

Greater Manchester Combined Authority

Date: 26 May 2023

Subject: Salford Partnership

Report of: Steve Rumbelow Lead Chief Executive for Clean Air, Regeneration and Housing.

Purpose of Report

1. To update the Combined Authority on an opportunity for Greater Manchester Combined Authority and Homes England to enter into a City wide Strategic Partnership with Salford City Council to accelerate the delivery of housing, regeneration and infrastructure projects across Salford. This is the latest of a number of place focused delivery vehicles supported by the Combined Authority (previous ones include Stockport Mayoral Development Corporation and Atom Valley Board).
2. The city of Salford has undergone significant economic and population growth over the last 20 years and the past five years, has seen growth of over 14,500 new homes and 212,000 sqm (2.3 million sq. ft) of commercial floorspace. The City needs to accommodate a forecasted growth in population of 51,000 by 2040 and to address the prevailing spatial and social challenges experienced in some parts of the City which have not benefited from the same levels of investment experienced in the City Centre and Salford Quays.
3. The Greater Manchester Strategy identifies six Growth Locations which provide for the delivery of sites which meet community need. Parts of the City of Salford extend across the Central Growth Location Cluster and Western Gateway Growth Location and beyond. Through the delivery of housing and employment sites there is an opportunity to connect investment and development, to realise opportunities for communities and places which may not have benefitted previously from economic development and growth, or where there are major opportunities to drive growth.

Recommendations:

The GMCA is requested to:

1. Approve that the Combined Authority enter into the Memorandum of Understanding (MOU) with Salford City Council and Homes England to form the Salford Strategic Regeneration Partnership.
2. Note and agree the objectives and principles of the Strategic Regeneration Partnership as set out in section 4 below.
3. Agree to receive future updates on delivery progress at Salford Strategic Regeneration Partnership.

Contact Officers

Andrew McIntosh, Director of Place, andrew.macintosh@greatermanchester-ca.gov.uk

Simon Nokes, Executive Director, simon.nokes@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

It should be noted that this paper is seeking approval to enter into a MOU for a partnership . Therefore there are no specific development proposals being sought for approval and therefore there is limited detail on impacts. The policy drivers covering the partnership area will seek to deliver carbon neutral development and positive social value outcomes however these will require a more detailed assessment as the programme develops.

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing	G	
Economy	N/A	
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		

Contribution to achieving the GM Carbon Neutral 2038 target
 Policy drivers will seek to contribute to achieving Carbon Neutral development by 2038 but delivery will be determined on a project by project basis.

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

Risk Management

The key risks identified include:

- Failure to secure the necessary capital funds to support land assembly and address land constraints will address the viability challenges of some sites and will not deliver the scale and pace of development. This is being mitigated by close collaboration and involvement of the private sector and public sector co-ordination to secure the resources needed to unlock development.
- Failure to invest in a significant scale of infrastructure in advance of the employment and housing development will not deliver a zero-carbon development that connects through sustainable and accessible transport modes to the surrounding communities. This is being mitigated by the public sector working collaboratively to plan and galvanise investment with the identified developer partners to deliver the agreed objectives of the scheme.

Legal Considerations

Legal input has been secured by Salford City Council (SCC) in the development of the partnership vehicle. Specific Legal advice will be secured through the partnership Governance structure and project specific governance.

Financial Consequences – Revenue

Progressing the growth opportunities in the partnership is likely to require further support from Surplus Revenue Funding opportunities and available capital programmes .

Approvals will be sought for the allocation of funding through appropriate business case routes.

Financial Consequences – Capital

Delivery of these projects will require significant investment of public and private sector funding from a range of sources. Approval will be sought from any investment of GMCA funding through normal governance processes.

Number of attachments to the report: 3

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

- Updated Greater Manchester Strategy.
- Greater Manchester Devolution Deal 2023
- Growth Locations Update: Greater Manchester Combined Authority, 17 December 2021.

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.

GM Transport Committee- N/A

Overview and Scrutiny Committee- N/A

1. Background

- 1.1 The proposed Salford Strategic Partnership will be a Borough wide vehicle. Parts of the Borough are situated within two Growth Locations, Central Growth Cluster and Western Gateway. These areas include considerable assets for growth to the benefit of local communities and Greater Manchester. Employment creation will be generated through the Central Growth Cluster with direct opportunities through Salford's Innovation Triangle comprising Media City and The Quays and Salford Crescent. The development of this growth cluster will be underpinned by the expansion and development of the public transport infrastructure, which will connect people in all parts of the conurbation to the regional centre, enabling more parts of Greater Manchester to benefit from economic prosperity generated at the core.
- 1.2 The Western Gateway is a key development for Greater Manchester, developing connections with the Port of Liverpool, and the rest of the world and Eccles Town Centre and North of Broadway. This location also provides for the economic growth of the Central Growth Cluster core economic area through the development of a tri-modal freight hub at Port Salford. Beyond the Growth Locations the strategic partnership has identified opportunities in Swinton Town Centre.
- 1.3 Salford City Council (SCC) proposes to enter into a Borough wide partnership with Homes England (HE) and Greater Manchester Combined Authority to accelerate the delivery of housing, regeneration and infrastructure projects across Salford. The City needs to accommodate a forecasted growth in population of 51,000 by 2040 and to address the prevailing spatial and social challenges experienced in some parts of the City which have not benefited from the same levels of investment experienced in the City Centre and Salford Quays. To date six regeneration priority areas across the Borough have been identified.
- 1.4 The ambition of the Strategic Regeneration Partnership is to build on past successes, support the western expansion of the regional centre, identify future growth opportunities whilst also refocusing efforts on areas of need. A range of measures will seek to ensure that investment focusses on those areas of need, through targeted exemplary socially inclusive and environmentally sustainable urban strategies and policy levers that will see not only investment across the Borough but will benefit local residents, provide a range of housing including affordable housing and meet sustainable development ambitions over the next 20 years.

- 1.5 The Partnership presents an important opportunity for Salford City Council (SCC), Greater Manchester Combined Authority (GMCA) and Homes England (HE) to collaborate around a set of agreed goals and objectives as part of a clearly defined shared endeavour. This will be achieved through the parties including Greater Manchester Combined Authority entering into a MOU with Salford City Council and Homes England.
- 1.6 The precise wording of the MOU is still under discussion and negotiation but will adhere to the principles set out in the briefing below. It is proposed to seek authority from the Combined Authority on 26 May to enter into the MOU for the partnership with Salford City Council and Homes England following consideration by CEXIG and Wider Leadership.

2. Opportunities for Growth and Regeneration

- 2.1 The city of Salford has undergone significant economic and population growth over the last 20 years; the past five years, has seen growth of over 14,500 new homes (over 2,900 per annum) and 212,000 sqm (2.3 million sq. ft) of commercial floorspace. However, the growth of skilled jobs and investment has not meant 'prosperity for all'. Salford's growth in housing and employment space has been focused on the inner parts of the city. The proposed Partnership will oversee the widening of opportunities elsewhere within the city beyond Salford City Centre, and Salford Quays, Media City and Ordsall. The towns and neighbourhoods elsewhere in the Borough only received around 30% of the growth in housing and 40% of the growth in total employment floorspace.

3. Delivery Update and Future Programme

- 3.1 The Parties will collaborate to co-develop a Partnership Strategic Plan which will identify specific Place Based Outcomes and will be underpinned by a Delivery Programme, which will be updated on a quarterly basis. Each Party will ensure that they deploy sufficient and appropriately qualified resources to meet the Place Based Outcomes.

3.2 The Partnership Strategic Plan will set out the key outcomes and performance indicators which will demonstrate the success of the partnership in achieving the Strategic and Place Based Outcomes. It is proposed these will be reviewed by the Partnership Forum on a quarterly basis.

4. Proposal

4.1 A number of options were considered by the partners as the appropriate form and purpose of a regeneration vehicle to accelerate investment and growth but with the requirement that the growth meets sustainable construction and operational ambitions for carbon net zero and benefits local communities and residents through the delivery of social value outcomes. Alternative options considered included proposals for a Mayoral Development Corporation, investment vehicles and a bespoke commercial 'for profit' entity. However, given the ambition set out above and the need to involve private sector capacity, the establishment of a 'Forum' is considered as the most effective governance model for the partnership at this time.

The structure of the Partnership

4.2 The successful delivery of the Partnership will depend on the parties' ability to co-ordinate and combine their expertise and resources effectively. The diagram at Appendices 2 and 3 illustrates how the partnership and Forum would work in practice. At the top level, a new Partnership is formed between the three principle public sector parties: SCC, GMCA and HE. It is proposed that a Memorandum of Understanding between parties is signed.

4.3 A new Forum is proposed that will bring the top level (public sector partnership) together with the developer partners in a coordinated way.

4.4 The Objectives of the Partnership and Development Objectives are set out below:

- Delivering the KPIs in respect of housing development, tenure mix and type, employment floorspace etc.
- Building Local Community Wealth.
- Growing the Social Economy.

- Accelerating the Transition to a Zero-Carbon Economy.
- developing safe and attractive communities.
- delivering town centre regeneration that services the Salford community.
- promoting and conserving the heritage of the Borough.
- supporting inward investment in the Borough and the growth of indigenous businesses within the Borough.
- delivery of sustainable developments and environmental improvements to contribute to tackle the climate emergency within the Borough.
- promoting the use of technology and digital innovation to support economic growth within the Borough.
- delivering development that embraces sustainable and active travel opportunities within the Borough.
- embracing the principles of social value throughout scheme development and implementation.
- taking full advantage of market interest and maximizing the commercial value of any such development.

4.5 The Objectives will be included within each Overarching Partnership Agreement (OPA).

The operation of the Forum

4.6 The Forum will be a focused Programme Board and advocacy body that will bring together the private sector investing intent in the city with the Council, Homes England and GMCA. The Partnership will be responsible for overseeing a city wide Place Programme approach to growth and regeneration. The Forum will bring the following advantages:

- It can draw the partners together to bid for resources and align investment across the public sector. However, the Strategic Regeneration Partnership

will not direct how capital investment is distributed and no Homes England or GMCA funding would be channelled through SCC specifically because of the SRP. Any funding allocations would be subject to normal organisational processes and approvals.

- It acknowledges that GMCA and HE are likely to be conduits to cross-Government resources, including funds associated with housing, physical infrastructure and regeneration, but also wider cross-Government department resources.
- Through developing innovative ways of delivering inclusive and sustainable growth it can add value to the consistent partners in developing programmes and outcomes.
- The alignment of the partners skills and investment will deliver additionality over and above what the organisations operating individually could achieve.

4.7 The main elements of the function and operation of the Forum are set out in Appendix 1.

4.8 Projects will be principally delivered by the private sector but policies defined in the recently adopted Local Plan (Jan 2023) in respect of social and environmental standards will be expected to be delivered. There will also be a number of important public sector areas of investment and regeneration focus that will be defined, at any point, over the life of the partnership.

4.9 The membership and operation of the Forum Board will consist of the following:

- An independent chair who has experience of in matters relevant to the carrying-out the operations of the Forum/ Place Programme
- Salford CC represented by: City Mayor and Chief Executive.
- A representative from GMCA
- A representative from Homes England.

- At least two Non-Executive (Non-Voting) Strategic Regeneration Partners from the Private Sector

4.10 The forum Board will determine if it requires the establishment of sub-committees to carry out its business and will be supported by an officer team. A Strategic Outline Business Case is being prepared for the Partnership will be based on the Five Case Business Plan Model.

Working with the private sector

4.11 The Partnership is also supported by a number of dedicated Strategic Regeneration Partners (SRPs) appointed by Salford City Council to deliver the ambitions of the Place Programme. These developers have a strong track record of working in Salford and Greater Manchester, have a proven track record of delivery, will be limited in number and will be legally bound by way of an Overarching Partnership Agreement (OPA) signed with SCC. It is anticipated that a limited number of other SRPs will be appointed over the lifetime of the programme, as the need for greater regeneration expertise and delivery capacity arises. Salford City Council has obtained legal advice on the approach to the overarching Partnering Agreements (OPAs). For the avoidance of doubt, both Greater Manchester Combined Authority and Homes England will not be party to the appointments of Salford's SRPs.

5 Next Steps

5.1 Each of the three public sector partners are undertaking a briefing process within their respective organisations and this will secure the requisite authorities to enter into the MOU. SCC will take a report to Cabinet on 23rd May following a briefing process. Homes England will seek authority to enter into the MOU through Director Authority but have offered SCC the opportunity of undertaking a ceremonial signing.

6. Recommendations

6.1 The GMCA is requested to:

1. Approve that the Combined Authority enter into the Salford Strategic Partnership with SCC and HE and give delegated authority to the Chief Executive Officer GMCA and Transport for Greater Manchester (TfGM) to agree Memorandum of Understanding with SCC and HE once the draft document is finalised.
2. Note and agree the objectives and principles of the Strategic Regeneration Partnership as set out in section 4 .
3. Agree to receive future updates on delivery progress at Salford Strategic Regeneration Partnership.

APPENDIX 1

The Operation of the Forum

The function and operation of the Forum are as follows:

- To provide strategic leadership and oversight to the Growth & Regeneration Partnership Programme.
- To set and steer the Programme's direction, objectives, output KPIs and outcomes, captured in a Strategic Business Plan which is in the process of preparation, and its review on an annual basis;
- To monitor the Programme's progress, including those opportunities assigned by SCC to their Strategic Regeneration Partners and monitor their efficacy.
- To assist in the identification of a new pipeline of regeneration opportunities throughout the city.
- To make recommendations through the formal decision-making process of the constituent organisations represented on the Forum and to ensure that appropriate resources are in place to deliver the Programme.
- To co-ordinate the public-sector contribution to the delivery of key elements of the Programme including the use of available capital, revenue, or other relevant funding.
- To reinvest in Programme Partnership priority initiatives a levy of potentially 1% (to be confirmed) of the net annual return of each Overarching Partnership Agreement Development Trust Account (DTA) when cash-positive accepting that SCC will fund the Forum's activities until that point with reimbursement from the DTA if cash positive and sustainable.

APPENDIX 2



APPENDIX 3

