

Greater Manchester Combined Authority

Date: 27 September 2024

Subject: A Housing First Greater Manchester

Report of: City Mayor Paul Dennett, Portfolio Lead for Housing First and Steve

Rumbelow, Portfolio Lead Chief Executive for Housing First

Purpose of Report

This report confirms the launch of the Housing First Unit, sets out the Housing First vision for Greater Manchester, the challenges of the current housing crisis, the headline measures the unit will help drive to build a new system and the potential for GM Housing Investment Loan Fund surpluses to support delivery of the Housing First vision.

Recommendations:

The GMCA is requested to:

- Welcome the launch of the Housing First Unit, approve the proposed Housing First vision for Greater Manchester, and support a programme of engagement with the government, private sector and broader stakeholders to gain support and contribution to the necessary radical actions.
- Commit to an ambition to drive forward growth and increase housing supply by delivering 75,000 new homes in the current Parliament, including 10,000 Truly Affordable Net Zero (TANZ) homes, subject to necessary support from Government.
- 3. Note the potential for GM Housing Investment Loan Fund surpluses to significantly assist in work to deliver the Housing First vision.

Contact Officers

Andrew McIntosh: andrew.mcintosh@greatermanchester-ca.gov.uk

Steve Fyfe: steve.fyfe@greatermanchester-ca.gov.uk,

Mary Gogarty: mary.gogarty@greatermanchester-ca.gov.uk

| BOLTON | MANCHESTER | ROCHDALE | STOCKPORT | TRAFFORD |
|--------|------------|----------|-----------|----------|
| BURY | OLDHAM | SALFORD | TAMESIDE | WIGAN |

Equalities Impact, Carbon and Sustainability Assessment:

| Recommendatio | n - Kev | points for decision-makers |
|---|----------------|---|
| neconnectado. | ii key | points for accision makers |
| | | |
| Impacts Question | | |
| Impact Indicator | Result | Justification/Mitigation Evidence gathered for projects such as the Good Landlord Charter highlights that the |
| Equality and Inclusion | G | Housing Crisis negatively impacts people with protected characteristics, included but not limited to disabled people, people experiencing racial inequalities and older people. The aims of the Housing First Unit to solve the housing crisis will therefore benefit these groups. Those that are economically disadvantaged are most in need of affordable housing provision, which the Housing First Unit will accelerate. New developments with integrated public transport will support access to public transport systems. Integration of support services via Live Well will increase links between community and public services and housing solutions. Communities will need to be part of the Housing First vision and aims, with some coproduced solutions to the housing crisis. |
| Health | G | It is well known that housing is a key determinant of both physical and mental health. By improving the quality, suitability and affordability of housing, the Houing First Unit will lead to health improvements, a reduction in health inequalities It is well known that housing is a key determinant of both physical and mental health. By improving the quality, suitability and affordability of housing, the Houing First Unit will lead to health improvements, a reduction in health inequalities New developments will include transport links that may have an impact on access to healthcare services |
| Resilience and Adaptation | G | The Covid-19 pandemic and lockdown demonstrated the importance of people's homes in the event of major disruption. By improving the quality of housing it is possible that the capacity to withstand or recover from disruption will be increased. New developments will meet Places for Everyone policies including those related to flood risk and climate change. Through the Support pillar we will be working to improve services and support for vulnerable people in communities New developments will meet PfE policies including those around blue and green infrastructure |
| Housing | G | The provision of more good quality, affordable housing of all kinds will have a long term, positive impact on homelessness The provision of more good quality, affordable housing of all kinds will have a long term, positive impact on the accessibility and affordability of housing The vision for the HFU includes the ambition to deliver 75,000 homes over the course of the next Parliament, including 10,000 Truly Affordable Net Zero (TANZ) homes, 1k ir each LA Several projects under the Standards pillar support improvements to existing homes, including the Good Landlord Scheme and Charter, Healthy Homes Services, retrofit |
| Economy | G | programmes To deliver our HF vision investment in skills and jobs will be required, particularly in the construction sector and retrofit sector. Housing growth is known as a driver of economic growth more widely, connected to our Growth Locations, including highly skilled and good quality jobs across those sectors. Investment in new building technologies will be required, including Modern Methods of Construction (MMC), this may attract inward investment into GM to develop these innovative industries Investment in skills will be required, particularly in the construction sector and retrofit sector, including retraining for those already in the industry and new technical education pathways |
| Mobility and Connectivity | А | Particularly during the construction of new housing congestion may increase New developments will include transport links that may have an impact on transport connectivity New developments will include transport links that may have an impact on public transport and actie travel access New developments will have an impact on roads and parking |
| Carbon, Nature and Environment | R | Not able to say for certain at this stage but construction may have a negative impact on air quality in the short term More housing could lead to a greater level of light pollution More housing could lead to a greater level of noise pollution Not able to say for certain at this stage but construction may have a negative impact on the visual amenity of the environment in the short term Development will align with PfE policies around biodiversity net gain Plans to build net zero new homes and to retrofit existing homes will contribute to a reduction in carbon emissions from housing, which is a major source of carbon emissions currently in GM |
| Consumption and Production | G | Proposals around delivering new homes through MMC, as well as plans to look at the embodied carbon impact of new build homes and retrofit, will look to use resources efficiently and increase circularity in the construction industry Proposals around delivering new homes through MMC, as well as plans to look at the embodied carbon impact of new build homes and retrofit, will support the minimisation of construction waste |
| Contribution to achievin Carbon Neutral 2038 tar | - | |
| Further Assessment(s): Positive impacts of whether long or siterm. | | Equalities Impact Assessment and Carbon Assessment Mix of positive and negative impacts. Tradeoffs to consider. Mostly negative, with at least one positive aspect. Tradeoffs to consider. Mostly negative, with at least one positive aspect. Tradeoffs to consider. |

| Carbon Assessme | ent | _ | | | | |
|--|---------|---|--|--|---|--|
| Overall Score | | | | | | |
| Buildings | Result | | Ju | stification/Mitigation | | |
| New Build residential | | The proposal is at an early stage and sets out an ambition which if delivered, will involve high levels of new housing delivery and improvements to a large number of existing homes. Although this means hat specifics are not currently available, Plans to build net zero new homes and to retrofit existing homes will contribute to a reduction in carbon emissions from housing, which is a major source of carbon emissions currently in GM. | | | | |
| Residential building(s) renovation/maintenance | #DIV/0! | The proposal is at an early stage and sets out an ambition which if delivered, will involve improvements to a large number of existing homes. As such the specifics are not available | | | | |
| New build non-residential (including public) buildings | N/A | | | | | |
| Transport | | | | | | |
| Active travel and public transport | #DIV/0! | involve high le | | | which if delivered, will ransport connectivity levels | |
| Roads, Parking and Vehicle Access | #DIV/0! | The proposal is at an early stage and sets out an ambition which if delivered, will involve high levels of new housing delivery with different vehicle access issues. As such the specifics are not available | | | | |
| Access to amenities | #DIV/0! | The proposal is at an early stage and sets out an ambition which if delivered, will involve high levels of new housing delivery with different amenities. As such the specifics are not available | | | | |
| Vehicle procurement | N/A | | | | | |
| Land Use | | | | | | |
| Land use | #DIV/0! | The proposal is at an early stage and sets out an ambition which if delivered, may involve different habitats. As such the specifics are not available | | | | |
| No associated carbon impacts expected. | terms o | nndard in f practice areness on | 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. | |

| N/A |
|--|
| Legal Considerations |
| N/A |
| Financial Consequences – Revenue |
| N/A |
| Financial Consequences – Capital |
| N/A |
| Number of attachments to the report: 0 |
| Background Papers |
| |
| 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 |
| Comments/recommendations from Overview & Scrutiny Committee |
| N/A |
| |

Risk Management

1. Introduction/Background

- 1.1 This report marks the launch of the GM Housing First Unit, which will take a new approach to solving the housing crisis in Greater Manchester; we are calling for all partners including both the public and the private sector to collaborate with us to achieve the housing and economic growth the city region needs.
- 1.2 In order to achieve the bold Housing First ambitions set out in the Mayor's manifesto and in support of the new Government's national ambitions it is clear that we cannot continue with business as usual in the housing system. The housing crisis is complex, multi-faceted and falls across the remits of multiple public sector organisations at local and national level, so it follows that progress will only be made with a radical, structured and coordinated approach, with multiple connected interventions rather than a small number of 'silver bullets'.
- 1.3 Success in tackling the housing crisis is important in itself, but would also enable us to maximise our contribution to economic growth, relieving cost pressures on our local authorities through more targeted, strategic upstream interventions.

2. The Housing First Vision

2.1 It is proposed that the vision for Greater Manchester as a Housing First city region is expressed as follows:

The security of a good home is a fundamental foundation for us all to achieve our ambitions in life – our safe space for growing up, getting on and growing old.

The housing crisis means that too many of us don't have that solid base, and our bold aspirations for the future won't happen unless we fix that. So in Greater Manchester, we are putting Housing First.

Our ambition is for everyone in Greater Manchester to live in a home they can afford that is safe, secure, healthy and environmentally sustainable - a healthy home for all by 2038.

3. The housing system in Greater Manchester: what needs to change

- 3.1 In Greater Manchester there are not enough new homes being built for those that need them, and delivery is not currently at the pace required to meet our ambitions, or those of the government, which has recognised the need to accelerate the delivery system. Land values are often relatively low, and it is difficult to capture the value that new housing brings to the area. There are some parcels of land that are owned by the local authorities and other public bodies, but it's not easy to assemble these into coherent strategic sites.
- 3.2 The building of new affordable homes is hampered by the capacity of the small number of players in the market, and restrictions on funding; those affordable homes which are built are not necessarily within the reach of our residents, who are often not able to afford to rent and run them with a need to increase delivery of socially rented homes. In general, there is a lack of skills across the housing delivery system, making all of these processes more difficult.
- 3.3 Across the city region there are a large number of poor-quality homes, especially Private Rented Sector (PRS) and owner-occupied homes. Where landlords are allowing their properties to get into a state of disrepair, there is a lack of enforcement capacity and capability locally to ensure that these homes are brought back up to safe, warm and decent standards. Furthermore, in the wake of the Grenfell Tower Inquiry Phase 2 Report, it is clear that ending the building safety crisis as quickly as possible is a key challenge for the city region.
- 3.4 Homes are often cold, damp and difficult to heat due to poor energy efficiency, there is a lack of coherent, consistent funding support for retrofit in the private sector, and a piecemeal approach in social housing, which makes decarbonising the housing stock and ensuring homes are safe and warm in this area difficult.
- 3.5 In the long-term, we need to tackle poor quality housing as a health inequality through cross-sector regeneration approaches, which are not currently in place.

 There are too many people in Greater Manchester whose housing issues and lack of access to the right support are a barrier to the resolution of other issues they face.

 Nationally, health priorities and investment are reactive rather than focused on long-term primary prevention and wider determinants of health and supporting people to live healthy lives.
- 3.6 Furthermore, the welfare and asylum systems are barriers to people being able to afford and sustain long-term, settled housing. Many people need to access supported

- accommodation, and there are barriers to developing this across all cohorts of people who need it, including a lack of long-term commissioning certainty and funding shortfalls.
- 3.7 For those who need acute housing support, such as those who have been homeless or are experiencing multiple disadvantage, there is piecemeal and fragmented funding for the support they need. The cost of this approach is clearly outlined in the paper on Temporary Accommodation in Greater Manchester, also on the agenda for today's meeting, and it indicates there will be the opportunity to make public sector cost saving through driving delivery of appropriate accommodation solutions.

4. GM Housing Investment Loan Fund (GMHILF)

- 4.1 GMHILF was established in 2015 as a £300m loan from MHCLG (previously DLUHC) to deliver a target of 10,000 new homes in Greater Manchester. Since its launch, the Fund has considered detailed proposals for lending to 131 schemes, with 103 of these having progressed to a funding approval. Funding approvals totalling £1.2bn have been made by the GMCA since the Fund's inception, of which £885m has been contracted to date.
- 4.2 The primary objective of the GMHILF is the creation of new homes in the Greater Manchester area and it should exceed its target of delivering 10,000 homes in the Greater Manchester area by the time that the fund closes in 2028, with the current total of new homes being 11,073. Other objectives include supporting SME developers and generating income for the GMCA to support wider housing priorities.
- 4.3 The terms of the GMHILF require it to be operated on a commercial basis, and this approach results in the generation of a surplus to GMCA through fees and interest being paid on the loans made.
- 4.4 Income that is generated and retained through the investment funds has been used to fund the investment and delivery teams, with the balance ringfenced to support wider housing priorities which to date have included supporting the establishment of the Good Landlord Charter, adding capacity to local authority housing enforcement teams including through a dedicated apprenticeship programme, and work on our Growth Locations.
- 4.5 The operation of the Fund over the last 9 years has allowed surpluses to be built up which will be available to further develop both the Housing First Unit and the roadmap to the new housing system needed to achieve our ambitions for the city region.

4.6 The GMHILF is currently set to close for new investment in March 2025, after which GMCA will be unable to use it to award loans. There will be a three-year runoff period when loans will continue to be repaid which will end in 2028. However, we are seeking the new Government's agreement to an extension of the GMHILF, and to additional flexibilities in the ways it can be used.

5. Building the new system

- 5.1 Alongside a national long-term housing strategy announced in August 2024, GMCA is developing a roadmap that points to how we can rebuild, rewire and restore the housing system in Greater Manchester, and blaze the trail for others to follow. It focuses on three key pillars:
 - Supply: Working at GM level to offer direct and indirect support to drive the
 delivery of housing supply to ease the housing crisis and contribute to
 economic growth, including particularly developments which bring forward or
 enable the construction of TANZ homes and new specialist and supported
 housing.
 - **Standards:** Working at GM level to support the development and delivery of interventions to ensure existing homes are safe, secure, healthy and affordable across all tenures.
 - Support: GM level activity that transforms how residents are supported to live healthy, independent lives at home, that integrates services and improves ways of working, delivering better outcomes and reducing costs within wider public services. This is integral to and will be closely aligned with the Live Well model.
- 5.2 The crisis can only be addressed through a system response driven by partners collaborating across these three pillars. Both national and local system changes will be required to drive the integration and innovation required to solve the housing crisis.

Supply

5.3 With capability to access land and capture its value, increasing the capacity of the many organisations that make up the delivery system, backed up by the right mix of investment and policy change, we can substantially accelerate the delivery of new homes, including affordable homes.

- 5.4 While the private sector is critical to delivering our ambitions, to achieve the acceleration in pace of delivery there is a clear need for the public sector to drive development and delivery through comprehensive, place based development. This will require the acquisition of land alongside the utilisation of public sector assets as part of our Growth Location programme. We will work with public bodies through our Land Commission to release more land for housing and economic development. Combined with an approach to capture of value from delivery of housing we can deliver much more strategically.
- 5.5 Flexibilities through our Integrated Settlement aligned with a new commissioning model and relationship with Homes England combined with certainty and control of a more flexible new Affordable Homes Programme, and an extension and greater flexibilities for the GM Housing Investment Fund will enable the us to unlock the new market and affordable homes needed to drive growth, as well as deliver our net zero carbon priorities.
- 5.6 Action to strengthen capacity and capability in the whole development system, including Councils and the CA, developers, social housing providers and the construction supply chain will support our local efforts to invest in local capacity and skills, giving confidence in pipeline through our Growth Locations work and to support TANZ delivery.
- 5.7 Policy changes at a national level will support confidence in the development system, with protections from Right to Buy for new build social housing, long term clarity on social housing rents, and a review of the effectiveness of Local Housing Allowance as a system.
- 5.8 The Mayor has set a challenge to deliver 75,000 new homes in the new Parliament, including the delivery of 10,000 Truly Affordable Net Zero (TANZ) homes. The 75,000 new homes over a five year period would represent accelerated delivery above our adopted Places for Everyone targets. GMCA officers are working on a proposal for submission to Government for the delivery of 10,000 TANZ homes, setting out the support which would be required from Government in financial and other terms to unlock that scale and pace of accelerated delivery of net zero homes for the GM residents who need them most.

Standards

5.9 Strengthened enforcement powers locally to tackle poor quality private rented (PRS) homes, alongside building in certainty and capability in the delivery of home improvements and the provision of aids and adaptations in the home would form a

- strong basis for cross-tenure, long-term retrofit and regeneration approaches, putting health at the heart of our communities.
- 5.10 Alongside the improved Decent Homes Standard extended to PRS, the Renters' Rights Bill presents an opportunity to further strengthen the regulatory framework in the PRS, including maximising the potential of the national landlord register to drive self-regulation and improvement, and to enhance the ease of use and pace and impact of enforcement options open to authorities. With the introduction of the right to request a GM Property Check and pilots to work differently on issues such as illegal evictions, we have a chance to work across the public sector to rapidly improve PRS standards.
- 5.11 Devolution of the announced Warm Homes Plan to GM as a specific targeted preventative health intervention aligned with a social housing grant settlement would support efforts to take a cross-tenure, long-term approach to retrofitting existing stock. This sits with our work with partners including the NHS, GM authorities and GM Housing Providers on innovative funding and procurement for delivery of warm and healthy homes adaptations services. These could be accelerated via commitment to continued uplift and sustainability of Disabled Facilities Grant (DFG) funding, and flexibilities around deployment of DFG as part of flexible packages of improvement and support.
- 5.12 Aligning the Greater Manchester High Rise and Building Safety Strategic Oversight Group with the Housing First Unit will enable continued work to support residents living in buildings affected by fire safety issues, and partners across the City Region committed to ensuring their homes are made safe and fit for the future as soon as possible. New burdens funding for local authorities to implement the Building Safety Act will be key to achieving this.

Support

- 5.13 Changes to the way we are able to commission services so it is led by people's needs rather than determined by length of funding rounds would transform our ability to provide people with the support and security they need on a long-term basis and would de-risk new supported housing delivery by providing confidence to the market.
- 5.14 NHS GM ambitions to reduce health inequalities and truly invest in prevention can only be achieved through more flexibility in how budgets can be deployed. Joint investment in the wider determinants of health, including housing solutions, in pursuit

- of jointly agreed objectives, would drive transformation and avoid costs in the wider NHS.
- 5.15 The most effective way to support people is through integrated services that are able to take a holistic approach to people's needs. Expanding the scope of the Integrated Settlement to bring together relevant funding streams in a single place will allow for a comprehensive response to multiple and complex needs, whilst also driving improved integrated working in the wider system.
- 5.16 Greater Manchester is committed to the philosophy of 'Live Well', a community-led approach to health and wellbeing focused on prevention. Integrating the housing system into this model of support will make the most of the sectors unique role in neighbourhoods and the range of activity it undertakes to support people to live healthy lives. The Housing First approach and the Live Well programme, while being two distinct programmes of activity, are intrinsically linked and need to be addressed together to address the broader system issues being faced by residents across GM.

6. Next steps: Housing First roadmap and a Housing First Unit

- 6.1 Our ability to deliver real change rests on the buy in we can achieve from leadership and multiple teams across the GM districts, housing providers and the broader public sector where the duties, powers, assets, budgets and expertise to intervene sit, and from the investment and energy of our private sector partners in the development, construction and related sectors.
- 6.2 Critical to the success of Housing First unit is the co-production with partners of a 'Housing First roadmap' setting out the route to building a more effective housing system. While existing arrangements are in place with public sector partners, there is not a similar structure to engage with the private sector. The GMCA is seeking to engage the private sector in how they can contribute to delivering the GM and national Housing First ambitions and the approaches that would accelerate the delivery of housing.
- 6.3 A key part of this work is to bring together expertise from across the system and partner organisations into a Housing First Unit, to drive this system change. The core of the Unit has been created and is now operational within the GMCA, and we are currently exploring the additional activities that could be delivered by a GM Housing First Unit. The aim is to identify those topics, projects or programmes which are required to deliver our ambitions where bringing people together at a GM level is the best route forward. Specifically this will align existing activity around Growth

Locations and the Land Commission with the Housing First agenda. There is a rich history of collaborative working to build upon in the housing sector in GM, but we are aiming to bring a greater degree of strategic ambition, alignment and innovation alongside a real focus on practical work that will make a direct difference to GM residents' lives in the short, medium and long term. The GMCA is proud to launch the Housing First Unit and welcomes direct engagement from public and private sector organisations wishing to engage with and support the GMCA in delivering the Housing First vision.

6.4 One element of this agenda will be to find alternative resources to deploy in support of the Housing First ambitions, over and above those that sit behind the 'business as usual' models. As noted above, the GM Housing Investment Loan Fund surpluses have already helped in bringing additional capacity to support GM local authorities, and that approach can be extended with commitment to continue to use surpluses to support the Housing First activity. We will also explore the potential to lever in other sources of investment such as the GM Pension Fund in support of Housing First objectives.