

Greater Manchester Combined Authority

Date: 27 September 2024

Subject: Greater Manchester Housing Investment Loans Fund - Investment Variation Recommendation

Report of: Salford City Mayor Paul Dennett, Portfolio Lead for Housing First, and Steve Rumbelow, Portfolio Lead Chief Executive for Place Based Regeneration & Housing

Purpose of Report

This report seeks the Combined Authority's approval to a variation of the terms for the GM Housing Investment Loans Fund loan detailed in the recommendation below.

Recommendations:

The Combined Authority is requested to:

1. Approve a variation to the terms of the GM Housing Investment Loans Fund loan detailed in the table below, as detailed further in this and the accompanying Part B report;

BORROWER	SCHEME	DISTRICT	LOAN
Manchester New Square Limited Partnership	Manchester New Square	Manchester	£26.700m





2. Delegate authority to the GMCA Treasurer acting in consultation with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.






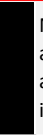

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

The Equalities Impact and Carbon & Sustainability Assessment for the Manchester New Square scheme is given below:

Impacts Questionnaire				
Impact Indicator	Result	Justification/Mitigation		
Equality and Inclusion				
Health				
Resilience and Adaptation				
Housing	G	The development consists of 351 new apartments. The development is on a brownfield site in Central Manchester.		
Economy	G	The development creates/safeguards employment opportunities within the GM construction & professional services sector. The development increases opportunities for on-the-job training, working with new materials and understanding building regulations and legislation.		
Mobility and Connectivity				
Carbon, Nature and Environment				
Consumption and Production				
Contribution to achieving the GM Carbon Neutral 2038 target				
Further Assessment(s): Equalities Impact Assessment and Carbon Assessment				
	Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.

Carbon Assessment					
Overall Score					
Buildings	Result	Justification/Mitigation			
New Build residential		The development exceeds the applicable Building Regulations. The development is located in the city centre and therefore in close proximity to significant amenity.			
Residential building(s) renovation/maintenance	N/A				
New Build Commercial/Industrial	N/A				
Transport					
Active travel and public transport	N/A				
Roads, Parking and Vehicle Access	N/A				
Access to amenities	N/A				
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 security for the loan in order to mitigate risk is set out in the accompanying Part B report.

Legal Considerations

An amendment to the loan facility agreement will be completed.

Financial Consequences – Revenue

The borrower will be required to meet the Fund's legal and due diligence in connection with the variation, and there is no requirement for additional revenue expenditure by GMCA in addition to the approved Core Investment Team budget.

Financial Consequences – Capital

The loan is sourced from the £300m GM Housing Investment Loans Fund, including the recycling of loans repaid to the Fund.

Number of attachments to the report: None

Comments/recommendations from Overview & Scrutiny Committee

None.

Background Papers

- Housing Investment Fund (report to GMCA, 27 February 2015)
- GM Housing Investment Loans Fund – Investment Approval Recommendation (report to GMCA, 29 September 2017)
- GM Housing Investment Loans Fund – Revised Investment Strategy (report to GMCA, 25 October 2019)
- GM Housing Investment Loans Fund - Investment Approval Recommendations (report to GMCA, 30 September 2022)

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

1. Variation Approval

- 1.1 At its meeting in September 2017 the Combined Authority approved a £51m loan from the GM Housing Investment Loans Fund (“the Fund”) for the development of 351 apartments known as Manchester New Square on Princess Street in Manchester city centre.
- 1.2 In September 2022 the Combined Authority agreed to restructure the development’s funding with up to £26.7m of the repayments which had been made to the Fund being re-borrowed.
- 1.3 The borrower – Manchester New Square Limited Partnership, a joint venture between GM Pension Fund and Urban & Civic Plc – has requested a variation to the loan terms, which has been recommended for approval by the Fund’s Credit Committee. These are detailed in the accompanying Part B report, to be treated as confidential on account of the commercially sensitive nature of the information.