

## GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Getting Building Fund Progress Update

DATE: 23<sup>rd</sup> February 2022

FROM: Eamonn Boylan, Chief Executive Officer, GMCA & TfGM

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### PURPOSE OF REPORT

This report provides an update in relation to the progress made on the Getting Building Fund Programme, with the Grant Period set to conclude on 31<sup>st</sup> March 2022.

### RECOMMENDATIONS

The GM LEP Board is requested to:

1. To approve the use of flexibilities in relation to the Getting Building Fund programme as set out in Section 2 of this report.

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### **Equalities Impact, Carbon and Sustainability Assessment:**

The grant funding will enable the construction of 7 strategically significant projects across Greater Manchester and provide opportunities to address equality issues through the creation of construction jobs and quality living/working accommodation.

### **Risk Management:**

The award of grants was conditional upon a satisfactory outcome of detailed due diligence and ongoing monitoring confirmation that the schemes are being delivered satisfactorily.

In view of the nature of the MHCLG grant funding agreements for GBF any conditions were mirrored in agreements between the GMCA and scheme promoters, mitigating any risk retained by the GMCA.

### **Legal Considerations:**

There are no legal considerations.

### **Financial Consequences – Revenue:**

Revenue expenditure is provided by the £54.2m GBF Grant allocation. There are therefore no revenue consequences for the GMCA.

### **Financial Consequences – Capital:**

Capital expenditure is provided by the £54.2m GBF Grant allocation. There are therefore no capital consequences for the GMCA.

### **Number of attachments to the report:**

None

### **BACKGROUND PAPERS:**

1. GM Brownfield Land Fund and Getting Building Fund (GMCA Approval on 31<sup>st</sup> July 2020)

## 1. INTRODUCTION

- 1.1 The GMCA received an allocation totalling £54.2m from MHCLG for the Getting Building Fund (“GBF”), this was confirmed in September 2020. The programme period for the spending of these monies was set at 31<sup>st</sup> March 2022.
- 1.2 There were 7 projects which were subsequently confirmed by MHCLG to benefit from GBF monies, the project name and total grant awarded is set out within the table below.

<b>Project</b>	<b>Grant Recipient</b>	<b>Grant Award (£m)</b>
Base	Bruntwood Limited/MSP	£4,000,000
Kingsway Northern Loop Road	Rochdale Borough Council	£3,500,000
South Heywood Link Road Phase 1	Rochdale Borough Council	£10,000,000
Mayfield	U&I	£23,000,000
Port Salford	Peel L&P	£6,000,000
Stok	Stockport Council	£3,500,000
Stockport Exchange Phase 4	Stockport Council	£4,200,000

## 2. GETTING BUILDING FUND – PROGRESS UPDATE

- 2.1 As of 31<sup>st</sup> March 2021, all 7 projects were Contractually Committed (for the full £54.2m allocation) with Pinsent Masons being appointed to draft and execute the associated Grant Funding Agreements on behalf of the GMCA.
- 2.2 As at the end of Q3 2021/22, 6 of the 7 projects are currently on-site with all 7 projects having drawn down grant monies against their allocations. Of the 7 projects 3 (Base, South Heywood, and Stok) have drawn down the awarded monies in their entirety and for the remaining 4 projects we fully anticipate all spend having been drawn down by 31<sup>st</sup> March 2022, in line with the flexibilities as set out in the grant conditions with MHCLG.
- 2.3 Total programme spend achieved as at end of Q3 2021/22 stands at £41,698,084 with a further £2,673,335 having already been spent during Q4 across 3 projects and a further £9,828,581 forecast to be spent during the rest of this quarter. Most of the remaining spend for Q4 relates to the Mayfield project (which had a £23m grant award) and the Stockport Exchange project

which has seen delays with procurement of a Contractor and making a formal start on site (both expected during early March 2022).

- 2.4 Some minor slippage with delivery has been experienced on projects as a result in part of the pandemic (and shortages in materials within the supply chain) and on-site complexities (particularly with the Mayfield project and archaeological issues). Any issues are continuing to be monitored and mitigated against where possible. It is expected that by the 31<sup>st</sup> March 2022 all of the awarded grant across all projects will have been drawn down.
- 2.5 By the end of 31<sup>st</sup> March 2022, we are expecting that 2 of the 7 projects will have practically completed with a further 5 projects practically completing during Q1/Q2 2022/23. However by 31<sup>st</sup> March 2022 significant on-site progress will have been made on all projects with the respective Developer investing the necessary capital to ensure practical completion by end of Q2 2022/23 at the latest.

### **3. RECOMMENDATIONS**

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

**Eamonn Boylan**

**Chief Executive Officer, GMCA & TfGM**