

Date: 28 June 2019

Subject: GM Delivery Team and Utilisation of GMHLIF Surpluses

Report of: Paul Dennett, Portfolio Lead leader for Housing, Homelessness & Infrastructure and Steve Rumbelow, Portfolio Lead Chief Executive for Housing, Homelessness & Infrastructure

PURPOSE OF REPORT

This report sets out a proposal to establish a GM Delivery Team and seeks Combined Authority approval in principle to fund the proposal from the surpluses generated from the continued investment of the GM Housing Investment Loans Fund (GMHLIF).

RECOMMENDATIONS:

1. To approve in principle the establishment of the GM Delivery Team and the use of GM Housing Investment Fund surpluses to fund it at a level indicated in the report.
2. To agree that the formal establishment of the Team, relevant posts and final costs are referred to the Resources Committee.
3. To approve in principle the spending of £1.75m of GMHLIF surpluses over 3 years to fund the posts identified within the GM Delivery Team and the necessary work to develop proposals as set out in this report.

CONTACT OFFICERS:

Andrew McIntosh, Investment Director andrew.mcintosh@greatermanchester-ca.gov.uk

BACKGROUND PAPERS:

1. Continued City Centre Housing Developments and Use of Property Funds Surpluses (report to GMCA 14 December 2018).
2. Use of Planning Delivery Fund Resources (report to GMCA 28 September 2018).

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 PUBLIC DOMAIN RELEASE DATE: 28 JUNE 2034
TfGMC	Overview & Scrutiny Committee	

1. BACKGROUND

- 1.1 In order to successfully meet future housing need in Greater Manchester, GMCA recognises the need to increase and accelerate housing delivery across the city region. The GMCA has launched the Housing Vision which sets out Greater Manchester's vision for the type and mix of development it would like to see brought forward across GM. The GM Housing Strategy has been published and provides the policy context. These documents set out the preference to deliver brownfield sites across GM, the desire to deliver a greater number of social and affordable houses and to support SME house builders and Community Led Housing initiatives. The GMSF includes a GM target delivery of 50,000 new affordable houses across GM over the period of 2018-2037.
- 1.2 Critical to the delivery of GMs Housing objectives is the requirement for a strategic conversation and relationship with Homes England that can influence their investment strategy and establish support for ongoing discussions with government to amend their approach to evaluation criteria, e.g. Value for Money and BCR assessment that disadvantages Local Authorities in the North and specifically GM. This close working arrangement with Homes England should enable better access for GM partners to their investment programmes, increase investment across GM and accelerate housing delivery on priority sites. It will similarly enable GM to demonstrate its ability to deliver in the longer term and provide the evidence to support greater government commitment and investment into GM in the future.
- 1.3 To achieve the scale of housing required for GM, including affordable tenures, we need to ensure that we have a deliverable and viable land supply, including GM owned assets, brought forward in a coordinated way. GMCA already has a significant land and property estate (across functions such as Fire, Police and Waste) and through the One Public Estate programme there is opportunity to rationalise assets to allow surplus GM-owned sites to come forward for development and support the Housing Strategy. Opportunity also exists to work with TfGM to drive forward development on surplus sites that are owned by TfGM but not required for operational purposes and to work with TfGM to deliver transport infrastructure required for development sites. These opportunities sit alongside Local Authority owned sites where the authorities have identified opportunities but lack the resource capacity to bring them forward as developable propositions.

2. GM DELIVERY TEAM OVERVIEW

- 2.1 In 2018, proposals were progressed to establish a GM Delivery team to support and enable housing development on both GM owned land and in ownership of our Local Authority partners. A report was taken to the Combined Authority in September 2018, seeking approval to utilise Planning and Delivery Fund resources to make two interim (6 month) staff appointments for a GM Delivery Team.
- 2.2 In December 2018, the Combined Authority approved that the majority of GM Housing Investment Loans Fund (GMHILF) surpluses will be ring-fenced to support affordable housing priorities as identified in the GM Housing Strategy. This report seeks approval in principle to allocate £1.75m of GMHILF surpluses to fund the GM Delivery Team over the next three years. The team will have three critical objectives / workstreams:

- 2.2.1 to drive forward initiatives that support the GM Housing Strategy;
 - 2.2.2 to create a strategic relationship with Homes England to influence national approaches to assessing housing investment and enable better access to programmes for GM partners and enable delivery of joint objectives; and
 - 2.2.3 to manage the district support that will be provided from Evergreen surpluses.
- 2.3 There are many objectives outlined within the Housing Strategy that are shared with Homes England. Work undertaken by the team will be aligned where possible with Homes England to draw on their expertise and facilitate and enable better access for Local Authorities to Homes England programmes.
- 2.4 It is anticipated that Homes England would commit to provide resource support to GM where there is committed GM support and alignment of resource. The GM Delivery Team, alongside Local Authority resource would provide this necessary match funding alongside Homes England resource. There is an expectation that the team's involvement across a number of Local Authority schemes will enable the natural cross fertilisation of lessons learned and best practice approaches that should create efficiencies in approach across GM.
- 2.5 GM has ambitious housing targets that will require the development of new delivery models and better working with other public sector partners to unlock and bring forward surplus sites when the GM estate is rationalised. This work has already been initiated through new initiatives such as the Stockport Mayoral Development Corporation. It will be imperative to work alongside the GM Registered Providers and other partners as well as Homes England to deliver and accelerate delivery of our collective housing objectives.
- 2.6 The team will develop a strategic pipeline to engage and support future planning discussions and work with TfGM in relation to transport and wider infrastructure delivery. This will ensure that utility and infrastructure providers can plan long term investment around GM strategic priorities.
- 2.7 The Housing Strategy identifies a number of areas of focus and some of these have been specifically targeted for initial support. These include initiatives to address rogue landlords, driving forward affordable housing delivery, establishing a small sites disposal programme and promoting community led housing. The workstreams are described in further detail below.
- 2.8 The team will be responsible for allocating the £3 million of Evergreen surpluses (approved in the December 2018 report to Combined Authority) to district partners as revenue support to bring forward priority sites. The form of capacity support is likely to vary depending upon the needs and ambitions of each district. The support would be in addition to any support that can be provided through the relationship with Homes England.

3. GM DELIVERY TEAM: KEY WORKSTREAMS

- 3.1 It is proposed that the initial workstreams of the GM Delivery Team will be structured under the three core functions as follows:

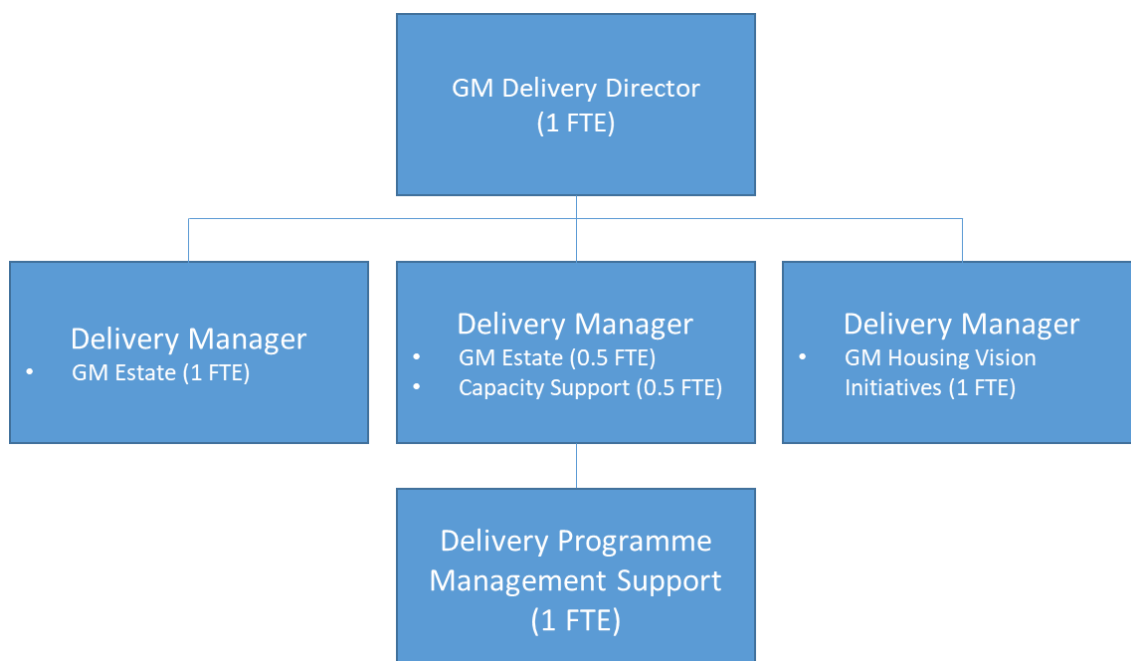
	Workstream	Overview
GM Housing Strategy Initiatives	1. Programme Management	Programme management support and reporting for GM Portfolio Holder.
	2. Affordable and social housing sites pipeline	Review and expand existing GM sites analysis to progress a programme of sites with an emphasis upon social and affordable housing delivery.
	3. Private rented sector	Progress initiatives to address private rented rogue landlords and establish a GM good landlord scheme.
	4. Health and Community led housing	Establish an approach to deliver accommodation projects on surplus land identified through the one public estate programme. Promote community-led housing with an initial focus on setting up a GM Community Hub working with Homes England's through their Community Housing Fund.
	5. Small sites disposal programme	Establish small sites programme with disposal packages that enable delivery on a more efficient basis. Opportunity to promote sites with SME developers.
GM Estate	6. Development of GM owned land	Progress residential / mixed use led development on surplus GM owned assets through a range of delivery models.
District Support	7. District Capacity Support	Work with district partners to understand resource requirements and provide support such as provision of Evergreen revenue funds and facilitate shared learning across GM.

4. GM DELIVERY TEAM STRUCTURE & GOVERNANCE

- 4.1 The establishment of the Delivery Team will require the recruitment of the initial posts identified below to provide the necessary capacity. It is anticipated that in the future, as evidence of a successful delivery emerges, that the team may expand. This will be explored at an appropriate point in time.
- 4.2 The GM Delivery Team will be resourced with five FTE posts, led by a GM Delivery Director. The GM Delivery Team will report to the GM Core Investment Team. The team set out below is

considered to be the minimum resources needed to progress effectively all the workstreams identified.

4.3 The diagram below sets out the proposed team structure and posts:



4.4 It is proposed that the GM Delivery Team will be governed by a Delivery Board made up of senior members of staff from key GMCA functions and GM partners in order to drive and oversee the work programme. It is proposed that a Delivery Board would benefit from input from the functions of planning and housing policy, land and property, investment and senior leadership. A separate paper will be presented to the resources committee in July seeking formal approval to establish the necessary posts.

5. LEGAL CONSIDERATIONS

5.1 All immediate appointments will be set up on a 3 year temporary contract basis to allow work to commence in the near term.

5.2 Existing governance arrangements provide a framework within which the team can operate. It is proposed that the governance arrangements be reviewed in the coming months with a view to creating a more streamlined governance process. A paper will be brought back to the CA in the future for consideration.

6. FINANCIAL IMPLICATIONS

6.1 The revenue costs of the team and supporting workstreams is estimated to be £1.75m over the next 3 years.

- 6.2 The initial £1.75m budget for the team if approved is to be funded from the GM HILF surpluses. The funding requested is in addition to the £350k that was approved as part of the report to the GMCA in December 2018, which has yet to be committed.
- 6.3 It is envisaged that the GM Delivery team provides support services required to deliver assets that have been identified for disposal. The intention is for the team to become self-financing in the next five year from revenues generated from the provision of these services.
- 6.4 It is important to note that the intention of any fee arrangement is to generate a moderate surplus that can then be deployed in the future to support the local authorities in delivering their priorities. A further paper will be brought back to the GMCA outlining future proposals for the team.

