

## **GREATER MANCHESTER COMBINED AUTHORITY**

Date: 26 January 2024

Subject: Greater Manchester Investment Plan

Report of: Councillor Bev Craig, Portfolio Leader for Economy, Business and Inclusive Growth, Tom Stannard, Portfolio Lead Chief Executive for Economy, Business and Inclusive Growth

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### **Purpose of Report**

This report details the contents of the Investment Plan which relates to the investment approach to support inclusive Growth across Greater Manchester, including the things that need to be done to drive inclusive growth in GMs key sectors and 10 Local Authorities over the next 10-15 years. The Investment Plan comprises three key components:

- I. A clear set of Investment Milestones where investment decisions will be expected to be made. This will include the actions and related milestones that are required in order to ensure the appropriate methodologies for making these decisions are in place.
- II. A framework of Investment Principles that can be applied to funding and investment decisions that are made at a GM level such that funding can be appropriately invested to drive improved outcomes.
- III. The identification of the Investment Pipeline of activity to which those Investment Principles will be applied. The Investment Pipeline is being developed from the Spatial Framework (Places for Everyone plan and the emerging Stockport Local Plan) and the associated Growth Locations, the supporting transport infrastructure requirements, and a set of Frontier Sector Plans.

The report also seeks agreement to the boundaries being proposed to be agreed with government in relation to the GM Investment Zones and Growth Zones.

### **Recommendations:**

The GMCA is requested to:

1. Approve the Investment Plan set out in this document and to receive periodic updates.
2. Agree the Investment Milestones as set out in Annex 1.
3. Approve the Investment Principles set out in Annex 2.
4. Approve the boundaries proposed for the GM Investment Zones and GM Growth Zones as set out in Annex 3.

**Contact Officers:**

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# Equalities Impact, Carbon and Sustainability Assessment:

## Recommendation - Key points for decision-makers

Insert text

### Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation	G	The proposed Investment Plan considers activity undertaken in relation to the current GM Transport Strategy 2040 including ambitions of making 50% of all journeys in GM to be made by walking, cycling and public transport by 2040.
Housing	G	Activity and investment covered by the proposed Investment Plan will be aligned with GMS housing objectives such as Net Zero development and appropriate housing tenure mix e.g., affordable, social, specialist etc. A key milestone in the proposed Investment Plan is the Y2&3 Brownfield Housing Programme. The proposal supports Brownfield land being brought back into use where market failure has otherwise made this unviable. As above, the Brownfield programme is a key milestone of the Investment Plan and is required to unlock at least 7000 new homes back March 26.
Economy	G	The proposed Investment Plan will support the driving of inclusive economic growth across GM. The Proposed Investment Plan supports the ambition to develop good job growth across GM, including within the Frontier Sectors. The Proposed Investment Plan will attract wider investment into GM which will include private sector and other public sector funds.
Mobility and Connectivity	G	
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		Investment priorities are to be considered as part of this scheme of work will have due regard to sustainability credentials in line with the Carbon Neutral 2038 target and applied through an agreed set of deliverability criteria.
<b>Further Assessment(s):</b>	Carbon Assessment	
<b>G</b> Positive impacts overall, whether long or short term.	<b>A</b> Mix of positive and negative impacts. Trade-offs to consider.	<b>R</b> Mostly negative, with at least one positive aspect. Trade-offs to consider.
		<b>RR</b> Negative impacts overall.

## Carbon Assessment

Overall Score				
Buildings	Result	Justification/Mitigation		
New Build residential				
Residential building(s) renovation/maintenance	N/A			
New build non-residential (including public) buildings	N/A			
Transport				
Active travel and public transport				
Roads, Parking and Vehicle Access	N/A			
Access to amenities		To be determined through CRSTS 2 project prioritisation		
Vehicle procurement	N/A			
Land Use				
Land use	N/A			
No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.

## Risk Management

The proposed Investment plan and any associated risks will be overseen and managed through the Growth Locations governance structure.

## Legal Considerations

The work programme does not currently have requirements for legal input. Should future legal input be required it will be managed through appropriate governance arrangements.

## Financial Consequences – Revenue

The proposed work plan is likely to result in future requests for revenue funding through the Evergreen Surplus Funding and Housing Surpluses. Requests will be approved through appropriate governance arrangements. All work currently being undertaken relates to existing resource.

## Financial Consequences – Capital

Approval would be sought for any specific requests for capital investment through the GMCA in line with appropriate governance arrangements. All work currently being undertaken relates to existing resource.

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

None.

## **Comments/recommendations from Overview & Scrutiny Committee**

None.

## **Background Papers**

None.

## **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**

N/A

# 1. Background

- 1.1. The GMCA have previously agreed priorities set out in the Greater Manchester Strategy (GMS) and the Local Industrial Strategy (LIS) which set the headline economic strategy that GM is trying to deliver. This includes the required ambition to develop good job growth, including within the Frontier Sectors, and the commitment to develop the Growth Locations.
- 1.2. The Devolution Deal, and announcements alongside, have subsequently given a new set of powers and resources to deliver those priorities. The Investment Plan is, in the first instance, seeking to set out how those resources relating to physical assets that deliver inclusive growth will be deployed to support the delivery of the priorities in the GMS and LIS.
- 1.3. The six Growth Locations represent opportunities for the whole city-region, to bring forward development at a scale that can drive transformational growth across GM and focus on priority growth areas across all 10 GM Local Authorities. The six Growth Locations are:
  - North East Growth Corridor
  - Eastern Growth Cluster
  - Airport & Southern Growth Corridor
  - Central Growth Cluster
  - Western Gateway
  - Wigan & Bolton Growth Corridor
- 1.4. As set out in the Greater Manchester Strategy (GMS), through Growth Locations, GM can use more effective prioritisation and targeting of resources to capitalise on the opportunity to reshape its future, levelling up with greater inclusivity and equity, for all communities, driving prosperity in neighbourhoods, towns and cities across the region and benefiting each of the 10 Local Authorities. Each Growth Location possesses unique opportunities and assets to respond to the variety of needs and challenges present in different parts of the conurbation. The Growth Locations will provide the platform for a levelling up approach by creating value through new development and in turn ensuring that the resultant benefits and outcomes are experienced across wider GM communities.

## 2. Purpose and Scope of Investment Plan

- 2.1. The purpose of the Investment Plan is to provide a cohesive joined up approach to investing funding at a GM level in physical assets that drive inclusive economic growth across GM. The rationale for taking this approach being that it will drive better outcomes for all of GM and greater efficiencies through delivery.
- 2.2. This will enable each of the 10 Local Authorities to bring forward their investment priorities and access the necessary investment to drive forward growth priorities in each of their respective Local Authorities. The principle of inclusive growth as set out in the GMS will be embedded into how investment will be prioritised across GM and will ensure that there is appropriate investment made across the conurbation and benefiting each of the 10 Local Authorities. This will mean that investment will be made to benefit the population outside the conurbation core and drive inclusive growth across the 10 Local Authorities.
- 2.3. The anticipated public sector cost of delivering the physical projects to meet the ambitions of the GMS over the next 10 to 15 years exceeds the likely funding that will be available. GM will therefore need to drive efficiencies and values that will enable alternative funding models to be deployed alongside traditional grant funding routes to support accelerated delivery of GMs ambitions. Given the constraints on funding there is a need to ensure investment is prioritised to maximise the outcomes that will be delivered.
- 2.4. The Investment Plan, therefore, comprises three key components:
  - 2.4.1. A clear set of Investment Milestones where investment decisions will be expected to be made. This will include the actions and related milestones that are required in order to ensure the appropriate methodologies for making these decisions are in place;
  - 2.4.2. a set of Investment Principles that will be incorporated into decision making methodologies and applied to funding and investment decisions that are made at a GM level such that funding can be appropriately invested to drive maximum improved outcomes; and
  - 2.4.3. the identification and development of the Investment Pipeline, being the projects and activity that will be seeking GM investment at the appropriate

Investment Milestones. The pipeline is being developed building from the Spatial Framework (Places for Everyone plan and the emerging Stockport Local Plan), the associated Growth Locations plus supporting transport infrastructure requirements, and the evolving Frontier Sector Plans.

- 2.5. The approach will be focussed on delivery of projects supporting inclusive economic growth, with a specific focus on driving good jobs, including within the frontier sectors. The Investment Plan will consider capital assets and the activity undertaken in relation to Growth Locations, the current GM Transport Strategy 2040 (the Local Transport Plan) and subsequent Local Transport Plans (noting the refresh is underway), and sector growth as set out in the Local Industrial Strategy and emerging Frontier Sector Plans (although the Investment Plan's scope will exclude wider business and skills support which will be covered through other GM level plans). It will also consider any priorities identified in the Housing Delivery Plan once developed.
- 2.6. The activity and investment covered by the plan will be both capital and revenue investment and will cover any activity that relates to the up-front development of enabling infrastructure or specific developments where they can support inclusive growth, development and innovation within businesses. Activity will similarly relate to supporting development of assets that align with the GMS objectives such as Net Zero development, appropriate housing tenure mix such as affordable, social, supported and specialist housing and age-friendly accommodation.
- 2.7. The Investment Plan is only part of the picture of investment needed in GM. For example, skills, business support, foundational economy, public sector services etc, will all require funding and all of which are vital to create a sustainable, fairer GM and support inclusive growth. However, these will not be directly covered by the Investment Plan given the specific focus on physical assets that support growth but there will be a requirement for a clear interface between the Investment Plan and other plans as these are developed.
- 2.8. The approach will enable "projects" to be supported through the development and delivery phase such that revenue and capital is aligned to ensure delivery of outcomes. This will create a stable platform such that priority projects identified through the Growth Locations process and sector plans can be developed with a greater degree of certainty that revenue support through GM is being spent on



priorities and that capital is likely to be available to build the assets once the development phase has been completed.

- 2.9. Due to the changing nature of the investment landscape and the approach to delivering GM ambitions, the Investment Plan will need to be revisited at appropriate intervals to ensure that it accurately reflects the current national and local position. The Investment Plan, therefore, needs to be revisited periodically, including when the Single Settlement is agreed.

### **3. Devolution and the Single Settlement**

- 3.1. The Devolution Deal incorporates a commitment to the provision of a Single Settlement in the next Spending Review period (starting in April 2025) and a number of other aspects that are structured to support growth, including Growth Zones and the ability to influence the Affordable Homes Programme. This will result in an allocation of an element of departmental budgets to GM through the Single Settlement. This is alongside the Investment Zone process being run by DLUHC.
- 3.2. The Devolution Deal will result in the need for GM to make decisions periodically about the projects and activity in which it will invest. This will relate to allocation of both capital and revenue. These decision milestones are set out later in this paper. There will need to be recognition in the pipeline development activity that the Investment Plan is considering the delivery of GM growth priorities over the next 10 to 15 years and decisions will need to be made in relation to investing revenue into developing projects where the capital required to deliver the project will be identified through future Single Settlement allocations.
- 3.3. There is similarly a need to create some early certainty over the approach that is being adopted for investment of funds in growth projects, specifically major capital projects, where there is a long development cycle with a large cost of project development prior to starting construction.

### **4. Outputs and Outcomes**

- 4.1. GM will need to enter into an Outcomes Framework with Government that will set outcomes that GM will be accountable for in return for receiving the Single Settlement. While the Outcomes Framework is yet to be agreed the projects and activities in which investment will be made will drive outputs and outcomes that align with the GMS and relate to driving inclusive growth. It must also be recognised

that development of physical assets and infrastructure, including frontier sector infrastructure and innovation assets can take 10+ years and therefore that the wider benefits will be delivered over time and some outcomes cannot be achieved in the short term but will be realised through longer term planning of major strategic projects. The methodology for prioritising investment decisions will need to recognise the outcomes agreed as part of the Devolution Deal and those set out in the GMS, with a focus on maximising the outcomes that can be delivered.

## **5. Investment Plan Milestones**

- 5.1. The Devolution Deal and wider departmental process will require GM to be able to prioritise investment at certain decision points as and when access to funding is provided. It will therefore be required to identify Investment Milestones where specific investment decisions will be taken. Priority projects should be worked up into investible propositions to be considered for investment at these Investment Milestones. Appropriate appraisal methodologies will be developed and agreed in advance of the Investment Milestones, creating a framework for decision making that takes into account inclusive growth principles and considers the beneficiaries of investment. As the detail of the Devolution Deal is worked through, these Investment Milestones will need to be revisited.
- 5.2. This approach will similarly enable revenue funding to be utilised to support project development such that support is provided to priority project development to align with capital investment decisions.
- 5.3. As the detail of the Devolution Deal is worked through over the next 12-18 months and the Single Settlement is agreed, it is anticipated that the Investment Milestones will need to be revisited. However, the following section sets out the current expectation of those milestones to enable planning of activity and revenue funding investment.
- 5.4. The key milestones that are required to be set out relate to the following areas:
  - 5.4.1. Investment Zone: Announced in the 2023 Budget alongside the Devolution Deal and focused on developing Advanced Manufacturing & Materials. GM is allowed to identify two geographical areas within GM, totalling 600 hectares, which will have a 25-year business rate retention scheme without a reset. The announcement also confirmed an allocation of £80m to GM to be spent over

the next 5 years. This allocation was increased to £160m in the 2023 Autumn Statement with the time period for investment extended to 10 years. The agreement to the use of the funding allocation is subject to a timetable set by government and decisions relating to the Investment Zone funding will be covered in a separate paper to the February GMCA meeting.

5.4.2. Growth Zones: GM has the ability, as part of the Devolution Deal, to identify 3 geographical areas within GM, totalling 600 hectares in total, which would benefit from an extended 25-year business rates retention scheme. These three areas would be exempt from any reset of business rates growth, that would apply elsewhere. The zones have been identified as set out later in this paper.

5.4.3. Brownfield Housing Funding: The devolution deal identified £150m of Brownfield Housing funding, to be provided to GM across 3 financial years from FY 23/24, to support the development of housing on Brownfield Land.

5.4.4. CRSTS: A devolved transport settlement to deliver local transport priorities. Indicative allocations have been announced for CRSTS 2 with an expectation that projects will be prioritised by the end of FY 25/26, as part of a new Local Transport Plan (LTP) including a new Transport Delivery Plan for the period 2027-32. It should be noted that significant transport investment will be needed to deliver the Bee Network, for maintenance and renewals of existing transport assets as well as potentially the ongoing subsidisation of some transport services.

5.4.5. Affordable Homes Programme: The Devolution Deal includes the ability for GM to influence the way in which Homes England's Affordable Homes Programme is utilised in Greater Manchester.

5.4.6. Other National Bodies: The Single Settlement excludes a number of departmental budgets and GM will be required to participate in national funding rounds with each department having their own specific timetable which needs to be reflected in the Investment Milestones.

5.4.7. Other Revenue Funding: GM has access to revenue funding streams that have been utilised historically to support housing and inclusive economic

growth (primarily GM Housing Investment Loans Fund Surpluses, Retained Business Rates, Evergreen Surpluses and Homes England Revenue).

5.5. The below summarises the next Investment Milestones relating the above activities:

<b>Activity</b>	<b>Next Key Milestone</b>
BHF Yr 2 &3	Jan / Feb 2024: - CA Shortlist Approval
BHF Yr 4	Autumn /Winter 2025: - CA Shortlist and Approval
CRSTS 2	Winter 2025/26: - Projects Prioritised
Investment Zone Flexible Spend	Feb 2024: - Agreement of GM's proposals with DLUHC
Single Settlement	Mar 2024: – Agreement to process for agreeing Outcome Metrics
GM Growth Locations Revenue Funding Allocations	Jan 24: - Approvals and quarterly thereafter
Affordable Housing	Spring 2024 – Agree process of influence for AHP programme

5.6. Annex 1 sets out a more detailed schedule of the milestones related to the Investment Plan.

5.7. At each milestone there is an expectation that GM will make decisions around investment. All decisions will need to be the subject of robust decision making methodologies if GM is to ensure that outcomes are being maximised. This will require projects to be deliverable at the time that investment decisions are being taken. The schedule in Annex 1 sets out the proposed timetable for appraisal methodologies to be developed and agreed in order to support the decision making process at the specific Investment Milestones. Development of appraisal methodologies will be overseen by Directors of Place and Chief Executives and in line with the Growth Location approach.

5.8. There is an expectation that the appraisal methodologies will appropriately consider wider GMS policy objectives and will prioritise projects that maximise wider outcomes such as low carbon benefits, addressing inequalities and public sector reform. Providing clarity over the approach to prioritisation of investment will enable project sponsors to design and develop projects that best achieve the outcomes targeted. GM will need to demonstrate that it has delivered the best value for money

outcomes, in line with the GMS, through its decision making process under the Investment Plan as part of the Devolution Deal.

## **6. Investment Principles**

- 6.1. The investment decision making processes that will be applied at each of the identified Investment Milestones will require a set of Investment Principles to be incorporated into the appraisal methodology utilised for prioritising investment decisions.
- 6.2. Investment Principles will need to be incorporated into specific decision making processes yet to be developed and as such they cannot be overly prescriptive at this stage. These are to be reflected in the methodologies developed as part of the governance and decision making processes. The timelines for developing methodologies relating to the different investment milestones are set out in Annex 1. Two categories of principles have been considered:
  - General principles - applicable to all investments
  - Project principles - defining the rules to be applied by project sponsors when seeking funding through GM.
- 6.3. The principles have been developed to ensure that public sector investment is minimised and there is an equitable approach adopted across GM, partners are treated fairly and on a transparent basis i.e. that the level of support or investment that is made into one project is considered in a comparable manner to any other investment made across GM. The principles are set out in Annex 2. There will be a need to review the Investment Principles in light of the Outcomes Framework that is agreed with Government.

## **7. Investment Pipeline**

- 7.1. At the time at which Investment Milestones are reached there will need to be a developed pipeline of projects that can then be appraised and prioritised to allow limited funding to be allocated to projects. It is therefore imperative that the priority projects are developed into investible propositions in appropriate timeframes. There will be an ability to provide some ongoing revenue and capacity to Local Authorities to support development of these priority projects. When Investment Milestones are reached, the appraisal methodologies will still require the Project Sponsor to

demonstrate the deliverability of the project within specified timescales for expenditure reinforcing the need to ensure the continued development of the pipeline.

- 7.2. The Investment Pipeline of projects will, by its very nature, be a live and evolving pipeline that will need to change to reflect emerging and changing priorities at a Local Authority level. Investment appraisal methodologies will be applied to the current version of the pipeline at the time of the Investment Milestone.
- 7.3. The development programme for projects within the Investment Pipeline will need to be aligned with the Investment Milestones. The revenue resource will need to be used to support the development of the Investment Pipeline such that it will give a GM central view of those things (not necessarily individual projects) that have been agreed need to come forward in order to drive growth and suitably progressed as investible propositions. This approach will move GM towards having a pipeline of strategic priority projects that are also deliverable. It will, however, be incumbent upon project sponsors to ensure projects are appropriately developed given the clarity over when investment decisions will be made as set out in Annex 1.
- 7.4. Once developed, having such a pipeline, along with the Investment Milestones and Investment Principles / appraisal methodologies, should then enable GM to decide how to deploy funding in the most strategic way and make the case for further investment.
- 7.5. The Investment Pipeline will draw potential projects from a number of sources primarily:
  - 7.5.1. Growth Location and Spatial Framework – primarily focussed on the physical assets, and transport projects that will drive growth across GM.
  - 7.5.2. GM Transport Strategy 2040 – including the Transport Delivery Plan (2021-26) and ongoing work to develop the GM Transport pipeline of projects, as part of the new LTP.
  - 7.5.3. Housing Delivery Plan – setting out the approach and initiatives to support wider housing delivery, some of which will require investment
  - 7.5.4. Sector plans – setting out economic/Sector Investments in assets required to drive growth in each Frontier Sector.

- 7.6. There will be interactions between the different aspects of the pipeline and there will be a need to determine the interdependencies between the different areas. The oversight of the pipeline development will be undertaken as part of the Growth Location approach with Directors of Place and Chief Executives such that it can be overseen and managed through a single aligned approach.
- 7.7. The pipeline will be presented to the GMCA in early 2025 once further work has been undertaken to develop the pipeline.

## **8. Other National Bodies**

- 8.1. There are a few areas relating to growth where funding has not been devolved to GM through the Devolution Deal and where there is a need for continued engagement with government departments to ensure that they will provide appropriate resources to GM and that they are aware of the GM growth priorities. The approach to pipeline development will support GM's ability to develop and prioritise projects to be promoted to national bodies as part of a joined up GM approach.
- 8.2. From a Research and Innovation perspective this relates to subsequent rounds of the Innovation Accelerator funding which has not been included as part of the Single Settlement process. Research and Innovation activity will need to continue to be supported through bidding into national funding pots or other national allocation mechanisms.
- 8.3. In relation to housing projects, Homes England continue to be a key strategic partner, enshrined in the Strategic Place Partnership. They have access to a number of capital funding pots, on both a grant and investment basis, and revenue funding that can be used to support project development. It is critical that the Investment Pipeline is used to support those partnership discussions with a view to accessing any further funding that is available to support priority projects.
- 8.4. In relation to transport projects, the Single Settlement did not include the devolved allocation of National Highways funding nor control over rail budgets. There is, therefore, a need on these transport projects to ensure that there is continued engagement at the appropriate level and that GM is clear on its own priorities in this regard. Current priorities are set out in the GM Transport Delivery Plan (2021-26) and will be updated in the new Transport Delivery Plan for the period 2027-32,

which will continue to support delivery of the Bee Network. These will be used as the basis for engagement with National Highways and Network Rail.

## **9. Frontier Sector Plans**

- 9.1. In order to support the development of the Frontier Sectors, a Sector Plan will be developed for each sector. The structure of the different sector plans will draw on the work already developed for Advanced Materials and Manufacturing through the Investment Zone process.
- 9.2. The key focus of the Sector Plans will be to identify the broader activity that is required to support development of each of the frontier sectors and set out the necessary interventions that will need to be funded over the next 10 to 15 years in order to support their development. This will support the investment decisions in physical assets that are brought forward through the Investment Plan, and will also give clarity on the business and skills support that is necessary to support the sector alongside any research and development funding or other areas of activity. It should be noted that skills will be critical to the implementation of the frontier sectors plans alongside the physical assets.
- 9.3. Each Sector Plan will require to be approved through the GMCA such that the investment in physical assets that they require they can be adopted as part of the Investment Plan.

## **10. Investment Zone and Growth Zone Boundaries**

- 10.1. With the need to make continued progress to meet the timescales set out by Government and associated spending milestones, there is a need to make some immediate decisions in relation to the boundaries for both the Investment Zones and Growth Zones.
- 10.2. Following discussions with GM Directors of Place, Chief Executives and Leaders, and in consultation with DLUHC, the following five sites have been proposed to the Government to receive enhanced status through the new business rates initiatives (Maps of the proposed locations can be found in the annexes).
- 10.3. Two proposed Investment Zone Enhanced Business Rates Areas:
  - 10.3.1. Manchester “Smile” (Annex 3):



- Boundary covers sites in Manchester and Salford
- Total Hectares: 209.1
- Includes Mayfield site, ID Manchester site and up to Salford University

10.3.2. Northern Gateway (Annex 4):

- Boundary covers sites in Rochdale and Bury
- Total Hectares: 388.27

10.4. Three proposed Growth Zones Enhanced Business Rates Areas:

10.4.1. Manchester CC North & East (Annex 5):

- Boundary covers sites in Manchester and Salford
- Total Hectares: 143.86
- Includes Etihad and Co-op Live development sites

10.4.2. Salford Quays and Trafford Wharfside (Annex 6):

- Boundary covers sites in Salford and Trafford
- Total Hectares: 223.9

10.4.3. Trafford Park (Annex 7):

- Boundary covers sites exclusively in Trafford
- Total Hectares: 231.23

10.5. **RECOMMENDATION:** The GMCA is recommended to approve the boundaries identified for the Investment Zones and Growth Zones.

## 11. Recommendations

11.1. Recommendations are set out at the front of this report.

## Annex 1 – Investment Plan Milestones and Actions

Investment Activities	DRAFT Decision Milestones	Investment Appraisal Methodology
Brownfield Housing Fund (BHF) - Yr 2 & 3 Programme	<p><b>Main BHF Programme:</b></p> <p><b>Dec 23/ Jan 24</b> – Shortlisting Yr 2 &amp; 3 programme including apportionment of investment for Land Acquisition Fund</p> <p><b>Jan / Feb 24</b> – Yr 2&amp; 3 CA approval of shortlisted programme</p> <p><b>Autumn 2024</b> – Shortlisting and approvals for any Yr 2 underspend</p> <p><b>Autmn 2025</b> - Shortlisting and approvals for any Yr 3 underspend</p> <p><b>Land Acquisition Fund (LAF):</b></p> <p><b>Dec 23/ Jan 24</b> – Agree apportionment of funding to be held for LAF</p> <p>Further LAF Decision Milestones at 6 monthly intervals thereafter.:</p>	Yr 2 & 3 BHF appraisal methodology in place (includes Benefit Cost Ratio approach)
Brownfield Housing Fund - Year 4 Programme (tbc)	<b>Autumn/ Winter 2025</b> – Shortlisting and approval of Year 4 programme	Yr 4 BHF appraisal methodology needed by <b>Spring 2025</b> to inform bidding and shortlisting approach.
CRSTS 2 (2027/28 – 2031/32)	CRSTS 2 confirmed as part of the October 23 Network North Announcements. The investment programme is planned to be developed as part of the process to develop the next LTP. Scheme prioritisation winter FY 25/26	CRSTS2 appraisal methodology approach Summer FY 25/26.

Investment Zone Flexible Spend (£80m)	<b>Nov 23- Jan 24</b> – Finalisation and agreement of individual projects with Department for Levelling Up.	Investment Zone appraisal methodology in line with DLUHC guidance.
Single Settlement	<p><b>Nov 23</b> – MoU agreement</p> <p><b>Jan 24</b> – Investment Plan CA approval</p> <p><b>Spring 24</b> – Outcomes Framework process agreed with HMT/DLUHC</p> <p><b>Spring 24</b> – Assurance Framework approval</p> <p><b>2024/25</b> – Periodic refinement of investment plan</p> <p>Summer/Autumn 24 – HM Treasury Spending Review</p> <p><b>April 2025</b> – Single Settlement commence</p>	An appraisal methodology will be developed over 2024 to support allocation of funds to deliver against the agreed outcomes framework.
Retained Business Rates	<p><b>Feb 2024 – Agree FY 24/25 RBR Allocations</b></p> <p>Further milestones to be set subject to further work.</p>	N/A
GMCA Growth Location Revenue Allocations	<p>Quarterly approach agreed for allocation of GM revenue allocation for Growth Location. 2023/24 – 2024/25 programme of decision milestones:</p> <p><b>Jan 2024</b></p> <p><b>April 2024</b></p> <p><b>July 2024</b></p> <p><b>Oct 2024</b></p> <p><b>Jan 2025</b></p>	<p>Appraisal methodology for allocating revenue in the Growth Locations has been agreed.</p> <p>This will be further reviewed and refined as the Single Settlement appraisal approach evolves.</p>
Homes England Revenue Allocations	Homes England revenue programme confirmed annually. Budget confirmed spring 2024 (approx.) shortlisting decision milestone <b>spring/ summer 2024</b> .	Joint appraisal approach with Homes England to be agreed over <b>spring 2024</b> .
Affordable Homes Programme	Need to determine approach to influencing the next AHP program –March 24	N/A

## **Annex 2 – Investment Principles**

### **General Investment Principles**

The purpose of setting out the investment principles would be to maximise the benefits that can be delivered through the investments being made in line with agreed priorities.

The proposed principles are as follows:

- Maximise the outcomes/outputs being delivered in line with the Greater Manchester Strategy (and the Growth Locations it identifies) and the GM Local Industrial Strategy.
- Address decarbonisation and inequalities through the design and delivery of projects and interventions, which also support in achieving our transport Right Mix and sustainable economic growth.
- Maximise the private sector leverage being delivered by capital projects and invest on a recyclable basis where at all possible
- Any clawback or overage is used to support further investment in similar activity at a GM level
- Seek to minimise displacement of other / existing investment in projects or programmes
- Ensure revenue sources focussed on capital growth will be utilised primarily to create the necessary capacity to support the development of priority projects identified through the Growth Location programme and the Sector Plans
- Long term revenue streams generated through retained business rates (such as Growth Zones and Investment Zones – excluding any revenue carved out for other purposes as agreed with Leaders and UK Gov or other revenue agreed to be used for this purpose) will be considered as a mechanism for raising further capital for investment in Growth
- Capital investment should seek to align with other revenue and capital investment programmes to maximise benefits and vice versa
- Investments should be made alongside existing GM Investment Funds to minimise the grant that is required for any project

These investment principles would ultimately need to be imbedded in investment decision making process.

### **Project Investment Principles**

A set of principles are also proposed that relate to projects in which GM investment is made such that there is an equitable approach adopted across GM and partners are

treated fairly and on a transparent basis i.e. that the level of support or investment that is made into one project is considered in a comparable manner to any other investment made across GM. For example, level playing field on the way Public Sector land is invested. The following sets out the proposed project principles.

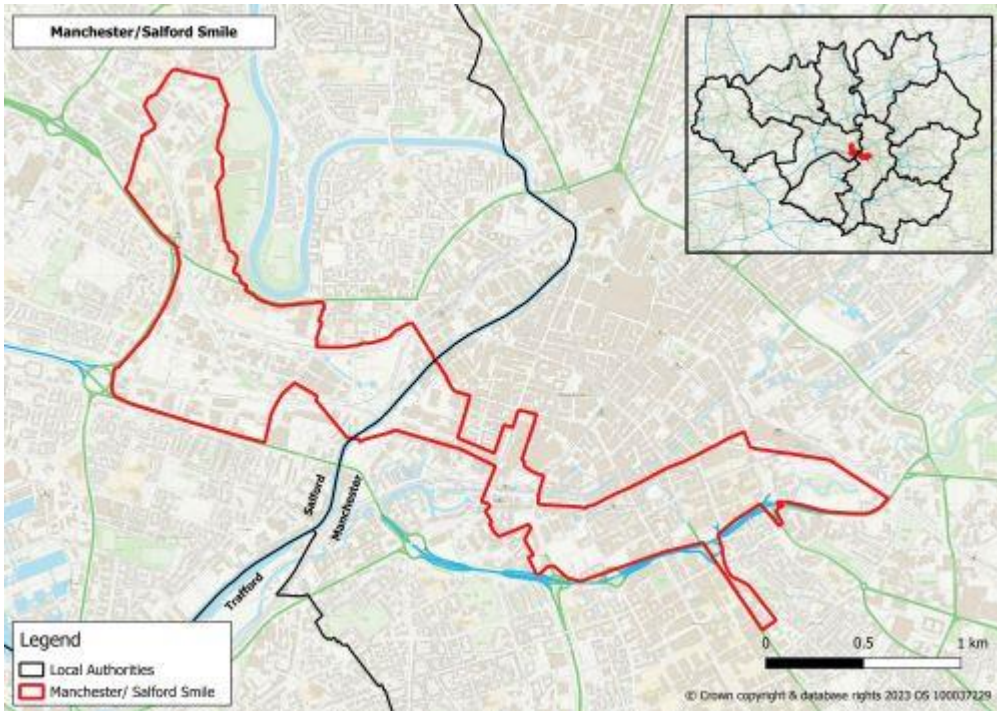
- Principles to be applied to projects seeking investment from GM.

Public sector land should be invested at cost and not incorporate any value uplift. This means land invested on a residual value basis taking into account any reasonable costs incurred by local authorities. Reasonable costs being considered costs such as demolition, a proportion of land acquisition costs where recently acquired (to be agreed case by case to avoid GM displacing LA investment in projects), etc – Further work to be undertaken to define this in more detail

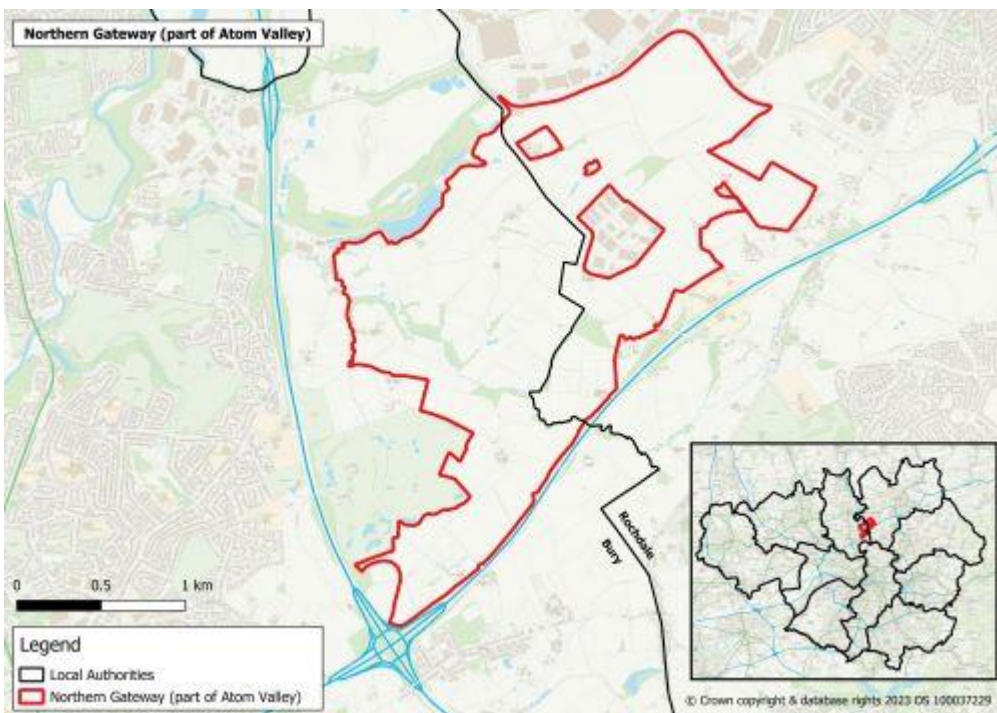
- Investment should be on a recyclable basis where at all possible
- Any recycled funds should be recycled back at a GM level and not at a locality level such that funds can be re-invested in priority projects identified at the time receipts are crystalised

Affordable / social housing schemes to be presented in line with approach as agreed with Homes England to enable transparency and comparability across projects

### Annex 3: Manchester “Smile”



### Annex 4: Northern Gateway





# Annex 7: Trafford Park

