

Greater Manchester Combined Authority

Date: 29 September 2023

Subject: Greater Manchester Brownfield Programme

Report of: Councillor Ged Cooney, Portfolio Lead for Housing and Steve Rumbelow, Portfolio Lead Chief Executive for Housing, Homelessness and Infrastructure

Purpose of Report

This report set out details of further allocations of funding from the GM Brownfield programme which were approved during August and September under the delegation agreed by the Combined Authority in July.

This report also seeks the Combined Authority's approval to delegate the approval of increases in funding allocations previously approved by the Combined Authority and other variations of funding terms and conditions to the Chief Executive acting in conjunction with the Portfolio Lead for Housing and the Lead Member for the relevant district.

Recommendations:

The Combined Authority is requested to:

1. Note the allocation of up to £14.9m of the Brownfield Housing Fund programme funding devolved to GMCA to the 7 projects identified at Appendix 1.
2. Delegate authority to the Chief Executive Officer, GMCA & TfGM, acting in consultation with the Portfolio Lead for Housing and the Lead Member of the relevant district to approve increases of up to 10% on brownfield funding allocations previously approved by the Combined Authority and other variations to funding conditions in the period up to 31 March 2024.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

It is recommended that the proposal is supported, as set out in the paper. The Decision Support Tool has identified the proposal will positively impact Housing and the Economy. The impact on the Carbon Assessment is currently unknown at this stage of the programme and will be monitored during and at the end of the programme.

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing	G	The proposal will positively contribute to the number of affordable homes in GM. The proposal supports brownfield land being brought back into use where market failure has otherwise made this unviable. It may also support surplus to use buildings being demolished or retained and refurbished for new homes. The overall 3 year programme is required to unlock at least 7000 new homes by March 2026.
Economy	G	The deployment of grant funding will contribute to improving economic development in the residential construction sector and associated supply chains. The deployment of grant funding will support the delivery of 7000 new homes which will in turn increase jobs in the construction sector. The deployment of grant funding will support the delivery of 7000 new homes which will in turn create jobs in the construction sector. The proposal will attract wider investment into GM. Wider investment will include private sector and other public sector funds. The proposal will increase opportunities for training and skills development in the construction sector and wider, e.g. apprenticeships.
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		Schemes that are to be considered as part of this grant award from DLUHC will have due regard to sustainability credentials in line with the Carbon Neutral 2038 target and applied through an agreed set of deliverability criteria.

Further Assessment(s):	Carbon Assessment
G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.
R Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR Negative impacts overall.

Carbon Assessment		
Overall Score	[Redacted]	
Buildings	Result	Justification/Mitigation
New Build residential	[Redacted]	Unknown Unknown
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	
No associated carbon impacts expected.	[Green]	High standard in terms of practice and awareness on carbon.
	[Blue]	Mostly best practice with a good level of awareness on carbon.
	[Yellow]	Partially meets best practice/ awareness, significant room to improve.
	[Red]	Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

The grants will be 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 DLUHC grant funding agreements for this Brownfield programme any conditions will be mirrored in agreements between the GMCA and scheme promoters, mitigating any risk retained by GMCA.

Legal Considerations

GMCA will be required to enter into a grant agreement with DLUHC in order to receive the grant. Any terms and obligations within the DLUHC grant agreement will be flowed through to the ultimate grant recipients within the onward grant agreements to ensure that potential risks to GMCA are passed on to those grant recipients.

An onward grant agreement and other associated legal documentation will be completed for each scheme ahead of the first grant payment.

As this is a grant the subsidy control position has been considered. The grant agreement from DLUHC to GMCA is not deemed to be a subsidy as GMCA will be acting as an intermediary for the funding and flowing through all of the grant money,

other than its reasonable administrative costs, to grant recipients to deliver the various Brownfield programme funded schemes. GMCA is therefore acting in the capacity of an intermediary of the grant funding which is in line with the Government's Subsidy Control Statutory Guidance. Subsidy Control requirements will be considered further for each individual scheme allocation as part of the detailed due diligence, with any allocation being compliant with the Subsidy Control legislation.

Financial Consequences – Revenue

The Combined Authority has approved the use of up to £500k from the Housing Investment Loan Fund surpluses to support the costs of delivering the Brownfield programme.

Financial Consequences – Capital

Capital expenditure will be sourced from the GM Brownfield programme.

Monitoring and reporting assurance will form part of the existing Single Pot Assurance Framework. The GMCA Section 73 Officer and GMCA Monitoring Officer will be required to confirm that investment is being used for the purposes agreed under the respective fund to deliver to fund's objectives.

Number of attachments to the report:

None

Comments/recommendations from Overview & Scrutiny Committee

None.

Background Papers

- GMCA Trailblazer Devolution Deal (*report to GMCA, 24 March 2023*)
- GM Brownfield programme (Devolution Trailblazer deal) - Methodology and Year 1 Allocations (*report to GMCA, 30 June 2023*)

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

1. Funding allocations approved under delegation

- 1.1 It has come to light that some schemes allocated Brownfield funding are now facing challenges, this includes schemes experiencing issues around land acquisitions. Furthermore, GM is expecting to receive an allocation of funding through the One Public Estate Brownfield Land Release Fund and this could subsequently remove a number of schemes from GMCA's Year 1 Brownfield programme.
- 1.2 Separately, certain schemes which were allocated funding through GMCA's Brownfield Housing Fund in previous years have not yet gone forward to take up funding, and do not appear to have realistic prospects of doing so in the near term. To ensure that GMCA continues to meet the spend profile and outputs agreed with Government, further schemes need to be brought forward to re-allocate funding.
- 1.3 Under the delegation agreed by the Combined Authority at its meeting in July 2023, the GMCA Chief Executive acting in conjunction with the Portfolio Lead for Housing have approved the allocation of funding from the GM Brownfield programme totalling £14.9m to the 7 schemes detailed at Appendix 1.
- 1.4 The 7 schemes have been prioritised using the same methodology as was used for the allocation of funding approved by the Combined Authority in June 2023, and on the basis that the funding allocated will be spent during the current financial year.

2 Delegation

- 2.1 The detailed due diligence and preparation of grant funding agreements for the schemes within the first round of allocations from the £150m devolution trailblazer brownfield programme is underway. It is becoming apparent that a number of schemes will require approval to changes from the proposals as set

out in obtaining Combined Authority approval. For example, the arrangements under which some schemes will be delivered require the funding to be contracted with a different entity to that identified in the original report to the Combined Authority, or minor changes to the amount of funding or the number of new homes need to be agreed.

- 2.2 In respect of the investment funds managed by GMCA (e.g. the GM Housing Investment Loans Fund, the recycled Regional Growth Fund) the GMCA Constitution provides for increases of up to 10% to the amount of the loan approved by the Combined Authority, and other minor variation to the lending terms, to be agreed by the GMCA Chief Executive acting in conjunction with the relevant Portfolio Holder.
- 2.3 There is no equivalent provision for grant funding devolved to GMCA such as the brownfield programme. The requirement to take minor changes to brownfield funding allocations back through the Combined Authority will potentially cause administrative logjams and jeopardise the delivery of spend by March 2024 in line with the profile agreed with Government.
- 2.4 The Combined Authority is therefore requested to agree a delegation to the effect that increases of up to 10% on the brownfield funding allocations previously approved by the Combined Authority, and variation of other funding conditions, can be approved by the GMCA Chief Executive acting in conjunction with the Portfolio Lead for Housing and the Lead Member of the relevant district.
- 2.5 The Combined Authority is asked to agree the delegation being operative until 31 March 2024, alongside which the opportunity to include a standing delegation within the GMCA Constitution when it is next updated, in line with the approach to investment funds managed by GMCA, will be examined.

Appendix 1 - Further Scheme Allocations

Authority	Scheme Name	Developer	No of housing units	Grant required (£m)
Manchester	Whitemoss Day Centre (Benmore Road)	Guinness	20	£365,400
Manchester	Whitemoss Road/Dam Head Drive	Guinness	38	£736,260
Rochdale	Former Oakenrod Primary School	Hallmark Developments	52	£600,000
Rochdale	Greenbooth Road, Norden	Great Places	51	£750,000
Stockport	Royal George Village	CityHeart	442	£8,116,000
Tameside	Former Newton Bank Printworks	Ecclestone Homes	132	£1,320,000
Trafford	Lumina Village	Glenbrook	639	£3,000,000