

Planning, Housing & Environment Overview & Scrutiny Committee



Date: 5 June 2018

Subject: Greater Manchester Housing Package

Report of: Paul Dennett, Salford City Mayor and Portfolio Lead for Planning, Housing and Homelessness

PURPOSE OF REPORT

- 1.1 To update scrutiny members on the announcement and implementation of a GM Housing Package.

RECOMMENDATIONS

- 2.1 That the committee:
- a) Note and welcome the announcement of the outline of the GM Housing Package.
 - b) Discuss and comment on the issues outlined in the report to inform the final agreement and implementation of the Package.

CONTACT OFFICERS

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1. INTRODUCTION

- 1.1 GMCA has been in discussion with DCLG (now MHCLG) officials for some considerable time, following a statement in the Housing White Paper in February 2017 that Government was “interested in the scope for bespoke housing deals with authorities in high demand areas, which have a genuine ambition to build”.
- 1.2 Those discussions concluded with the announcement of the ‘Outline of a Prospective Housing Package for Greater Manchester’ in March, as set out in Annex A.

2. SUMMARY OF OUTLINE PACKAGE

- 2.1 There are four key elements to the package from a GMCA viewpoint:
 - (a) Four of the bids made via GMCA for Housing Infrastructure Fund Forward Funding have passed through the initial assessment to enter a ‘co-development’ stage;
 - (b) A Land Fund of up to £50 million is to be made available to support the remediation of brownfield land to deliver at least 4,200 homes;
 - (c) Up to £8 million of funding to add to GM’s collective capacity to do the work needed to bring forward housing projects; and
 - (d) A commitment by Government and Homes England to further joint working to deliver affordable housing and to work together through a proposed Land and Infrastructure Commission.
- 2.2 In addition, Government has agreed a technical adjustment to the management of the existing GM Housing Investment Loan Fund, which will aid the recycling of the Fund and allow additional delivery as a result. Government also announced the provision of £10.25 million of funding to Manchester City Council for a scheme in Collyhurst, which had been the subject of earlier separate discussions with DCLG.
- 2.3 In return, GMCA commits to:
 - (a) the GM Spatial Framework (GMSF) delivering 227,200 homes between 2015/16 and 2034/35, as per the previous consultation draft GMSF, and continued progress with GMSF to reach adoption by late 2020, subject to the examination process;
 - (b) Accelerated delivery to 2026 of 12,375 per annum within that overall total; and
 - (c) Updating of local plans as necessary to accommodate 227,200 homes.

3 NEXT STEPS AND KEY ISSUES

- 3.1 We are working on a Delivery Plan for the Housing Package, the timescale for which is now scheduled for approval by GMCA for submission to MHCLG at the CA’s meeting on 29 June. This remains subject to the successful conclusion of ongoing conversations with MHCLG on the detailed requirements they have for

the Land Fund and planning requirements in particular. These have led to a push back of the original submission date of end May, in agreement with MHCLG. Work so far has clarified that the delivery of the Collyhurst scheme is to be managed directly between Manchester City Council and MHCLG, and that the Delivery Plan will not cover the separate process for the co-development of the four Housing Infrastructure Fund projects. Members will note that this phase is anticipated to continue until around December, with much of the work conducted between the districts involved and Homes England's team (which is not yet fully in place).

- 3.2 However, the delay in the timescale for the Delivery Plan helpfully allows us the opportunity to discuss the key issues it raises with the Committee. These are as follows:

Prioritisation of the £50 million Land Fund

- 3.3 Given the objectives of the Land Fund (brownfield remediation to enable housing delivery) and of the GMSF, it is suggested that eligible projects will:

- demonstrate they are targeted at enabling brownfield sites and aligned to other strategic priorities, e.g. the redevelopment of town centre sites, delivering affordable homes, etc.
- unlock schemes that will not go ahead without public sector intervention
- demonstrate clear deliverability in the relatively short term
- achieve good value for money to help ensure the programme as a whole meets or exceeds the target of 4,200 new homes

Use and prioritisation of the £8 million capacity funding

- 3.4 It is proposed to establish a 'GM Place team', based centrally and with a remit to work directly alongside GM districts' own capacity on scheme specific development and delivery, providing specialist expertise and additional capacity needed to develop, plan and then bring forward schemes for housing. The mix of skills and capacity within the Place team will be determined by the requirements of the projects which are being pursued. While £8 million is a significant sum, it will represent a scarce resource and is expected to be in high demand. We are therefore keen to ensure it is used carefully to achieve maximum benefits, and are working closely with colleagues in districts to ensure that it (and the Land Fund) are structured in ways that make the difference needed on the ground.

- 3.5 Priority projects for the team to work on could include:

- Projects to be funded by the Land Fund
- Successful Housing Infrastructure Fund (HIF) projects, from both the Forward Funding and Marginal Viability Fund elements
- Unsuccessful HIF projects
- Town centre schemes, including Town Centre Challenge schemes
- One Public Estate projects

- 3.6 Selection of schemes from those possible sources could be driven by criteria on the following lines:

- A commitment to match the resources being applied by the GM Place team from the relevant district/developer
- As with the Land Fund, an ability to deliver homes in the relatively short term
- Schemes which enable the accessing and maximum benefits from Government programmes (e.g. Affordable Homes Programme)
- Clearly defined tasks which the GM Place team can undertake which directly lead to unlocking additional or accelerated delivery of new homes

Plans for the proposed Land & Infrastructure Commission

- 3.7 The Land & Infrastructure Commission is intended to better integrate local and central government investment decisions across housing and infrastructure and drive forward the delivery of Greater Manchester's growth ambitions.
- 3.8 The Commission will support the GMCA's strategic governance and – with senior level Government representation – help to bring together financial, practical and strategic interventions needed to achieve housing delivery. It will provide a forum for an ongoing conversation between Greater Manchester and the Government on our collective work on housing and infrastructure delivery to help make better use of investment in infrastructure and land, and of public sector assets and estates, to meet national and GM objectives. To this end, the Commission will also steer work via the One Public Estate programme, and other public sector estate rationalisation initiatives.
- 3.9 Suggested membership of the Commission, which would meet twice a year, includes:
- Andy Burnham, GM Mayor (chair) and GMCA portfolio holder for Transport;
 - Deputy Mayor for Economic Growth and Business
 - GMCA Cabinet Portfolio Holders for:
 - Housing, Planning and Homelessness; and
 - Finance and Investment.
 - GMCA Chief Executive
 - GMCA Lead Chief Executive for Housing & Planning
 - Chief Executive of Transport for Greater Manchester
 - Chair of the GM Local Enterprise Partnership
 - HM Government, Director General level from:
 - MHCLG
 - Dept. for Transport
 - Dept. for Work & Pensions
 - Cabinet Office
 - Network Rail
 - Homes England
 - Local Government Association

Annex A

OUTLINE OF PROSPECTIVE HOUSING PACKAGE FOR GREATER MANCHESTER

1. INTRODUCTION

The Greater Manchester housing package supports the government's brownfield first policy as well as helping small and medium sized builders and tackling the large number of complex, small sites prevalent in the area. The package ensures that Greater Manchester will be able to capitalise on opportunities presented by large scale transport investment in the area, providing the types of high quality homes people want to live in.

2. GREATER MANCHESTER COMMITMENTS

The Greater Manchester Combined Authority commits to:

- Deliver 227,200 homes between 2015/16 and 2034/35 and ensure the Greater Manchester Spatial Framework reflects this. This is above the level proposed under the Government's Local Housing Need assessment set out in the draft National Planning Policy Framework.
- Accelerate delivery rates to 12,375 homes per annum to 2026.
- Ensure the Greater Manchester Spatial Framework (GMSF) progresses as planned to reflect delivery of 227,200 homes between 2015/16 and 2034/35. The second draft of the framework should be published in June, with publication of the plan in early 2019, submission in summer 2019 and adoption in late 2020 subject to the examination process.
- Local plans for all constituent members to be updated and adopted as necessary by the end of 2019 to deliver and accommodate 227,200 homes between 2015/16 and 2034/35.

3. GOVERNMENT SUPPORT TO GREATER MANCHESTER

The Government commits to:

- Take four Housing Infrastructure Fund Forward Funding bids through to co-development:
 - Manchester Salford Urban Growth Programme: Manchester's Northern and Eastern Gateways;
 - Manchester Salford Urban Growth Programme: City Centre Salford Housing Growth Programme;
 - Bolton and Wigan Key Route Network;
 - Stockport/Cheshire East SEMMMS Bus Rapid Transit Scheme.
- Provide a Land Fund of up to £50m to provide support for the remediation of brownfield land for housing. The land fund should deliver at least 4200 homes and will be subject to value for money assurance.

- Provide up to £8m capacity funding to build the Greater Manchester Place Team to support the ambitious increase in housing delivery, building on the Manchester City Place team.
- Provide £10.25m to help regenerate the Collyhurst estate to deliver more affordable homes;
- Remove a condition attached to the existing £300m Greater Manchester Housing Investment Fund that will allow greater flexibility around the recycling of funds between years to deliver more homes through loans to developers;
- Continued joint working with Government and Homes England to deliver affordable housing and work together on the Land and Infrastructure Commission.

This package will need to demonstrate that it delivers value for money and will require business case approval from Government. The Greater Manchester Combined Authority will agree a delivery plan with Government and Homes England by the end of May 2018 which will include detailed business cases for funding to ensure value for money and clear delivery milestones. Funding will be contingent on key milestones being met including on local plan and Greater Manchester Spatial Framework adoption. Alongside this, Greater Manchester should seek to maximise opportunities to bring in new private investment to boost housing growth.

This is in addition to Government's recent investment in housing and infrastructure, including:

- Transforming Cities Fund - £243m
- Mayoral Capacity Fund – £2m
- Marginal viability HIF - £64.3m
- Planning Delivery Fund - £950k

4. DELIVERY AND KEY MILESTONES

- Detailed business case and delivery plan to be submitted to Government by the end of May 2018
- June 2018 – second draft of the Greater Manchester Spatial Framework to be published setting out commitment to deliver 227,200 homes between 2015/16 and 2034/35
- December 2019 – Local plans for all constituent members to be updated and adopted as necessary to deliver and accommodate 227,200 homes between 2015/16 and 2034/35.