

RESOURCES COMMITTEE

Date: 26 July 2019

Subject: Establishment of the GM Delivery Team

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

GMCA approved in principle the spending of £1.75m over 3 years to fund the GM Delivery Team and to progress the work needed to accelerate housing delivery across GM. The funding is to be provided from the surpluses generated from the continued investment of the GM Housing Investment Loans Fund (GMHILF).

This report sets out the detailed structure for the GM Delivery Team, along with role profiles and levels of proposed remuneration.

RECOMMENDATIONS

Committee is asked to:

1. Consider and approve the establishment of the GM Delivery Team within the GMCA Core Investment Team
2. Consider and approve the establishment of the role of GM Delivery Team Director at a salary in the range £80,000 - £90,000
3. Consider and approve the establishment of three roles of GM Delivery Team Manager at a salary in the range £56,000 - £60,000

FINANCIAL IMPLICATIONS

The GMHILF has approved the spending of £1.75m on the setting up of this team and the delivery of work over a period of 3 years from GMHILF surpluses.

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Comments and/or recommendation from the relevant Overview & Scrutiny Committee

Risk Management – N/A

Legal Considerations – N/A

Financial Consequences – Revenue – section xx

Financial Consequences – Capital – N/A

BACKGROUND PAPERS:

- GM Delivery Team and Utilisation of GMHLIF Surpluses (report to GMCA 28 June 2019)
- Continued City Centre Housing Developments and Use of Property Funds Surpluses (report to GMCA 14 December 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 AGMA Scrutiny Pool on the grounds of urgency?	

1. BACKGROUND

- 1.1. In December 2018, the Combined Authority approved that the majority of GMHILF surpluses will be ring-fenced to support affordable housing priorities as identified in the GM Housing Strategy.
- 1.2. This report seeks approval to utilise the allocated £1.75m of GMHILF surpluses to fund the GM Delivery Team, comprising a GM Delivery Director, two GM Delivery Managers and a GM Delivery Programme Management Support Officer. Further details relevant to the establishment of these roles are detailed below.

2. GM DELIVERY TEAM

- 2.1. Initial core functions identified for the GM Delivery Team are set out below along with the 3 year cost for each workstream:

- a) GM Housing Strategy

- a. Programme Management - £150k
- b. Affordable and social housing sites pipeline - £300k
- c. Private rented sector - £450k
- d. Health and Community led housing - £250k
- e. Small sites disposal programme - £150k

- b) Development of GM owned land - £300k

- c) District capacity support - £150k

Further details on each of the workstreams are attached as Appendix 1.

- 2.2 The establishment of the Delivery Team will initially require the recruitment of the posts identified to provide the necessary capacity to drive forward those workstreams identified to support the objectives identified in the Housing Strategy. It is anticipated that as pilot schemes are identified and the evidence of a successful delivery model emerges that the team would expand to accommodate the level of demand across GM. This will be explored at an appropriate point in the future with the initial resources committee seeking to establish the team set out below.
- 2.3 A benchmarking exercise (attached as Appendix 2) has been carried out on a sample of comparative roles where information is publicly available across GM. Based on this exercise, there are four levels identified:

Executive Director/Strategic Director	- £125,000 and above
Director (multiple portfolios)	- £90,000 - £110,000
Assistant Directors	- £70,000 - £80,000
Heads of ...	- £60,000 and above

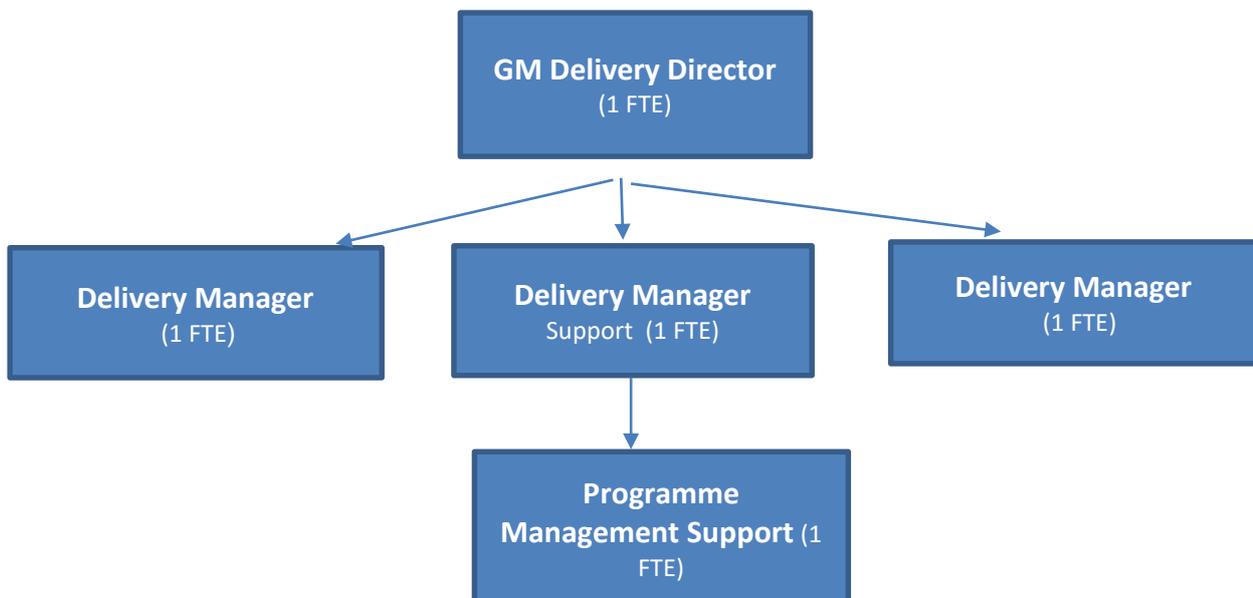
2.4 It is proposed that salaries for the GM Delivery Team be set as follows:

GM Delivery Director	- in the range £80,000 - £90,000
GM Delivery Manager	- in the range £56,000 - £60,000
GM Programme Support Officer (Grade 8)	- in the range £35,946 - £39,797

The senior salaries have been subject to job evaluation through the LGA Senior Salaries Scheme to confirm the proposed salaries. The Director salary benchmarking against this provides a range of £65k to £84k and it is therefore proposed to provide a market supplement of up to £6k for this role.

2.5 Whilst Committee approval is only required to establish roles above £55k, the entire structure of the GM Delivery Team is being presented to Committee for completeness. Separate approval will be sought from GMCA Chief Executive to establish the GM Programme Support Officer, in line with the Scheme of Delegation.

2.6 The GM Delivery Team will report into the Core Investment Team. It will be resourced with 5 FTE posts, led by the GM Delivery Director. The team will be set up on a three year temporary basis with appointments being made on fixed term contracts.



3. GM DELIVERY TEAM ROLES

3.1 GM Delivery Director

It is proposed that this role is established with a salary in the range £80,000 - £90,000, dependent on knowledge and experience. The key responsibilities of this role will include:

- To lead the development pipeline against the GM spatial framework, housing vision and GM housing strategy
- Provide expertise and leadership to drive performance and to commission and/or deliver GM priorities and meet targets
- To lead and be accountable for the GM Place team and be accountable for their performance.
- Ensure the effective understanding and operation of any specific statutory or regulatory duty contained within the role.
- Advise Members, stakeholders and Directors in respect of operational planning and commissioning, and service delivery issues.
- To provide strategic and innovative approaches to housing delivery to meet Delivery Plan objectives and targets
- To link into Greater Manchester Combined Authority priorities on a strategic and day-to-day basis
- To support the GMCA and its supporting governance structures.
- To be a lead for the GMCA to create effective and lasting relationships with key stakeholders, including creating opportunities for further business development

3.2 GM Delivery Manager:

It is proposed that this role is established with a salary in the range £56,000 - £60,000, dependent on knowledge and experience. The key responsibilities of this role will include:

- Supporting the delivery of priority housing schemes identified in the GM Spatial Framework and the objectives of the GM Housing Strategy
- Utilise strategic pipelines to engage and support future planning discussions in relation to transport and wider infrastructure delivery
- Delivery of development appraisals and viabilities, and the management of development risk
- The development and delivery of de-risking strategies (e.g. securing planning, carrying out demolition works, delivering infrastructure) aimed at making them development-ready for developers
- Taking a lead role in the procurement of consultant teams and other relevant advisers to support the work of the team. Including the pro-active management of consultants
- Take the lead of the disposal of assets, liaising with procurement, legal, finance and technical teams to ensure procurement is undertaken in line with guidelines and achieves positive outcomes for the GMCA

- Developing a professional network of agents and landowners in order to maintain a high profile for the GMCA
- To liaise with estate management colleagues to ensure that appropriate management regimes are employed on sites
- To liaise with developer partners to ensure that obligations and timelines are adhered to on sites under contract
- To proactively engage with corporate colleagues to be able to respond to key programme messages and guidance and to support the transfer of other government department land in line with the agreed transfer model.

4. RECOMMENDATION:

Committee is asked to:

- Consider and approve the establishment of the GM Delivery Team within the GMCA Core Investment Team
- Consider and approve the establishment of the role of GM Delivery Team Director at a salary in the range £80,000 - £90,000
- Consider and approve the establishment of two roles of GM Delivery Team Manager at a salary in the range £56,000 - £60,000.

APPENDIX 1 – KEY WORKSTREAMS

Workstream	Description
Programme Management	<p>Given the scale and complexity of the portfolio there is a requirement for a programme management function with responsibility for supporting the Portfolio Holder.</p> <p>This will take the form a single programme management post</p>
Affordable and Social Housing Pipeline Development	<p>Review and expand existing GM sites analysis to bring forward a programme of sites with a greater emphasis on delivering social and affordable housing. The work will require engagement with Local Authorities and public sector partners to assess the ability and appetite to deliver more affordable and social housing given both site constraints and budget considerations.</p> <p>This work will be undertaken by the Interim GM Delivery Director and Development Lead.</p>
Private Rented Sector including Rogue Landlords	<p>A Task & Finish Group is developing a strategy statement and action plan for the private rented sector, to include detailed proposals for a GM good landlord scheme and for a GM approach to rogue landlords, and will seek to learn from and adapt good practice developed around GM and beyond. This will build on existing systems and enforcement activity, and will include a GM ethical lettings agency project; place-based approaches to improving PRS standards including joint working with local social housing providers; better connecting district, GMFRS and GMP policies and interventions; and suggesting issues where lobbying Government for additional powers or flexibilities could unlock greater progress.</p> <p>The strategy statement and action plan will be shared with stakeholders including landlords, agents and tenants networks for consultation and improvement and will ultimately be subject to GMCA approval. It is proposed that Fund surplus resources be used to help develop, consult on and deliver the agreed action plan and projects within the action plan, initially by funding dedicated posts within GMCA’s planning & housing team to lead and deliver this workstream, with expert support as required.</p> <p>In January 2019, the GMCA was successful in securing £128k grant funding from MHCLG to deliver a three month programme of work to enhance regional capabilities to address rogue landlords across GM. Resources from the surpluses will build on and extend this programme of work, supporting activities to improve information sharing between partners, develop and embed consistent policies for tackling rogue landlords across GM and provide enhanced training for frontline practitioners. Activity will also include developing a communications package</p>

	<p>to actively promote rogue landlord enforcement, inform residents of action taken by GM authorities, raise awareness of tenants' rights and deter landlords from committing offences. The estimated cost of the two dedicated roles to support this work will be [£100k] per annum with the posts funded over 3 years with a budget allocation of [£300k] to cover direct consultancy support over the period.</p>
<p>Health and Community Led Housing</p>	<p>Undertake further work to identify deliverable accommodation propositions on surplus sites identified through the one public estate programme. This work will have a focus on providing accommodation that supports a reduced health budget by providing accommodation such as Extra Care.</p> <p>Greater Manchester will continue to provide support to Co-operative groups across GM to bring forward developments and work in conjunction with Homes England to gain access to national revenue and capital funding to support this.</p> <p>This support will initially focus on applying to Homes England to set up a GM Community Hub under Homes England's Community Housing Fund. Ongoing support will be provided directly to Co-operatives through a mixture of direct officer support and external consultancy support. It is assumed that a full time post will be created to support this workstream over the next 3 years with a cost of £50k per annum. Given the Homes England programme is specifically set up to provide revenue grant support to develop projects the GMCA budget for external support will be limited to £100k. This will be reviewed in the future depending on success of accessing Homes England Funding.</p>
<p>Small Sites Disposal Programme</p>	<p>The development of a single affordable housing pipeline will provide the opportunity to identify a number of small sites that can be reviewed with the intention of developing an approach and methodology to enable disposal on a more efficient basis. The disposal of these sites may support the delivery of additional affordable and social housing or may create a pipeline of opportunities that can be accessed by SME developers across GM.</p> <p>The initial work will be undertaken by the resource within the GM Delivery Team. As with any sites, it is expected that site specific investigations will be required to determine viability to deliver housing. There may also be a requirement to develop a framework approach for disposals that may require external consultancy support. A budget of £150k is to be allocated to support this workstream.</p>
<p>Development of GM Owned Land</p>	<p>The team will progress delivery of housing or mixed-used development on GM owned land, in support of the ambitions of</p>

	<p>GM's Housing Vision to increase and improve Greater Manchester's housing offer and affordability. GM Delivery Team will work to realise opportunities for development on surplus GM-owned assets through the consolidation of assets through initiatives such as the One Public Estate, LCR's Stations Alliance programme and surplus sites identified by TfGM.</p> <p>In developing GM-owned sites, the model of delivery will be tailored to suit the circumstances and partnership arrangements on a site-by-site basis but with a focus on unlocking development to generate a return for reinvestment in further growth across Greater Manchester. The delivery model could range from a development agreement, formal joint ventures / SPVs (with the latter more likely to be the arrangement where a longer-term revenue opportunity is sought) through to straight disposal with favourable planning consent.</p>
<p>District Capacity Support</p>	<p>The form of capacity support is likely to vary depending upon the needs and ambitions of each district. Work is already underway with the Greater Manchester Directors of Place group to discuss how a GM Delivery Team resource could most appropriately be utilised by our district partners.</p> <p>Initially, the GM Delivery Team will allocate £3m of Evergreen surpluses (approved in the December 2018 report to Combined Authority) to district partners as revenue support for agreed strategic housing sites identified through the draft GMSF.</p> <p>The capacity support role of the GM Delivery Team will evolve over time once the team is fully resourced and there is opportunity to share learning and expertise through a proven GM delivery track record.</p>

APPENDIX 2 - BENCHMARKING SAMPLE OF GM ROLES

Council	Role	Salary (2017/18)	Salary 2018/19
Org A	Executive Director (Business Growth & Infrastructure)		£125,000
	Director of Economic Regeneration and Capital Growth		£100,000
	Director of Housing Growth and Development		£100,000
Org B	Strategic Director (Development)	£127,513	
	Director of Housing and Residential Growth	£90,419 - £101,826	
	Head of Residential Growth	£85,313	
	Head of City Centre Growth & Regeneration	£77,262	
	Head of Housing	£72,586	
Org C	Director of Economy and Skills		£85,001 - £90,000
	Head of Strategic Regeneration & Development		£60,000 - £65,000
	Head of Housing & Strategic Partnerships		£60,000 - £65,000
Org D	Corporate Director of Place	£101,980 - £121,994	
	Strategic Head of Place Management	£65,000 - £75,000	
	Head of Growth	£65,000 - £75,000	
Org E	Strategic Director (Place)		£99,275 - £120,449
	Assistant Director – Regeneration & Infrastructure		£69,492 - £76,443
	Assistant Director – Planning and Housing		£69,492 - £76,443

APPENDIX 3 – GM DELIVERY DIRECTOR ROLE PROFILE (attached)

APPENDIX 4 – GM DELIVERY MANAGER ROLE PROFILE (attached).