Limits and Prudential Indicators for 2020/21 to 2022/23 for the GMCA. The Strategy sets out the Borrowing Limits and Prudential Indicators for the GMCA.

The Strategy reflects the approved 2020/21 capital programmes for GMCA transport, economic development, Fire, Police and Waste.

The strategy was been approved by the GMCA Audit Committee at its meeting on 21st January 2020

RECOMMENDATIONS:

The GMCA is requested to:

1. Approve the proposed Treasury Management Strategy Statement and Annual Investment Strategy to apply from the 1 April 2020, in particular:
 - The Treasury Management Scheme of Delegation at Appendix A.
 - The Treasury Management Policy Statement at Appendix C.
 - The Minimum Revenue Provision (MRP) Strategy at Appendix E.
 - The Treasury and Prudential Indicators listed in Section 6.
 - The Borrowing Strategy outlined in Section 8.
 - The Annual Investment Strategy detailed in Sections 9.
 - Delegation to the Treasurer to step outside of the investment limits to safeguard the GMCA's position, as outlined in paragraph 8.16

CONTACT OFFICERS:

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Equalities Implications:

Not applicable

Climate Change Impact Assessment and Mitigation Measures –

Not applicable

Risk Management:

There are considerable risks to the security of the GMCA's resources if appropriate Treasury Management strategies and policies are not adopted and followed. The GMCA has established good practice in relation to Treasury Management.

Legal Considerations:

This report fulfils the statutory requirements to have the necessary prudential indicators to be included in a Treasury Management Strategy.

Financial Consequences – Revenue:

Financial revenue consequences are contained in the body of the report

Financial Consequences – Capital:

Financial capital consequences are contained in the body of the report

Number of attachments to the report: None

Comments/recommendations from Overview & Scrutiny Committee

BACKGROUND PAPERS:

The author of the report must include list of those documents on the subject matter which:

- Disclose any facts or matter on which the report or an important part of the report is based;
- Which have been relied on to a material extent in preparing the report

TRACKING/PROCESS		[All sections to be completed]
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
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?		Please state the reason the report is exempt from call-in
Audit Committee	21 st January 2020	

Treasury Management Strategy for 2020/21

The strategy covers:

- Section 1: Introduction
 - Section 2: Reporting Requirements
 - Section 3: Constitutional Arrangements
 - Section 4: Treasury Limits and Prudential Indicators
 - Section 5: Current Portfolio Position
 - Section 6: Prudential and Treasury Indicators for 2020/21 to 2022/23
 - Section 7: Prospects for Interest Rates
 - Section 8: Borrowing Strategy
 - Section 9: Annual Investment Strategy
 - Section 10: MIFID II Professional Client Status
 - Section 11: Investments that are not part of treasury management activity
 - Section 12: Minimum Revenue Provision (MRP) Strategy
- Supported by:
- Appendix A: Treasury Management Scheme of Delegation
 - Appendix B: The Treasury Management Role of the Section 73 Officer
 - Appendix C: Treasury Management Policy Statement
 - Appendix D: Prospects for Interest Rates
 - Appendix E: Minimum Revenue Provision Strategy
 - Appendix F: Glossary of terms

1. INTRODUCTION

- 1.1 The GMCA has adopted the CIPFA Code of Practice on Treasury Management and this strategy has been prepared under the revised Code of December 2017. The GMCA is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the GMCA's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the GMCA's capital plans, including those relating to the Mayor's Police and Crime Commissioner (PCC) and Fire functions. These capital plans provide a guide to the borrowing need of the GMCA, essentially the longer-term cash flow planning, to ensure that the GMCA can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet the risk or cost objectives.
- 1.3 The contribution the treasury management function makes to the GMCA is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to General Fund Balances.
- 1.4 Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:
- “The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.5 As such the GMCA regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 1.6 The GMCA also acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

2. REPORTING REQUIREMENTS

- 2.1 The Local Government Act 2003 (the Act) and supporting regulations require the GMCA to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the GMCA's capital investment plans are affordable, prudent and sustainable.

- 2.2 The Act therefore requires the GMCA to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act and included as Section 9 of this report); the Strategy sets out the GMCA's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 2.3 The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, which will provide the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - an overview of how the associated risk is managed; and
 - the implications for future financial sustainability
- 2.4 The aim of the capital strategy is to ensure that all members of the GMCA fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. This will be presented to the April 2020 meeting of the Audit Committee.
- 2.5 The GMCA is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:
- **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
 - the capital plans, (including prudential indicators);
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
 - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how investments are to be managed).
 - **A mid-year treasury management report** – This is primarily a progress report and will update Members of the Audit Committee on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
 - **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- 2.6 Treasury management reports are required to be adequately scrutinised before being recommended to the GMCA. This role is undertaken by the Audit Committee. The Corporate Issues and Reform Overview and Scrutiny Committee may also request to receive such reports for consideration at their meetings.
- 2.7 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. The training needs of treasury management officers are periodically reviewed.

- 3.1 The constitution states that the GMCA must approve the treasury management strategy, the investment strategy and the borrowing limits for the GMCA. Appendix A describes the scheme of delegation and responsibilities of member groups and officers in relation to treasury management. Appendix B shows the definition of the role of the Treasurer in relation to treasury management.
- 3.2 Currently the GMCA's Treasury Management functions are operated under a service level agreement by Manchester City Council Treasury Management which reports directly to the GMCA Treasurer. It is intended that this arrangement continues during 2020/21 whilst consideration is given to developing an in- house function within the GMCA.
- 3.3 The GMCA uses Link Asset Services as its external treasury management advisors. The GMCA recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.
- 3.4 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The GMCA will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 3.5 The treasury portfolio position for the GMCA will be managed at a Group level, including Transport for Greater Manchester (TfGM), which means that the combined cash flows of all the consolidated organisations will be taken into account when investing temporary surplus funds or making arrangements to meet borrowing needs.
- 3.6 As part of the 2016 Autumn Statement, Government announced that it would give mayoral combined authorities powers to borrow for their new functions, which would allow investment in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury (HMT). Subsequent work with HMT and Ministry of Housing, Communities and Local Government (MHCLG) has led to such an agreement which will limit the GMCA's long-term external debt between 2019/20 and 2020/21 as follows:

As at 31 March	2019/20	2020/21
	£m	£m
Long term external debt	2,517	2,541

- 3.7 The above agreed limits have been derived from the current agreed long term investment plans of the GMCA including Fire, Police and Waste. The debt cap operates on long term external debt and does not limit capital spending funded from internal cash flow or short term external debt (less than 1 year). The agreement will be reviewed at least every 5 years but will also be reviewed in light of any initiative, local or national, which has a material impact on GMCA borrowing totals. At the current time, there is no indication as to when, and how, this 5 yearly review will be carried out. The projection of external debt figures outlined in this report fall well within the year end ceilings incorporated into the debt deal.

4. **TREASURY LIMITS AND PRUDENTIAL INDICATORS**

- 4.1 It is a statutory duty under Section 3 of the Act and supporting regulations that GMCA determines and keeps under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. In England the Authorised Limit represents the legislative limit specified in the Act.
- 4.2 The GMCA must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon the future levies and precepts is acceptable. When considering the Authorised Limit, the capital plans for inclusion in corporate financing include both external borrowing and other long term liabilities, such as Private Finance Initiatives (PFI) and leasing arrangements.
- 4.3 The Authorised Limit is one of the Prudential and Treasury indicators recommended by the Code, which the GMCA operates for monitoring its treasury operations. Listed below is the full set of indicators the Code recommends and are used by the GMCA. The Prudential Indicators are:
- Capital Expenditure
 - Capital Financing Requirement (CFR)
 - Authorised Limit – external debt
 - Operational Boundary
 - Actual external debt
 - Gross Debt and the CFR
 - Ratio of Financing Costs
 - Maturity structure of fixed rate borrowing during the year
 - Upper limit for total principal sums invested for over 364 days
 - Upper limit for fixed interest rate deposits
 - Upper limit for variable interest rate deposits

5. CURRENT PORTFOLIO POSITION

5.1 The GMCA's forecast treasury portfolio position as at 31 March 2020 is

		Principal		Ave rate
		£m	£m	%
Fixed rate funding	PWLB	583.4		4.52
	Market	65.0		4.05
	EIB	581.9		3.64
Variable rate funding			1,230.3	
	HILF – HMT ¹	181.2		0.00
	Market	40.0		4.43
	Temporary borrowing	45.0		0.9
Gross debt			266.2	
			1,496.5	
Money Market Funds			-	
Temporary Investments			15	0.70
DMO			-	
Net debt			1,481.5	

¹ The HILF represents the Housing Investment Loans Fund, which was novated from Manchester City Council on 13 March 2019

6. PRUDENTIAL AND TREASURY INDICATORS FOR 2020/21 TO 2022/23

- 6.1 Combined Prudential and Treasury Indicators are relevant for the purpose of setting an integrated treasury management strategy.

Capital Expenditure

- 6.2 This provides a summary of the GMCA's capital expenditure. It reflects matters previously agreed and those proposed for the forthcoming financial periods. The extent to which such expenditure is to be financed will influence how the GMCA's Capital Financing Requirement Indicator will change.
- 6.3 In reporting this Indicator to Members, the GMCA may choose to include a supplementary table detailing the resources to be applied to finance the capital spend and so highlight any net financing need over the reporting period.

	Estimate 2019/20 £m	Estimate 2020/21 £m	Estimate 2021/22 £m	Estimate 2022/23 £m
Capital Expenditure	462.601	433.781	388.378	230.977
Financed by:				
Capital receipts	(45.210)	(95.979)	(33.282)	(17.000)
Revenue	(15.452)	(34.331)	(2.590)	(2.590)
Contribution				
Grants and other contributions	(156.732)	(184.892)	(135.494)	(89.441)
Total financing	(217.394)	(315.202)	(171.366)	(109.031)
Net financing need for the year	245.207	118.579	217.012	121.946

Capital Financing Requirement

- 6.4 The CFR shows the difference between the GMCA's capital expenditure and the revenue or capital resources set aside to finance that spend. The CFR will increase where capital expenditure takes place and will reduce as the GMCA makes Minimum Revenue Provision (MRP), Voluntary Revenue Provision (VRP) or otherwise sets aside revenue or capital resources to finance expenditure.

	Estimate 2019/20 £m	Estimate 2020/21 £m	Estimate 2021/22 £m	Estimate 2022/23 £m
Opening CFR	2,138.307	2,311.661	2,346.463	2,477.123
Net financing need for the year	245.207	118.579	217.012	121.946
MRP and VRP	(71.853)	(83.777)	(86.352)	(89.803)
Movement in CFR	173.354	34.802	130.660	32.143

Authorised Limit

- 6.5 This represents a control on the maximum level of external debt the GMCA can incur. The Authorised Limit is a statutory limit determined under Section 3(1) of the Local Government Act 2003. The GMCA has no legal power to borrow in excess of the limits set. Revision of

this Indicator would need to be approved by the GMCA in advance of any external debt taken on in excess of the limit then in force.

- 6.6 The Authorised Limit reflects a level of external debt that, whilst not desired, could be afforded by the GMCA in the short-term, but which is not sustainable in the longer-term.

	Estimate 2019/20 £m	Estimate 2020/21 £m	Estimate 2021/22 £m	Estimate 2022/23 £m
Borrowing	2,352.138	2,542.827	2,581.109	2,724.835
Other long term liabilities	55.365	52.425	48.860	44.835
Total Authorised Limit	2,407.503	2,595.252	2,629.969	2,769.670

Operational Boundary

- 6.7 The GMCA will also set for the forthcoming financial year and the following two financial years an operational boundary for its total external debt, excluding investments, separately identifying borrowing from other long-term liabilities. This prudential indicator is referred to as the Operational Boundary.
- 6.8 Both the Authorised Limit and the Operational Boundary need to be consistent with the authority's plans for capital expenditure and financing; and with its treasury management policy statement and practices. The Operational Boundary should be based on the GMCA's estimate of most likely, i.e. prudent, but not worst case scenario. Risk analysis and risk management strategies should be taken into account.
- 6.9 The Operational Boundary should equate to the maximum level of external debt projected by this estimate. Thus, the Operational Boundary links directly to the GMCA's plans for capital expenditure; its estimates of capital financing requirement; and its estimate of cash flow requirements for the year for all purposes. The Operational Boundary is a key management tool for in-year monitoring.
- 6.10 It will probably not be significant if the Operational Boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the Operational Boundary would be significant and should lead to further investigation and action as appropriate.

	Estimate 2019/20 £m	Estimate 2020/21 £m	Estimate 2021/22 £m	Estimate 2022/23 £m
Borrowing	2,245.222	2,427.244	2,463.786	2,600.979
Other long term liabilities	52.849	50.042	46.639	42.797
Total Operational Boundary	2,298.071	2,477.286	2,510.425	2,643.776

Actual External Debt as at 31 March 2020

- 6.11 After the year end, the closing balance for actual gross borrowing plus (separately), other long-term liabilities is obtained directly from the GMCA's Balance Sheet. This prudential indicator is referred to as Actual External Debt. The prudential indicator for Actual External Debt considers a single point in time and is only directly comparable to the Authorised Limit and Operational Boundary at that point in time.

	31 March 2020
	£m
Borrowing	1,496.497
Other long term liabilities	47.659
Total External Debt	1,544.156

Gross Debt and the CFR

- 6.12 The GMCA should only borrow to support a capital purpose, and borrowing should not be undertaken for revenue or speculative purposes. The GMCA should ensure that gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the three subsequent financial years. If the level of gross borrowing is below the GMCA's capital borrowing need – the CFR – it demonstrates compliance with this Indicator.

	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	£m	£m	£m	£m
CFR	2,311.661	2,346.463	2,477.123	2,509.266
Gross borrowing	1,544.156	1,526.250	1,630.082	1,672.772
Under/(Over) borrowing	767.505	820.213	847.041	836.494

- 6.13 Gross External Debt

	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	£m	£m	£m	£m
Loans at start of year	1,551.543	1,496.497	1,481.832	1,589.323
Lease/PFI liabilities at start of year	50.332	47.659	44.418	40.759
Total gross borrowing at start of year	1,601.875	1,544.156	1,526.250	1,630.082
New borrowing undertaken	108.200	163.579	217.012	121.946
Loan repayments	(163.246)	(178.244)	(109.521)	(75.175)
Lease and PFI repayments	(2.673)	(3.241)	(3.659)	(4.082)
Loans at end of year	1,496.497	1,481.832	1,589.323	1,636.095
Lease/PFI liabilities at end of year	47.659	44.418	40.759	36.677
Total gross borrowing at end of year	1,544.156	1,526.250	1,630.082	1,672.772

Ratio of Financing Costs to Net Revenue Stream

- 6.14 This Indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream (levies, precepts and non-specific grant income). The higher the ratio, the higher the proportion of resources tied up just to service net capital costs, and which represents a potential affordability risk.

Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
%	%	%	%

Ratio of Financing Costs to Net Revenue Stream	12.2	13.0	13.4	13.4
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Maturity Structure of borrowing

- 6.15 The GMCA is required to set gross limits on maturities for the periods shown and covers both fixed and variable rate borrowings. The reason being to try and control the GMCA's exposure to large sums falling due for refinancing.

	Actual	Lower Limit	Upper Limit
	%	%	%
Under 12 months	11	0	50
12 months and within 24 months	2	0	50
24 months and within 5 years	7	0	50
5 years and within 10 years	23	0	50
10 years and above	58	0	100

- 6.16 The GMCA does not invest sums for longer than one year.

7. PROSPECTS FOR INTEREST RATES

- 7.1 The GMCA has appointed Link Asset Services as its treasury advisor and part of their service is to assist the GMCA to formulate a view on interest rates. The following gives the Link's central view:

Link Asset Services Bank Rate forecast for financial year ends (March)

2020	0.75%
2021	1.00%
2022	1.00%

- 7.2 Whilst these are the current forecasts from earlier in 2020, due to uncertainties for the market the latest commentary is that rates are unlikely to rise to these in the foreseeable future.

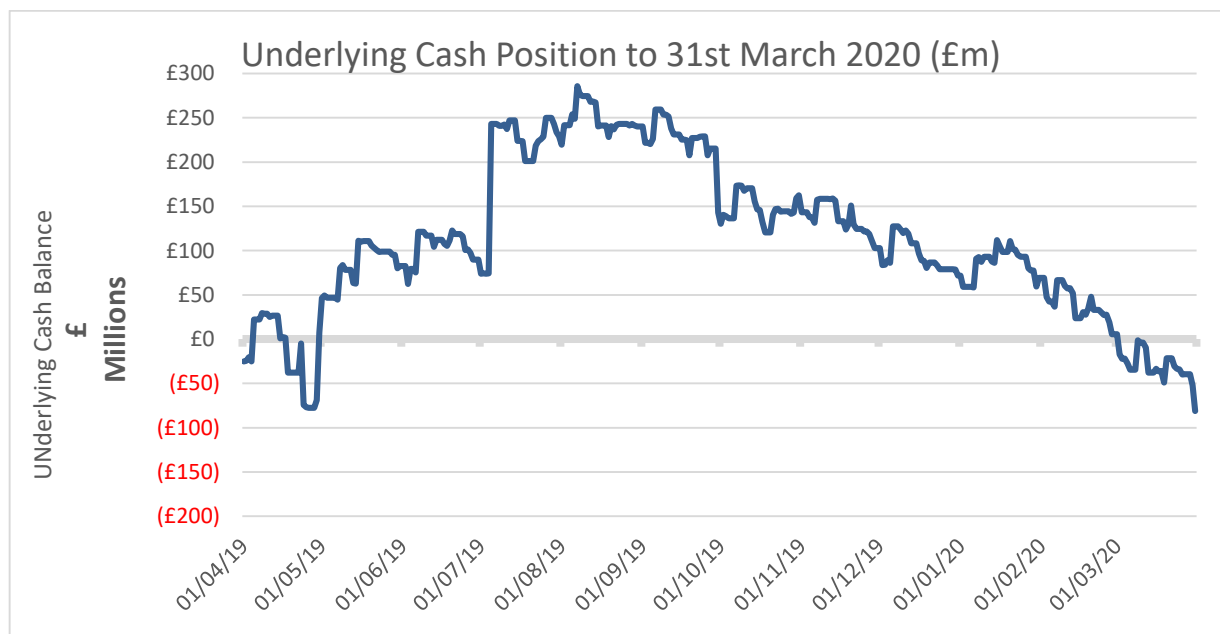
Investment and borrowing rates

- 7.3 Investment returns are likely to remain low during 2020/21 but to be on a gently rising trend over the next few years. Borrowing interest rates remain at historic lows, but the increase in the Public Works Loan Board (PWL) margin means that they have risen relatively sharply during 2019/20. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when the GMCA may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 7.4 There will remain a cost of carry (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

8. BORROWING STRATEGY

- 8.1 The GMCA currently has an under borrowed position, which means that the CFR, the underlying need to borrow, has been fully funded by loan debt as cash supporting the GMCA's balances and reserves has been used as a temporary measure. The borrowing

strategy of the GMCA is also heavily influenced by the cashflow. The GMCA, along with other Fire and OPCC authorities, receives pension grants from UK Central Government in July. Cash balances then reduce during the remainder of the year where four months of borrowing is required. The trend in cashflow shown below is expected to be replicated in 2020/21.



Borrowing Options

- 8.2 The GMCA's borrowing strategy will firstly utilise internal borrowing as forgoing investment income at historically low rates provides the cheapest option. However as the overall forecast is for long term borrowing rates to increase over the next few years, consideration must also be given to weighing the short term advantage of internal borrowing against potential long term costs. Rates are expected to be higher in future years for longer term loans, and therefore if longer term debt is required it may be prudent to take it earlier.
- 8.3 After this, new borrowing will be considered in the forms noted below. At the time of the borrowing requirement the options will be evaluated alongside their availability and an assessment made regarding which option will provide value for money. The options described below are not presented in a hierarchical order. At the point of seeking to arrange borrowing all options will be reviewed.

Public Works Loan Board (PWLB)

- 8.4 PWLB borrowing is available for between 1 and 50 year maturities on various bases. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt, and allow the GMCA to align maturities to MRP.
- 8.5 In October 2019 the Treasury increased all PWLB rates by 100 basis points, citing concerns regarding the increased levels of debt local authorities were requesting in the current low-rate market environment. This means that although PWLB remains a highly accessible form of debt finance, it may not provide value for money and other market options may be preferable.

European Investment Bank (EIB)

- 8.6 Rates can be forward fixed for borrowing from the EIB and this will continue to be considered as a primary borrowing source if the arrangement represents better value for money. The EIB's rates for borrowing are generally favourable compared to PWLB, allowing for existing planned borrowing to be taken as cheaper funding from the EIB. The EIB appraises its funding plans against individual schemes, particularly around growth and employment and energy efficiency, and any monies borrowed are part of the GMCA's overall pooled borrowing. The GMCA has already accessed £599m of borrowing from the EIB. The loan agreement regarding further lending for the Trafford Park Scheme is complete, giving the GMCA access to a further £125m. Given likely cash flow requirements the opportunity to delay drawdown of some of the funds is likely to be cost effective.

Third Party Loans

- 8.7 These are loans from third parties that are offered at lower than market rates, for example, Salix Finance Ltd is offering loans to the public sector at 0% to be used specifically to improve their energy efficiency and reduce carbon emissions.

Housing Investment Funding

- 8.8 The Housing Investment Fund was previously operated on behalf of Greater Manchester by Manchester City Council, but the novation to the GMCA was completed on 13 March 2019. The total amount of the fund has novated across the GMCA but in the short term individual loans continue to be held by Manchester City Council supported by an interest free loan from GMCA equal to the actual amounts advanced.
- 8.9 The funding from UK Central Government is held as an interest free loan, until such time as an investment is made. At this point, the approved element of the loan becomes risk-based, with any losses met by UK Central Government (up to £60m overall) or by the GMCA. The interest rate on the loan from UK Central Government, once an investment is made, is at the EU Reference rate, and is funded from the interest received from the investments made as part of the Housing Investment Fund. Part of the Housing Investment Fund funding relating to capital receipts from the HCA will also be transferred to the GMCA at a later date. This funding is also held as an interest free loan, and similarly has a risk based return to UK Central Government.
- 8.10 At the time of writing the report, it is not clear how MHCLG are anticipating the Fund to operate from 1 April 2020. In particular, whether they will be providing any further cash advances to meet future loan requirements including future legal commitments that amount to £233m and approved loans, which amount to £277m. Detailed conversations are continuing to take place in order to determine the way in which the Fund will operate post 1 April 2020.

Market / Local Authority Loans

- 8.11 There are occasionally offers available from the general market. These would be utilised when they deliver better value. These types of borrowing will need to be evaluated alongside their availability, particularly whilst there is a very limited availability of traditional market loans.

Sensitivity of the forecast

- 8.12 In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. GMCA officers, in conjunction with the treasury advisors, will continually monitor both the prevailing interest rates and the market forecast, adopting the following responses to a change of sentiment:
- ***If it were felt that there was a significant risk of a sharp FALL in long and short term rates***, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed.
 - If it were felt that there was a significant risk of a much sharper RISE in long and short term rates than that current forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, the portfolio position will be re-appraised. It is likely fixed rate funding will be drawn whilst interest rates were still relatively cheap.

External v. Internal borrowing

- 8.13 The next financial year is again expected to be one of very low Bank Rate. This provides a continuation of the window of opportunity for organisations to fundamentally review their strategy of undertaking new external borrowing.
- 8.14 Over the next three years, investment rates are expected to be significantly below long term borrowing rates and so value for money considerations would indicate that value could best be obtained by limiting new external borrowing and by using internal cash balances to finance new capital expenditure, or to replace maturing external debt. This is referred to as internal borrowing and maximises short term savings.
- 8.15 However, short term savings from avoiding new long term external borrowing in 2020/21 will also be weighed against the potential for incurring additional long term extra costs by delaying new external borrowing until later years when longer term rates are forecast to be significantly higher. Consideration will also be given to forward fixing rates via the EIB facility whilst rates are favourable.
- 8.16 Against this background, caution will continue to be adopted within 2020/21 treasury operations. The Treasurer will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the appropriate decision making body at the next available opportunity.

Policy on borrowing in advance of need

- 8.17 The GMCA will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the GMCA can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Forward Fixing

- 8.18 The GMCA will give consideration to forward fixing debt, whereby the GMCA agrees to borrow at a point in the future at a rate based on current implied market interest rate forecasts. There is a risk that the interest rates proposed would be higher than current rates, but forward fixing can be beneficial as the arrangement avoids the need to borrow in advance of need and suffer cost of a decision to forward fix will be reviewed for value for money, and will be reported to members as part of the standard treasury

management reporting. Forward fixing was a feature of the earlier EIB draw downs and may be available from various market sources.

Debt rescheduling

8.19 As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred). The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy; and
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

8.20 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be reported to the GMCA at the earliest meeting following its action.

Lender Option Borrower Option (LOBO) loans

8.21 Within the portfolio there are 2 LOBO loans with Barclays which were taken out in 2005 and 2006 for a period of 60 years. Along with a number of local authorities, the GMCA has engaged specialist legal support to pursue a claim against Barclays in relation to elements of their loans.

9. ANNUAL INVESTMENT STRATEGY

9.1 The GMCA investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

9.2 The GMCA's investment priorities will be security first, portfolio liquidity second and then yield (return).

9.3 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. The GMCA has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings
- **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the market. To achieve this consideration the GMCA will engage

with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.

- **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- The GMCA has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists under the categories of ‘specified’ and ‘non-specified’ investments.
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.

9.4 As a result of the change in accounting standards for 2019/20 under **IFRS 9**, the GMCA will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

9.5 However, the GMCA will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Specified and Non-Specified Investments

9.6 Investment instruments identified for use in the financial year are listed below, and are all specified investments. Any proposals to use other non-specified investments will be reported to Members for approval.

	Minimum ‘High’ Credit Criteria	Use
Term deposits – banks and building societies ²	See para 9.9	In-house / MCC
Term deposits – other local authorities	High security. Only one or two local authorities credit-rated	In-house / MCC
Debt Management Agency Deposit Facility	UK Government backed	In-house / MCC
Certificates of Deposit issued by banks and building societies covered by UK Government guarantees	UK Government explicit guarantee	In-house / MCC

² Banks and Building Societies - The GMCA will keep the investment balance below or at the maximum limit based on the institutions credit rating. If this limit is breached, for example due to significant late receipts, the Treasurer will be notified as soon as possible after the breach, along with the reasons for it. Please note this relates to specific investments and not balances held within the GMCA’s bank accounts, including the general bank account. The balance will be kept to the maximum investment limit of the institution, with any breaches reported to the Treasurer.

	Minimum 'High' Credit Criteria	Use
Money Market Funds (MMFs)	AAA _M	In-house / MCC
Treasury bills	UK Government backed	In-house / MCC
Covered Bonds	AAA	In-house / MCC

9.7 Specified investments are sterling denominated, with maturities up to a maximum of one year and meet the minimum 'high' rating criteria where applicable. Further details about some of the specified investments below can be found in later paragraphs within Section 9.

Creditworthiness policy

- 9.8 The GMCA applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modeling approach utilising credit ratings from the three main credit rating agencies; Fitch, Moody's and Standard & Poor's. Link supplement the credit ratings of counterparties with the following overlays:
- credit watches and credit outlooks from credit rating agencies;
 - Credit Default Swap (CDS) spreads to provide early warning of likely changes in credit ratings; and
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 9.9 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product is a series of colour-coded bands, which indicate the relative creditworthiness of counterparties. This classification is called durational banding.
- 9.10 The GMCA has regard to Link's approach to assessing creditworthiness when selecting counterparties. It will not apply the approach of using the lowest rating from all three rating agencies to determine creditworthy counterparties. The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system does not give undue preponderance to just one agency's ratings.
- 9.11 In summary therefore the GMCA will approach assessment of creditworthiness by using the Link counterparty list as a starting point, and then applying as an overlay its own counterparty limits and durations. All credit ratings will be monitored on a daily basis and re-assessed weekly. The GMCA is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.
- 9.12 If a downgrade results in the counterparty/investment scheme no longer meeting the GMCA's minimum criteria, its further use as a new investment will be withdrawn immediately. In addition to the use of Credit Ratings, the GMCA will be advised of information in CDS against the iTraxx benchmark³ and other market data on a weekly basis. Extreme market movements may result in the downgrade of an institution or removal from the GMCA's lending list.

³ The Markit iTraxx Senior Financials Index is a composite of the 25 most liquid financial entities in Europe. The index is calculated through an averaging process by the Markit Group and is used as the benchmark level of CDS spreads on Capita Asset Services' Credit List.

9.13 Sole reliance will not be placed on the use of this external service. In addition GMCA will also use market data and market information, information on government support for banks and the credit ratings of that government support. The GMCA will assess investments only against the criteria listed above, and will not seek to evaluate an organisation’s ethical policies when making assessments.

Investment Limits

9.14 In applying the creditworthiness policy described above, the GMCA holds the security of investments as the key consideration when making investment decisions. The GMCA will therefore only seek to make treasury investments with counterparties of high credit quality.

9.15 The financial investment limits of banks and building societies are linked to their short and long-term ratings (Fitch or equivalent) as follows:

Banks & Building Societies/MMFs

Long Term	Amount
Fitch AA+ and above / AAAM	£25m
Fitch AA/AA-	£15m
Fitch A+/A	£15m
Fitch A-	£10m
Fitch BBB+	£10m

9.16 GMCA will only utilise institutions that have a short term rating of F2 or higher, (Fitch or equivalent).

Government (includes Debt Management Office)	£200m
Manchester City Council	£50m ⁴
Other Local Authorities	£20m

9.17 In seeking to diversify from solely bank deposits and investments with Local Authorities, the GMCA will utilise other investment types which are described in more detail below. However it is important that the investment portfolio is mixed to help mitigate credit risk and therefore the following limits will apply to each asset type:

Total Deposit	£m
Local Authorities (exc. HILF)	250
UK Government (inc. Debt Management Office and Treasury Bills)	200
Banks, Building Societies and Money Market Funds	125
Certificates of Deposit	25
Covered Bonds	25

9.18 It may be prudent, depending on circumstances, to temporarily increase the limits shown above if it becomes increasingly difficult for officers to place funds. If this is the case officers will seek approval from the Treasurer for such an increase and approval may be granted at

⁴ In addition the interest free loan to Manchester City Council in relation to the Housing Investment Loans Fund will continue to be held by them.

the Treasurer's discretion. Any increase in the limits will be reported to Members of the Audit Committee as part of the normal treasury management reporting process.

Money Market Funds

- 9.19 The removal of the implied levels of sovereign support that were built into ratings throughout the financial crisis has impacted on bank and building society ratings across the world. Rating downgrades can limit the number of counterparties available to the GMCA. To provide flexibility for the investment of surplus funds the GMCA will use Money Market Funds when appropriate as an alternative specified investment.
- 9.20 Money Market Funds are investment instruments that invest in a variety of institutions, therefore diversifying the investment risk. The funds are managed by a fund manager and they have objectives to preserve capital, provide daily liquidity and a competitive yield. The majority of money market funds invest both inside and outside the UK. Money Market Funds also provide flexibility as investments and withdrawals can be made on a daily basis.
- 9.21 Money Market funds are rated through a separate process to bank deposits. This looks at the average maturity of the underlying investments in the fund as well as the credit quality of those investments. It is proposed that the GMCA will only use Money Market Funds where the institutions hold the highest AAA credit rating.
- 9.22 As with all investments there is some risk with Money Market Funds, in terms of the capital value of the investment. From 2019 European Commission Financial regulations require that all Money Market Funds adopt or move to a Low Volatility Net Asset Value (LVNAV) basis. This basis provides a guarantee that every £1 invested in a Money Market Funds will be returned with a range of +/- 20 basis points, whilst the timing of the return is at the discretion of the Fund. (i.e. for every £100 invested the return will be guaranteed +/- 20 pence.

Treasury Bills

- 9.23 These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is relatively low, although there is potential risk to value arising from an adverse movement in interest rates unless they are held to maturity.
- 9.24 Weekly tenders are held for Treasury Bills so the GMCA could invest funds on a regular basis, based on projected cash flow information. This would provide a spread of maturity dates and reduce the volume of investments maturing at the same time.
- 9.25 There is a large secondary market for Treasury Bills so it is possible to trade them in earlier than the maturity date if required; and also purchase them in the secondary market. It is anticipated however that in the majority of cases the GMCA will hold to maturity to avoid any potential capital loss from selling before maturity. The GMCA will only sell the Treasury Bills early if it can demonstrate value for money in doing so.

Certificates of Deposit

- 9.26 Certificates of Deposit are short dated marketable securities issued by financial institutions, and as such counterparty risk is low. The instruments have flexible maturity dates, so it is possible to trade them in early if necessary, however there is a potential risk to capital if they are traded ahead of maturity and there is an adverse movement in interest rates. Certificates of Deposit are subject to bail-in risk as they are given the same priority as fixed deposits if a

bank was to default. The GMCA would only deal with Certificates of Deposit that are issued by banks which meet the credit criteria.

Covered Bonds

- 9.27 Covered Bonds are debt instruments secured by assets such as mortgage loans. They are issued by banks and other non-financial institutions. The loans remain on the issuing institutions Balance Sheet and investors have a preferential claim in the event of the issuing institution defaulting. All issuing institutions are required to hold sufficient assets to cover the claims of all covered bondholders. The GMCA would only deal with bonds that are issued by banks which meet the credit criteria, or AAA rated institutions, (e.g. insurance companies).

Liquidity

- 9.28 Giving due consideration to the GMCA 's level of balances over the next year, the need for liquidity, its spending commitments and provisioning for contingencies, it is considered very unlikely that the GMCA will have cash balances to invest other than on a temporary basis. For this reason, no cash will be held in term deposit maturities in excess of 1 year.

Investment Strategy

- 9.29 **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.
- 9.30 If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable. Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations

- 9.31 Bank Rate is forecast to increase steadily but slowly over the next few years to reach 1.25% by 2023. Bank Rate forecasts, provided by the GMCA's treasury advisors, for financial year ends (March) are:

2020/21	0.75%
2021/22	1.00%
2022/23	1.25%

- 9.32 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

2019/20	0.75%
2020/21	0.75%
2021/22	1.00%
2022/23	1.25%
2023/24	1.50%
2024/25	1.75%
Later years	2.25%

- 9.33 The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties with Brexit, Covid-19 as well as the global economic picture. The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- 9.34 At the end of the financial year, the GMCA will receive a report on its investment activity as part of its Annual Treasury Report.

Policy on the use of External Service Providers

- 9.35 The GMCA uses Link Asset Services as external treasury management advisors and has access to another provider who is an approved supplier should a second opinion or additional work be required. The GMCA recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon its external service providers.
- 9.36 The GMCA recognises there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. It will ensure the terms of the Advisor's appointment and the methods by which their value is assessed and properly documented, and subject to regular review.

10. MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE (MIFID) II PROFESSIONAL CLIENT STATUS

- 10.1 MIFID II is UK law and originates from European Commission legislation for regulation of European Union (EU) financial markets. The legislation requires firms offering products and services in Financial Markets and also external advisors to classify their clients as either Retail or Professional.
- 10.2 There are key differences between the Retail and Professional classifications, with the Professional classification assuming the client has a higher level of internal treasury expertise and experience. Financial firms may be unwilling to provide access to certain financial instruments to organisations with Retail status as such organisations have to be afforded more protections. Professional status will afford fewer protections, though eligibility for compensation from the Financial Services Compensation Scheme is not affected.
- 10.3 The default MIFID II classification is Retail and this applies to Local Authorities. There is a discretionary option where a client can elect to adopt Professional status and this will be granted if the client can demonstrate it meets the criteria required and can pass a qualitative test.
- 10.4 To continue to use the instruments available to it, the GMCA applied for and was granted MIFID II Professional status by each firm. MIFID II classification does not apply to cash deposits the GMCA places with the Bank of England or in its Call accounts held with banks. Failure to secure Professional status would have severely restricted the GMCA's ability to place funds with a diverse range of counterparties and was also likely to have significantly dampened the investment return possible. Any future new relationships with financial firms will also be approached on the basis of the GMCA evidencing its Professional status.
- 10.5 MIFID II also requires Professional status organisations to hold a Legal Entity Identifier, (LEI) if they wish to participate in financial instruments that are traded on an Exchange, e.g. these include Certificates of Deposit, Corporate Bonds, Treasury Bills, Gilts, etc. Trading in these instruments is included in the GMCA's Investment Management Strategy therefore the GMCA applied for and was granted a LEI in December 2017.

10.6 The risks associated with Professional Status are mainly that the protections given to Retail status clients are not available, moreover there is greater emphasis on internal decision making with limited reliance on advice and guidance provided by the financial firms. These risks are acknowledged, however it is believed that the existing risk framework for treasury management, including the Prudential Code and Treasury Management Code, will enable the GMCA to manage these risks. Without Professional Status the GMCA will be unable to continue trading in financial markets using past arrangements.

11. INVESTMENTS THAT ARE NOT PART OF TREASURY MANAGEMENT ACTIVITY

Growing Places Fund (GPF)

11.1 The Growing Places Fund (GPF) originally secured by the GMCA in 2012/13 totalled £34.5m of capital grant funding which is being used to provide up front capital investment in schemes. The GPF has three overriding objectives:

- to generate economic activity in the short term by addressing immediate constraints;
- to allow Local Enterprise Partnerships (LEPs) to prioritise infrastructure needs, empowering them to deliver their economic priorities; and
- to establish sustainable recycled funds so that funding can be reinvested.

11.2 The full £34.5m has now been committed and the GMCA is fully in the recycling phase as described below. There is likely to be opportunities to passport similar property investments using GMCA's own funds (prudential borrowing) to allow freeing up of GM wide Evergreen Funds for further investments.

Regional Growth Fund (RGF)

11.3 The GMCA secured funds of £65m through two rounds of bidding for UK Central Government funding in 2012/13 and 2013/14. The Regional Growth Fund (RGF) has supported eligible projects and programmes raising private sector investment to create economic growth and lasting employment, with over 6,000 jobs being either created or safeguarded. As with the GPF the aim is to create a perpetual fund by using repaid loans to fund future commitments. The original funds were fully utilised by 2015/16.

11.4 Between 2018/19 and 2021/22 it is currently forecast that £55m will be recycled back out to businesses using capital receipts from both GPF and RGF. Given that both investment funds were funded through government grant there are no implications for the revenue budget should any loans default.

Housing Investment Fund (HIF)

11.5 The Greater Manchester Housing Investment Fund has been designed to accelerate and unlock housing schemes. It will help build the new homes to support the growth ambitions across Greater Manchester.

Loans Utilising Prudential Borrowing

11.6 The GMCA does not make commercial investments, to the extent that it does not make investments purely to make a financial return. Where the GMCA has and does make capital investments, it is for strategic or regional purposes.

Greater Manchester Loan Fund

- 11.7 The Greater Manchester Loan Fund (GMLF) was established in June 2013 in response to market constraints which significantly reduced the availability of debt finance. The GMLF was set up to provide debt finance of between £0.1m and £0.5m to small and medium enterprises in the Greater Manchester region, with the objective of generating business growth, creating and safeguarding jobs. A maximum of £10m has been approved for use by the Fund.

Protos Finance Limited

- 11.8 In order to create capacity, GMCA is being asked to consider the purchase of a £12.1m loan committed by Evergreen to Protos Finance Limited. Protos Finance Limited is a subsidiary of Peel established to deliver the development of an industrial site in Cheshire for a variety of uses including waste to energy, biomass and environmental technology facilities. This will free up resources in the Evergreen Fund and allow it to further invest in Greater Manchester.

12. MINIMUM REVENUE PROVISION (MRP) STRATEGY

- 12.1 The use of prudential borrowing allows the cost of funding an asset to be spread over its useful economic life. Using prudential borrowing as a funding source involves the GMCA borrowing from external sources and results in additional revenue costs of interest and borrowing plus a statutory charge known as the Minimum Revenue Provision (MRP). Appendix E contains the GMCA's policy for spreading capital expenditure charges to revenue through the annual MRP charge.

Treasury Management Scheme of Delegation

(i) Full Authority

- receiving and reviewing reports on treasury management policies, practices and activities; and
- approval of annual strategy.

(ii) Responsible body – Audit Committee

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations; and
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body with responsibility for scrutiny – Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The treasury management role of the Section 73 officer

The S73 (responsible) Officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit; and
- recommending the appointment of external service providers.

Treasury Management Policy Statement

1. This organisation defines its treasury management activities as:

‘The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’

2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The GMCA will invest its monies prudently, considering security first, liquidity second, and yield last, carefully considering its investment counterparties. It will similarly borrow monies prudently and consistent with the GMCA’s service objectives

Appendix D

Prospects for Interest Rates – view of Link Asset Services as at 31 January 2020

Link Asset Services Interest Rate View													
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	0.90	0.90	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.30	2.40	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.50	2.50	2.60	2.60	2.70	2.80	2.90	3.00	3.10	3.10	3.20	3.20	3.30
25yr PWLB Rate	3.00	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.80	3.80	3.90	3.90
50yr PWLB Rate	2.90	2.90	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.80
Bank Rate													
Link Asset Services	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.25%
Capital Economics	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	-	-	-	-	-
5yr PWLB Rate													
Link Asset Services	2.30%	2.30%	2.40%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%
Capital Economics	2.40%	2.50%	2.50%	2.60%	2.60%	2.80%	2.80%	2.90%	-	-	-	-	-
10yr PWLB Rate													
Link Asset Services	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%
Capital Economics	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.00%	3.10%	-	-	-	-	-
25yr PWLB Rate													
Link Asset Services	3.00%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.80%	3.90%	3.90%
Capital Economics	3.10%	3.10%	3.20%	3.20%	3.20%	3.30%	3.30%	3.40%	-	-	-	-	-
50yr PWLB Rate													
Link Asset Services	2.90%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.80%
Capital Economics	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.40%	3.50%	-	-	-	-	-

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
JAMESIDE

TRAFFORD
WIGAN

Appendix E

Minimum Revenue Policy Strategy

Capital expenditure is incurred on assets that will be of long term benefit to the GMCA. Such expenditure may not be wholly charged to revenue in the year that it is incurred but may be spread over several years to match the time that the asset will benefit the GMCA and the services it provides. The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP). It should be noted that the MRP liability is not directly related to the actual repayment of principal and interest on long term loans taken.

The GMCA is required by legislation to make a prudent MRP provision each year. The legislation is supported by guidance issued by the Secretary of State which requires the GMCA to approve an MRP Policy Statement before the start of each financial year and sets out 4 options for calculating prudent provision. These options are:

- Option 1: Regulatory Method

Under previous MRP regulations, the charge was set at a uniform rate of 4% of an authority's Capital Financing Requirement (CFR) at the start of the financial year. The CFR is derived from the balance sheet. With the introduction of the current MRP regime the Government's policy aim was that the move should not itself increase an authority's MRP liability. To achieve neutrality an amount, Adjustment A, was calculated at the point the change was made and is used to adjust the CFR each year. MRP under this method is calculated at 4% of the CFR less Adjustment A.

This option may only be used for capital expenditure incurred before 1st April 2008 or capital expenditure incurred after that date which is part of Supported Capital Expenditure (SCE). Currently no new SCE's are being issued.

- Option 2: Capital Financing Requirement (CFR) Method

This is a variation on option 1 based on 4% of the authority's CFR at the start of the financial year without the benefit of Adjustment A. Removal of the adjustment is likely to increase the MRP charge for most authorities.

This option may only be used for capital expenditure incurred before 1st April 2008 or capital expenditure incurred after that date which is part of Supported Capital Expenditure (SCE). Currently no new SCE's are being issued.

- Option 3: Asset Life Method

This can only be applied to capital expenditure incurred on or after 1st April 2008 and is intended to spread MRP over the estimated useful life of assets. It may be assessed in one of two ways:-

a) Equal Instalment Method

A simple formula generates equal annual instalments over the asset's estimated life. The formula allows for voluntary extra provision to be made in any year.

b) Annuity Method

Annual payments gradually increase during the life of the asset.

Option 4: Depreciation Method

This can only be applied to capital expenditure incurred on or after 1 April 2008 and is based on the useful life of the asset using the standard accounting rules for depreciation. Any impairment charged to the income and expenditure account should also be included. MRP is made annually until the cumulative provision is equal to the expenditure originally financed by borrowing or credit arrangements, even if the asset is disposed of before that date. This method cannot be applied to Investment properties and Assets Held for Sale (AHFS) as they are not depreciated.

However, the guidance does not rule out use of an alternative method if the GMCA decides this is more appropriate. The GMCA may vary the methodologies it uses to make prudent provision during the year and if it does, should explain in its Statement why the change will better allow it to make prudent provision. The GMCA may choose to overpay MRP in any year. If so, the in year and cumulative amount overpaid should be disclosed in its Statement. It is possible to offset a previous year's overpayment against the current year's prudent provision. This should be disclosed in the statement together with any remaining cumulative overpayment.

The GMCA manages a diverse portfolio of assets and has considered the most appropriate option for each. Based on inherited MRP policies, legislation and guidance the GMCA is recommended to approve the following MRP Policy Statement for 2020/21:

The GMCA will assess its MRP charge for 2020/21 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under Section 21(1A) of the Local Government Act 2003.

- MRP in relation to capital expenditure incurred before 1 April 2008 will be based upon 4% of the adjusted Capital Financing Requirement (CFR) in accordance with Option 1: the Regulatory method of the guidance.

- For capital expenditure incurred between 1 April 2008 and 31 March 2018 the following will apply (being the policies adopted by the previous organisations):
 - For capital expenditure incurred on the Metrolink and Transport Delivery Programme schemes and Waste Disposal assets, MRP will be calculated using Option 3b: the Asset life (Annuity) method.
 - For capital expenditure incurred on PCC assets MRP will be calculated using Option 3a: the Asset Life (Equal Instalment) method.
 - For capital expenditure incurred on GM Fire assets MRP will be calculated using Option 4: the Depreciation method.
- For capital expenditure incurred on or after 1 April 2018, MRP will be calculated using option 3b: the Asset life (Annuity) method for all classes of asset. The interest rate applied will be a rate deemed appropriate over the useful life of the asset. Where capital expenditure is incurred to allow a future capital receipt to be generated, no MRP will be applied to any borrowing to be repaid out of the receipt.
- In March 2019, the GMCA received the novation of loans to the private sector developers from Manchester City Council, totalling £112m in relation to the Housing Investment Loans Fund. These had been funded from loans received from MHCLG. Future investment loans will continue to be made, taking the total outstanding to likely maximum of £240m. Government have guaranteed to meet the first £60m of losses of such loans and, as such, no MRP is being applied. In the event that any losses are projected to exceed that level, then the MRP/debt write down position will be reviewed.
- MRP in respect of on balance sheet leases and PFI contracts is regarded as met by the amount that writes down the balance sheet liability.
- MRP will generally commence in the financial year following the one in which the expenditure was incurred. However, for major expenditure on long life assets, the GMCA may postpone the commencement of MRP until the financial year following the one in which the asset becomes operational.

Estimated asset lives will reflect the life assigned to the asset on the asset register unless the GMCA considers a different life is more appropriate. Estimated asset lives will be determined in the year that MRP commences and may not subsequently be revised. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the GMCA. However, the GMCA reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

Appendix F

Glossary of Terms

Authorised Limit - This Prudential Indicator represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some headroom for unexpected movements.

Bank Rate - The rate at which the Bank of England offers loans to the wholesale banks, thereby controlling general interest rates in the economy.

Certificate of Deposits - Short dated marketable securities issued by financial institutions, and as such counterparty risk is low.

Counterparty - One of the opposing parties involved in a borrowing or investment transaction.

Covered Bonds - Debt instruments secured by assets such as mortgage loans. These loans remain on the issuer's balance sheet and investors have a preferential claim in the event of the issuing institution defaulting.

Credit Rating - A qualified assessment and formal evaluation of an institution's (bank or building society) credit history and capability of repaying obligations. It measures the probability of the borrower defaulting on its financial obligations, and its ability to repay these fully and on time.

Discount - Where the prevailing interest rate is higher than the fixed rate of a long-term loan, which is being repaid early, the lender can refund the borrower a discount, the calculation being based on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender is able to offer the discount, as their investment will now earn more than when the original loan was taken out.

Fixed Rate Funding - A fixed rate of interest throughout the time of the loan. The rate is fixed at the start of the loan and therefore does not affect the volatility of the portfolio, until the debt matures and requires replacing at the interest rates relevant at that time.

Gilts - The loan instruments by which the Government borrows. Interest rates will reflect the level of demand shown by investors when the Government auctions Gilts.

High/Low Coupon - High/Low interest rate.

LIBID (London Interbank Bid Rate) - This is an average rate, calculated from the rates at which individual major banks in London are willing to borrow from other banks for a particular time period. For example, 6 month LIBID is the average rate at which banks are willing to pay to borrow for 6 months.

LIBOR (London Interbank Offer Rate) - This is an average rate, calculated from the rates which major banks in London estimate they would be charged if they borrowed from other banks for a particular time period. For example, 6 month LIBOR is the average rate which banks believe they will be charged for borrowing for 6 months.

Liquidity - The ability of an asset to be converted into cash quickly and without any price discount. The more liquid a business is, the better able it is to meet short-term financial obligations.

LOBO (Lender Option Borrower Option) - This is a type of loan where, at various periods known as call dates, the lender has the option to alter the interest rate on the loan. Should the lender exercise this option, the borrower has a corresponding option to repay the loan in full without penalty.

Market - The private sector institutions - Banks, Building Societies etc.

Maturity Profile/Structure - An illustration of when debts are due to mature, and either have to be renewed or money found to pay off the debt. A high concentration in one year will make the Authority vulnerable to current interest rates in that year.

Monetary Policy Committee - The independent body that determines Bank Rate.

Money Market Funds - Investment instruments that invest in a variety of institutions, therefore diversifying the investment risk.

Operational Boundary - This Prudential Indicator is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the Authorised Limit is not breached.

Premium - Where the prevailing current interest rate is lower than the fixed rate of a long-term loan, which is being repaid early, the lender can charge the borrower a premium, the calculation being based on the difference between the two interest rates over the remaining years of the loan, discounted back to present value. The lender may charge the premium, as their investment will now earn less than when the original loan was taken out.

Prudential Code - The Local Government Act 2003 requires the Authority to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.

PWLB - Public Works Loan Board. Part of the Government's Debt Management Office, which provides loans to public bodies at rates reflecting those at which the Government is able to sell Gilts.

Specified Investments - Sterling investments of not more than one-year maturity. These are considered low risk assets, where the possibility of loss of principal or investment income is very low.

Non-specified investments - Investments not in the above, specified category, e.g., foreign currency, exceeding one year or outside our minimum credit rating criteria.

Treasury Bills - These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low.

Variable Rate Funding - The rate of interest either continually moves reflecting interest rates of the day, or can be tied to specific dates during the loan period.

Rates may be updated on a monthly, quarterly or annual basis.

Volatility - The degree to which the debt portfolio is affected by current interest rate movements. The more debt maturing within the coming year and needing replacement, and the more debt subject to variable interest rates, the greater the volatility.

Yield Curve - A graph of the relationship of interest rates to the length of the loan.

A normal yield curve will show interest rates relatively low for short-term loans compared to long-term loans. An inverted Yield Curve is the opposite of this.

Date: 29 May 2020

Subject: GM Housing Investment Loans Fund: Investment Capacity

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

PURPOSE OF REPORT

This report seeks GMCA approval to a proposed strategy to maintain and increase the investment capacity of the GM Housing Investment Loans Fund.

RECOMMENDATIONS:

The GMCA is recommended to:

1. Approve the strategy to maintain and increase the investment capacity of the GM Housing Investment Loans Fund through the use of other funding available to GMCA.
2. Delegate authority to the GMCA Treasurer to identify and implement appropriate funding solutions in line with the strategy;

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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)

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	YES
EXEMPTION FROM CALL IN	

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 3

Legal Considerations – see paragraph 4

Financial Consequences – Revenue – see paragraph 5

Financial Consequences – Capital – see paragraph 6

1. INTRODUCTION & OVERVIEW

- 1.1 The funds which GMCA invests through the GM Housing Investment Loans Fund (“GMHILF” or “the Fund”) are provided under a legal agreement between GMCA and the Ministry of Housing, Communities and Local Government. That agreement establishes that MHCLG will only provide funds in the early years of the Fund’s operation and at the level required to meet the lending drawn from GMHILF by specific developments, whereafter ongoing GMHILF commitments must be funded through the recycling of lending which has been repaid.
- 1.2 2019/20 represented the final year under which GMCA was able to draw down funds from MHCLG, with a net total of £181m drawn down to the end of the year. In March 2020, MHCLG confirmed that in the near term it would not vary the provisions of the legal agreement and would not, therefore, provide additional funds for GMHILF.
- 1.3 As existing investments made by the Fund, primarily in the form of senior debt, are repaid, the monies are available for reinvestment by the Fund. However, the COVID19 pandemic and lockdown has caused delays to the completion of developments, and the rate at which properties are sold or let will likely be slower than originally anticipated. As such, extended timeframes before borrowers are able to repay the debt are expected. It is also expected that the Fund will experience increased demand as appetite on the part of other lenders tightens.
- 1.4 The Fund represents a cornerstone of GM’s strategy to increase housing supply, and maintaining support for developers is considered strategically important to GM’s recovery from the impact of COVID19 in signalling confidence in GM’s economic outlook and maintaining a base level of development and construction activity in the midst of wider uncertainty in the funding market. Accordingly, and while discussions with government regarding the provision of additional GMHILF funds are ongoing, it is recommended that GMCA now adopt a strategy to use other funding available to it in order to maintain and increase the Fund’s investment capacity.

2. PROPOSED STRATEGY

- 2.1 The strategy revolves around the use of other funding available to GMCA to both refinance existing GMHILF commitments, thereby freeing up capacity within GMHILF itself, and to meet new commitments that would otherwise be funded through GMHILF.
- 2.2 The other funding available (or expected to be available) to GMCA includes but is not limited to the following:
- Surplus income generated by GMHILF investments;
 - City Deal Receipts provided by Homes England for GMCA to invest;
 - Regional Growth and Growing Places funding which GMCA has recycled and can therefore now invest on a flexible basis.
- 2.3 Proposals to refinance existing GMHILF commitments will be considered on a case-by-case basis, and it is proposed that authority be delegated to the GMCA Treasurer to identify appropriate alternative sources of funding and implement the refinancing of specific GMHILF loans.
- 2.4 Where new commitments that would otherwise be funded by GMHILF are proposed, these will be subject to the normal GMHILF due diligence and governance process, with GMCA approval sought to the investment as normal.
- 2.5 In both cases, where approval from external partners is required (which applies, for example, in the case of Homes England for the use of City Deal Receipts) this will be sought as normal.

3. RISK MANAGEMENT

- 3.1 All GMHILF investments are based on an assessment of risk and are structured to mitigate GMCA's exposure to loss and supported with appropriate security. Where it is proposed to refinance existing commitments, this will be considered in light of an up to date risk assessment.

4. LEGAL CONSIDERATIONS

- 4.1 The loan facility agreements and associated security for existing GMHILF commitments have already been assigned to GMCA as part of the novation of the overall Fund, and the refinancing of these commitments with other funding will not require any changes to the existing suite of legal agreements.

5. FINANCIAL CONSEQUENCES – REVENUE

- 5.1 The proposal does not require any additional revenue expenditure by GMCA in addition to the approved Core Investment Team budget.

- 5.2 In addition to maintaining and increasing the capacity of GMHILF itself, the strategy will support optimisation of the other funding available to GMCA and the income to GMCA that this generates.

6. FINANCIAL CONSEQUENCES – CAPITAL

- 6.1 The strategy revolves around the use of funding available or expected to be available to GMCA and does not increase the capital funding requirements falling to GM authorities.
- 6.2 Any use of the surplus income generated by GMHILF, Regional Growth Funds and Growing Places funding to increase GMHILF capacity would represent a short-term measure to ensure that funds to support GM's wider housing objectives and the GM Strategy continue to be available.

7. RECOMMENDATION

- 7.1 The GMCA is recommended to approve the strategy set out in this report and delegate authority to the GMCA Treasurer to implement the strategy on a case-by-case basis.

Date: 29 May 2020

Subject: GM Housing Investment Loans Fund – Investment Approval Recommendations

Report of: Salford City Mayor Paul Dennett, Portfolio Lead Leader 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 loans and equity investments detailed in the recommendation below. This report also sets out details of two loans which were approved under emergency powers by the Chief Executive acting in consultation with the Portfolio Lead Leader for Housing, Homelessness and Infrastructure in April 2020.

RECOMMENDATIONS:

The Combined Authority is requested to:

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

BORROWER	SCHEME	DISTRICT	LOAN
Maya Property Developments Ltd	Riley’s Snooker Centre, Altrincham	Trafford	£1.990m
The Sheridan Group	Diamond Hall, Woodhouses	Oldham	£1.967m

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

PARTNERSHIP	FUND	DISTRICT	EQUITY INVESTMENT
Resonance Limited	Resonance Impact Investment Property Fund	GM wide	£5.000m

Resonance Limited	Resonance Learning Disabilities Fund	GM wide	£5.000m
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3. Delegate authority to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.
4. Note the following loans which were approved in April 2020 under emergency powers.

BORROWER	SCHEME	DISTRICT	LOAN
Heath Farm Lane LLP	Heath Farm Lane, Partington	Trafford	£5.000m
Specialist Care Developments Ltd	Stephenson Street	Oldham	£0.981m

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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)

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		YES
EXEMPTION FROM CALL IN		
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 Cttee	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 loans and equity investments detailed in section 2, which has 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 date is £462.3m, and the total value of equity investments made by the Fund is £7m. If the recommendations set out in this report are agreed, the value of loan offers will increase to £466.2m and the value of equity investments will increase to £17m.
- 1.3 In January 2016, the Combined Authority agreed that receipts from the disposal of Homes England land and property within Greater Manchester, which are available for GM to invest under the terms of the City Deal agreed with government in 2012, would in future be used to make investments in residential schemes alongside lending from the GM Housing Investment Loans Fund.
- 1.4 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.
- 1.5 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 AND EQUITY INVESTMENT APPROVALS SOUGHT

- 2.1 Maya Property Developments Ltd is seeking a GMHILF loan of £1.990m for the construction of 8 houses at Riley’s Snooker Centre, Bridgewater Rd, Altrincham. Planning permission was granted in December 2019. The loan will support a Salford based SME developer. There is no affordable housing provision.
- 2.2 The Sheridan Group is seeking a loan from the GM Housing Investment Loans Fund of £1.967m for the construction of 8 houses on a site known as Diamond Hall Farm, Woodhouses. The loan will support a new GM-based SME developer. Planning permission was granted in January 2020 and the borrower will make a Section 106 contribution of £160k

towards the provision of affordable housing elsewhere within Oldham and improvement of local amenity.

- 2.3 Resonance Limited (an FCA regulated social impact fund manager) is seeking investment of £5m from the GM Housing Investment Loans Fund to invest into a newly created Limited Partnership fund. The Impact Investment Property Fund will acquire and modify/refurbish properties across Greater Manchester, to then be leased to Registered Providers as part of the Ethical Lettings Agency framework. The Housing Providers then provide the home to those on the housing waiting list and pay a rent to the Impact Investment Property Fund at a rate linked to the Housing Benefit received.
- 2.4 Resonance Limited is also seeking investment of £5m from the GM Housing Investment Loans Fund to invest into a second newly created Limited Partnership fund. The Learning Disabilities Property Fund will acquire and significantly modify/refurbish properties across Greater Manchester, to then be leased to Housing Providers. The Housing Providers then provide the home to those with learning & physical disabilities, autism, sensory impairment, mental health problems and behaviours that challenge and pay a rent to the Learning Disabilities Fund at a rate linked to the Housing Benefit received.
- 2.5 Further details of the schemes/funds and proposed terms of the loans and equity investments are included in the accompanying Part B report, to be treated as confidential on account of the commercially sensitive nature of the information.

3. LOANS APPROVED UNDER EMERGENCY POWERS IN APRIL 2020

- 3.1 Heath Farm Lane LLP sought a loan from the GM Housing Investment Loans Fund of £5.000m for the construction of 148 new homes at Heath Farm Lane, Partington. The scheme will provide 50% of all units as affordable housing in a key strategic regeneration area for Trafford Council and will involve the remediation of a brownfield site, unlocking future housing development. Planning permission was granted in April 2019 and a Section 106 agreement which will provide for contributions for junction upgrades, new sport facilities, green space and children's play space is to be entered into, with the financial contribution totalling £218,747.
- 3.2 Specialist Care Developments Limited, a Special Purpose Vehicle of Multi Utility UK Ltd, sought a loan of £0.981m for the construction of 12 apartments on land at Stephenson Street, Oldham. Planning permission was granted in August 2019. The loan will support an Oldham based SME developer. There is no affordable housing provision. To date, investment of City Deal Receipts has been in the form of lending alongside loans from the GMHILF itself; the risk profile of this scheme is considered suitable for the full amount of the loan to be sourced from City Deal Receipts (but the loan will otherwise be managed as if it were from GMHILF). Homes England has confirmed its approval to this investment of City Deal Receipts.

4. RISK MANAGEMENT

- 4.1 The structure and security package proposed for the loans and equity investments in order to mitigate risk are given in the accompanying Part B report.
- 4.2 The loans 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 schemes are being delivered satisfactorily.
- 4.3 The process through which the funds which GMHILF is investing equity will take decisions in order to ensure that investments are prudent will be agreed in advance, and GMCA will receive ongoing reporting on the performance of those funds.

5. LEGAL CONSIDERATIONS

- 5.1 A detailed loan facility and other associated legal documentation will be completed for each scheme ahead of the first loan payment.
- 5.2 A detailed investment agreement will be completed for each of the funds ahead of the GMHILF equity being injected.

6. FINANCIAL CONSEQUENCES – REVENUE

- 6.1 In respect of the GMHILF/City Deal loans the borrowers 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.
- 6.2 The operation of the funds GMHILF is investing in will be funded through the investments they make.

7. FINANCIAL CONSEQUENCES – CAPITAL

- 7.1 The proposed loans and equity investments will be sourced from the £300m GM Housing Investment Loans Fund, including the recycling of loans repaid to the Fund, with the exception of the Stephenson Street scheme which will be sourced from the £29.4m City Deal Receipts which Homes England has to date provided to GM for investment.

8. RECOMMENDATION

- 8.1 The Combined Authority is recommended to approve the loans and equity investments in line with the terms set out in the accompanying report, and note the loans recently approved under emergency powers, and delegate authority to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.

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

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