

## GMCA

Date: 31 January 2025

Subject: GM Housing Investment Loans Fund – Investment Approval

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 the GM Housing Investment Loans Fund loan detailed in the recommendation below.

In view of the extended period between the Combined Authority’s February and March meetings, the Combined Authority is also to agree a delegation to the GMCA Chief Executive acting in conjunction with the Portfolio Lead for Housing First to approve new projects for funding and urgent variations to existing funding from the GM Housing Investment Loans Fund.

### Recommendations:

The Combined Authority is requested to:

1. Approve 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
Apsley Street Development Ltd	Apsley Street	Stockport	£5.399m

2. Delegate authority to the GMCA Chief Executive acting in conjunction with the Portfolio Lead for Housing to approve new funding and urgent variations to existing funding from the GM Housing Investment Loans Fund in the period 8 February 2025 to 27 March 2025.





3. Delegate authority to the GMCA Treasurer acting in conjunction 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 Apsley Street scheme is given below:

Impacts Questionnaire			
Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion			
Health			
Resilience and Adaptation			
Housing	G	Regeneration of unused brownfield land comprising the construction of a new apartment block with 34 units. As above	
Economy	G	Finance provided to support build costs of c£6.8m which in part will be delivered from GM based enterprise. As above As above	
Mobility and Connectivity			
Carbon, Nature and Environment			
Consumption and Production			
Contribution to achieving the GM Carbon Neutral 2038 target			
<b>Further Assessment(s):</b>	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	[Orange bar]	
Buildings	Result	Justification/Mitigation
New Build residential	[Orange bar]	
Residential building(s) renovation/maintenanc	N/A	Not known
New Build Commercial/Industrial	N/A	Not known
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.	[Green bar]	High standard in terms of practice and awareness on carbon.
	[Blue bar]	Mostly best practice with a good level of awareness on carbon.
	[Orange bar]	Partially meets best practice/ awareness, significant room to improve.
	[Black bar]	Not best practice and/ or insufficient awareness of carbon impacts.

## Risk Management

The structure and security package proposed for the loan in order to mitigate the risk is given in the accompanying Part B report. The loan will be conditional upon a satisfactory outcome to detailed due diligence and ongoing confirmation from a Monitoring Surveyor acting on GMCA's behalf that the scheme is being delivered satisfactorily.

## Legal Considerations

A detailed loan facility and other associated legal documentation will be completed ahead of the first loan payment.

## Financial Consequences – Revenue

The borrower will be required to meet the Fund's legal, due diligence and monitoring costs 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 will be 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 – Revised Investment Strategy (report to GMCA, 25 October 2019)

## **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. Introduction**

- 1.1 In line with the agreed governance process for the GM Housing Investment Loans Fund (“GMHILF” or “the Fund”), the Combined Authority is asked to approve the loan detailed in section 2, which has been recommended for approval by the Fund’s Credit Committee.
- 1.2 The total value of offers of loans from the Fund approved by the Combined Authority to date is £1.023bn and the total value of approved equity investments is £26.3m<sup>1</sup>. The loans and equity investments approved by the Combined Authority will deliver 11,073 new homes. If the recommendations set out in this report are agreed, the value of loan offers would increase to £1.029bn, with the number of new homes supported rising to 11,107.

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<sup>1</sup> These figures exclude loan offers that have not been taken up and are therefore withdrawn.

## **2. Loan approval sought**

- 2.1. Aspley Street Developments Ltd is seeking a loan of £5.399m from the GM Housing Investment Loans Fund for the development of 34 new build apartments in Stockport, Manchester. Planning permission was granted in January 2021. The loan will support the redevelopment of a brownfield site. There is no affordable housing provision within the scheme but under a S106 agreement the developer is making a £160k payment to support delivery of affordable housing elsewhere within the district, together with a £150k contribution towards local open space and children's amenities.

## **3. Delegation Sought**

- 3.1. A delegation is sought to allow urgent recommendations for funding from the GM Housing Investment Loans to be approved in the period between the GMCA's February 2025 and March 2024 meetings. It is proposed that authority be delegated to the GMCA Chief Executive acting in conjunction with the Portfolio Lead for Housing First to approve new projects for funding and agree urgent variations to the terms of funding previously approved by the Combined Authority.
- 3.2. Any recommendations approved under the delegations will be subject to the usual due diligence processes and will be reported to the next available meeting of the Combined Authority.