

JOINT MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY AND AGMA EXECUTIVE BOARD

DATE: Friday, 28 November 2014

TIME: At the rise of the GMCA

VENUE: Conference Rooms 1& 2
Fred Perry House
Stockport MBC

AGENDA

1. APOLOGIES

2. CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

3. DECLARATIONS OF INTERESTS

To receive declarations of interests in any item for discussion at the meeting. A blank form for declaring interests has been circulated with the agenda; please ensure that this is returned to the GMIST Officer at the start of the meeting.

**4. MINUTES OF THE JOINT GMCA AND AGMA EXECUTIVE BOARD MEETING
HELD ON 31 OCTOBER 2014 - attached**

To consider the approval of the minutes of the Joint GMCA and AGMA Executive Board held on 31 October 2014 as a correct record.

5. FORWARD PLAN OF STRATEGIC DECISIONS - attached

Report of Julie Connor, Head of the Greater Manchester Integrated Support Team.

**6. INVESTMENT IN LOCAL GOVERNMENT ASSOCIATION LOCAL BOND AGENCY
- attached**

Report of Richard Paver, GMCA Treasurer.

**7. GREATER MANCHESTER DEBT ADMINISTRATION FUND - ESTIMATED
RETURNS & BORROWING STRATEGY - attached**

Report of Stephen Pleasant, Chief Executive, Tameside MBC.

8. GREATER MANCHESTER SPATIAL FRAMEWORK - attached

Report of Eamonn Boylan, Chief Executive, Stockport MBC.

**9. GREATER MANCHESTER EMPTY HOMES CONSORTIUM - POST 2015 -
attached**

Report of Eamonn Boylan, Chief Executive, Stockport MBC.

10. EXCLUSION OF PRESS AND PUBLIC

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following item of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The Combined Authority is recommended to agree the attached resolution excluding the public from the meeting during consideration of this item.

PART B

11. INDIVIDUAL ELECTORAL REGISTRATION

Verbal Report of Theresa Grant, Chief Executive, Trafford Council.

Agenda Contact:

Sylvia Welsh/Kerry Bond
Democratic Services Team
GMIST

Secretary

Tel: 0161 234 3383/3302

Email: sylvia.welsh@agma.gov.uk/k.bond@agma.gov.uk

D.Hall, AGMA

**JOINT MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY
AND AGMA EXECUTIVE BOARD**

28 NOVEMBER 2014

APOLOGIES

Part 5A, sections 3.1 and 3.2 of the constitution of the GMCA states that:-

- 3.1 *Each Constituent Council shall appoint one of its elected members to be a Member of the GMCA.*
- 3.2 *Each Constituent Council shall appoint another of its elected members to act as a Member of the GMCA in the absence of the Member appointed under sub-paragraph 3.1 above ("the Substitute Member")*

The following members and substitutes were confirmed at the Annual General meeting of the Authority on 27 June 2014.

Any substitute attending today is requested to confirm his/her attendance under this item.

	GMCA Member	GMCA Substitute
Bolton	Cllr C Morris	Cllr L Thomas
Bury	Cllr M Connolly	Cllr R Shori
Manchester	Cllr R Leese	Cllr S Murphy
Oldham	Cllr J McMahon	Cllr J Stretton
Rochdale	Cllr R Farnell	Cllr P Williams
Salford	Mr I Stewart	Cllr D Lancaster
Stockport	Cllr S Derbyshire	Cllr I Roberts
Tameside	Cllr K Quinn	Cllr J Taylor
Trafford	Cllr S Anstee	Cllr M Young
Wigan	Cllr P Smith	Cllr D Molyneux

Donna Hall
AGMA Secretary

GMCA & AGMA Executive Board Meeting on 28 November 2014

Declaration Of Councillors' Interests in Items Appearing on the Agenda

NAME: _____

Minute Item No. / Agenda Item No.	Nature of Interest	Type of Interest
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary
		Personal / Prejudicial / Disclosable Pecuniary

**MINUTES OF THE JOINT MEETING OF THE
GREATER MANCHESTER COMBINED AUTHORITY AND THE
AGMA EXECUTIVE BOARD HELD ON 31 OCTOBER 2014 AT
MANCHESTER TOWN HALL**

BOLTON COUNCIL	Councillor Cliff Morris
BURY COUNCIL	Councillor Mike Connolly
MANCHESTER CC	Councillor Richard Leese
OLDHAM COUNCIL	Councillor Jean Stretton
ROCHDALE MBC	Councillor Richard Farnell
SALFORD CC	Ian Stewart
STOCKPORT MBC	Councillor Iain Roberts
TAMESIDE MBC	Councillor Kieran Quinn
TRAFFORD COUNCIL	Councillor Sean Anstee
WIGAN COUNCIL	Councillor Peter Smith (in the Chair)

JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE

Police and Crime Commissioner	Tony Lloyd
TfGMC	Councillor Andrew Fender
GMFRSA	Councillor Thomas Judge
GMWDA	Councillor Catherine Piddington

OFFICERS IN ATTENDANCE

Donna Hall	GMCA Secretary
Howard Bernstein	GMCA Head of Paid Service
Richard Paver	GMCA Treasurer
Sean Harriss	Bolton Council
Mike Kelly	Bury Council
Emma Alexander	Oldham Council
Linda Fisher	Rochdale MBC
Jim Taylor	Salford CC
Eamonn Boylan	Stockport MBC
Steven Pleasant	Tameside MBC

Theresa Grant
Simon Nokes
Jon Lamonte
John Bland

Trafford Council
New Economy
TfGM
GMWDA

Peter Fahy
Jayne Stephenson

GM Police
Office of the Police and
Crime Commissioner

Julie Connor
Sylvia Welsh
Julie Gaskell

)
) Greater Manchester
) Integrated Support Team

75/14 APOLOGIES

Councillors Jim McMahon, Sue Derbyshire, David Acton and Carolyn Wilkins and Adam Allen.

76/14 DECLARATIONS OF INTEREST

None received.

77/14 MINUTES OF THE JOINT GMCA AND AGMA EXECUTIVE BOARD MEETING – 26 SEPTEMBER 2014

RESOLVED/-

To approve the minutes of the Joint GMCA and AGMA Executive Board meeting held on 26 September 2014 as a correct record.

78/14 AGMA REVENUE BUDGET MONITORING UPDATE 2014/15

Members received a report from Richard Paver, AGMA Treasurer, presenting the 2014/15 forecast revenue outturn position as at end of September 2014.

RESOLVED/-

1. To note the report and the current revenue outturn forecast for 2014/15 which is projecting an underspend of £2,194,000.
2. To note and approve the revisions to the revenue budget plan 2014/15 as identified in paragraph 2.1 of the report.
3. To note the position on reserves as highlighted in paragraph 3.1 of the report.

79/14 EARLY YEARS PSR DEVELOPMENT FUND INVESTMENT

Members received a report from Donna Hall, Chief Executive, Wigan Council, providing an update on the £314k investment funding received from DCLG to support the Further and Faster implementation of Early Years (EY). The report sought approval to the proposed options for investment of funding to help overcome some of the challenges of implementation of the EY new delivery model.

The report also proposed a potential match for the DCLG funding from the GM PSR Development Fund to enable Greater Manchester to achieve even greater outcomes and progress towards implementation.

RESOLVED/-

1. To note the investment of £314k from DCLG to support the implementation of Early Years.
2. To agree the proposed areas for this investment as detailed in the report.
3. To approve the proposal to match the DCLG funding through the GM PSR Development Fund in order to achieve even greater outcomes.

80/14 BUSINESS RATES POOLING

Members received a report from Richard Paver, AGMA Treasurer, informing the meeting of the proposal to submit an outline proposal for the operation of a Business Rates Pool covering the 10 GM Districts and Cheshire East for the 2015/16 financial year.

The meeting was informed that all Districts Councils have now signed off the proposals and agreed to enter into the pooling agreement. It was noted that Cheshire West had expressed an interest in joining the pool in the future.

RESOLVED/-

1. To note the report and that the individual districts councils, via their S151 Officers, have signed and agreed to enter into a Business Rates Pooling agreement for 2015/16.
2. To note that a further report will be brought back to a future Joint GMCA and AGMA Executive Board meeting on the then assessed position and outlining a process to reach a final decision on pooling for 2015/16.
3. To note that a final decision on whether to confirm participation in the Business Rates Pool for 2015/16 will need to be taken by individual districts councils at the time of the consultation on the Provisional 2015/16 Settlement.

Chair.

**JOINT GREATER MANCHESTER COMBINED AUTHORITY
& AGMA EXECUTIVE BOARD MEETING**

Date: 28 November 2014

Subject: Forward Plan of Strategic Decisions of the Joint GMCA and AGMA Executive Board Meeting

Report of: Julie Connor, Head of GM Integrated Support Team

1. INTRODUCTION

1.1 At their meeting on 24 June 2011, the GMCA agreed procedures for developing a Forward Plan of Strategic Decisions for the Authority, in line with the requirements of the GMCA's constitution. The latest such plan is attached as the Appendix to this report.

2. RECOMMENDATIONS

2.1 GMCA and AGMA Executive Board members are invited to note, comment and suggest any changes they would wish to make on the latest Forward Plan of Strategic Decisions for the Joint GMCA and AGMA Executive Board; attached to this report.

3. CONSTITUTIONAL BACKGROUND AND ARRANGEMENTS AGREED BY EXECUTIVE BOARD ON 24 JUNE 2011

3.1 Under AGMA's constitution – as revised by the Operating Agreement which set up the GMCA – there is the following requirement:-

13. Forward Plan

13.1 The Board will produce a forward plan in accordance with the requirements of section 22 of the Local Government Act 2000.

3.2 The requirements of section 22 of the 2000 Act were set out in regulations made by the Secretary of State in 2001. In summary they require

- preparation of a plan covering 4 months, starting on the first day of the month
- a monthly revision of the plan
- publication of the plan fourteen days before it would come in to effect
- the plan to state
 - (i) the issue on which a major strategic decision is to be made;
 - (ii) the date on which, or the period within which, the major strategic decision will be taken;
 - (iii) arrangements for any consultation to be made before the decision is taken
 - (iv) how anyone can make representations on the matter and the date by which any such representations must be made; and
 - (v) a list of the documents to be submitted when the matter is considered

4 FORWARD PLAN: CONSTITUTIONAL REQUIREMENTS

4.1 In summary the Secretary of the Joint GMCA and AGMA Executive Board meeting is required to:-

- prepare a plan covering 4 months, starting on the first day of the month
- to refresh this plan monthly
- to publish the plan fourteen days before it would come in to effect
- state in the plan
 - (i) the issue on which a major strategic decision is to be made;
 - (ii) the date on which, or the period within which, the major strategic decision will be taken;
 - (iii) how anyone can make representations on the matter and the date by which any such representations must be made; and
 - (iv) a list of the documents to be submitted when the matter is considered

4.2 Key decisions are defined as being those which are likely:-

- a. to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- b. to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority.

In further guidance issued by the Secretary of State local authorities are required to

"agree as a full council limits above which items are significant. The agreed limits should be published."

4.3 The constitution is also quite specific about the matters which would need to be included within the Forward Plan:-

- any matter likely to result in the GMCA and AGMA Executive Board incurring significant expenditure (over £1 million), or the making of significant savings; or
- any matter likely to be significant in terms of its effects on communities living or working in the area of the Combined Authority.

plus the following more specific requirements:-

1. a sustainable community strategy;
2. a local transport plan;
3. approval of the capital programme of the GMCA and TfGM and approving new transport schemes to be funded by the Greater Manchester Transport Fund;
4. other plans and strategies that the GMCA may wish to develop;
5. the preparation of a local economic assessment

6. the development or revision of a multi-area agreement,
 7. the approval of the budget of the GMCA;
 8. the approval of borrowing limits, the treasury management strategy and the investment strategy;
 9. the setting of a transport levy;
 10. arrangements to delegate the functions or budgets of any person to the GMCA;
 11. the amendment of the Rules of Procedure of the GMCA;
 12. any proposals in relation to road user charging
- 4.3 All the matters at 1-12 above require 7 members of the Joint GMCA and AGMA Executive Board to vote in favour, except those on road user charging, which require a unanimous vote in favour
- 4.5 The attached plan therefore includes all those items currently proposed to be submitted to the Joint GMCA and AGMA Executive Board over the next 4 months which fit in with these criteria. Members should be aware that:-
- Only those items considered to fit in with the above criteria are included. It is not a complete list of all items which will be included on the Joint GMCA and AGMA Executive Board agendas
 - Items listed may move dependent on the amount of preparatory work recorded and external factors such as where matters are dependent on Government decisions; and

CONTACT OFFICER:

Julie Connor

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**JOINT GREATER MANCHESTER COMBINED AUTHORITY
& AGMA EXECUTIVE BOARD MEETING**

**FORWARD PLAN OF STRATEGIC DECISIONS
1 DECEMBER 2014 – 31 MARCH 2015**

The Plan contains details of Key Decisions currently planned to be taken by the Joint Meeting of the Greater Manchester Combined Authority and AGMA Executive Board; or Chief Officers (as defined in the GMCA and AGMA constitution) in the period between 1 December 2014 and 31 March 2015.

Please note: Dates shown are the earliest anticipated and decisions may be later if circumstances change.

If you wish to make representations in connection with any decisions please contact the contact officer shown; or the offices of the Greater Manchester Integrated Support Team (at Manchester City Council, P.O. Box 532, Town Hall, Manchester, M60 2LA, 0161-234 3124; info@agma.gov.uk) before the date of the decision.

KEY DECISION /CONTACT OFFICER/CONSULTATION DETAILS	ANTICIPATED DATE OF DECISION & DOCUMENTS TO BE CONSIDERED	DECISION TAKER
S48 Grants Programme Wider Leadership Team Chief Executive - Howard Bernstein Contact Officer: Julie Connor	19 December 2014	GMCA& AGMA Executive Board
GMCA & AGMA Budgets Wider Leadership Team Lead Officer - Richard Paver Contact Officer: Richard Paver	30 January 2015	GMCA& AGMA Executive Board
Business Rates Pooling Wider Leadership Team Lead Officer - Richard Paver Contact Officer: Richard Paver	30 January 2015	GMCA& AGMA Executive Board

**JOINT GREATER MANCHESTER COMBINED AUTHORITY
& AGMA EXECUTIVE BOARD MEETING**

Date: 28th November 2014

Subject: Investment in Local Government Association Local Bond Agency

Report of: Richard Paver, Treasurer of the GMCA

PURPOSE OF REPORT

To brief members on the setting up of the Local Government Municipal Bonds Agency and consider the GMCA making an initial investment in the Agency.

RECOMMENDATION

Members are asked to agree a capital investment of £50,000 in the Local Government Municipal Bonds Agency, such sum to be met from the underspending in the current year's capital financing budget.

BACKGROUND DOCUMENTS

Treasury Management Strategy Statement & Borrowing Limits and Annual Investment Strategy (Authority, 31st January 2014)

Letter from LGA dated 7th November 2014 to Council Leaders seeking investment in the Agency.

CONTACT OFFICERS:

Richard Paver
tel: 0161 234 3564
email: r.paver@manchester.gov.uk

RISKS/IMPLICATIONS

Financial:

The investment of monies in the Local Government Municipal Bonds Agency carries a degree of risk around the return on the investment and the security of the sum invested. A successful launch of the Agency is likely to lead to alternatives options for the Authority's long and short-term borrowing and investments which may bring benefits in terms of lower net capital financing costs. Any actual borrowings from the Agency would be outlined in the Annual Treasury Management Strategy.

Staffing:

None.

Policy:

None.

Equal Opportunities – Has a Diversity Impact Assessment been conducted?

N/A.

1. INTRODUCTION AND BACKGROUND

- 1.1 Seventy Five per cent of council long-term borrowing sits with the Public Works Loans Board (PWLB). This near monopoly over local authority lending leaves councils vulnerable to non-market driven changes in the rates at which they can borrow and can hamper long term capital planning.
- 1.2 The increase of interest rates, to one per cent above the gilt rate, at the end of 2010 was one example of such a change and it led to the Local Government Association publishing a business case for a Municipal Bonds Agency at the beginning of 2012. The Government subsequently introduced two lower levels of borrowing rates: a discount of 20 bp for complying with reporting requirements via the 'Certainty Rate' and a single allocation for a project agreed by each LEP at 40 bp below the main PWLB rate, the 'Project Rate'.
- 1.3 The agency is to trade as Local Capital Finance Company Ltd, and is to provide finance to UK local authorities for capital projects and to support local authorities more cost effectively using their borrowing powers under the Local Government Act 2003.
- 1.4 The purpose of the agency is to offer councils a viable alternative source of capital funding at a lower cost than existing sources and introduce sector owned diversity into the local government lending market.
- 1.5 It will allow local authorities greater control over their funding costs in the future, by being able to demonstrate the value of peer pressure and capital market disciplines.

2. AIM OF THE AGENCY

- 2.1 The agency will aim to deliver economic benefit to local authority borrowers while endeavouring to provide an economic return to local authority equity investors.
- 2.2 The Company currently envisages funding its lending through any or all of the following means:
 - Issuance of bonds into the public markets or by private placement
 - Arranging lending or borrowing directly from local authorities
 - Sourcing funding from other third party sources, such as banks, pension funds or insurance companies.

- 2.3 It believes that through arranging such lending it will be able to reduce the costs of borrowing by local authorities and provide increased opportunities for local authorities to lend to each other.

3. HOW THE AGENCY WILL WORK

- 3.1 The agency will be an independent company owned by local government with the sole aim of reducing financing costs for councils through arranging lending at competitive interest rates.
- 3.2 The Company aims to create an effective competitor to the existing sources of lending to UK local authorities, primarily the Public Works Loan Board.
- 3.3 It will achieve this through implementing an appropriate credit process, a risk capital and liquidity structure and joint and several guarantees from the borrowers. This should enable the agency to receive a strong credit rating and thereby achieve more favourable bond pricing.
- 3.4 It will pass on to local authority borrowers the benefits of any reduction in borrowing costs, net of related transaction costs and a margin to be paid to the Company.
- 3.5 It is envisaged that the Company will issue its first bond and begin lending to local authorities in March/ April 2015. The Company will support the volume of borrowing by issuing bonds twice annually in March/ April and September/ October of each year.
- 3.6 There are a range of controls in place designed to prevent a local authority from defaulting on its obligations. In addition there are legislative measures that are likely to ensure that even if an authority defaults its creditors are able to recover sums owing to them.
- 3.7 The Company will charge a fee to borrowers, based on the volume of their loans.
- 3.8 It is envisaged that once the agency is generating a sufficient profit it would be able to start paying a dividend to investors.
- 3.9 Shares in the agency will be transferable and therefore a council could sell its shares to other local authorities.

4. PROGRESS TO DATE

- 4.1 More than £4.5m has currently been raised by 38 councils and the Local Government Association.

- 4.2 This has exceeded the target set for the initial fundraising and takes the agency over half way to the total amount of capital required.

5. RISK FACTORS

- 5.1 The Company is newly formed and has only recently commenced operations; therefore it does not have any historical financial statements or other meaningful operating of financial data that can be used to evaluate the Company's ability to achieve its business.
- 5.2 There is no equivalent organisation in the UK and the establishment of the Company involves a number of untested concepts
- 5.3 Local Authority demand for borrowing from the Company may not materialise and therefore the Company will be unable to achieve profitability within the anticipated timeframes.
- 5.4 The Company may not be able to issue bonds at prices which enable it to provide competitive lending rates to local authorities, as a number of factors which impact on the ability to issue bonds or bond pricing are unpredictable and outside of the Company's control.
- 5.5 The Public Works Loan Board may reduce its margins, making the Company's interest rates unattractive for local authority borrowers.

6. CONCLUSION AND RECOMMENDATION

- 6.1 A number of approaches have been made to each district council in Greater Manchester, and with the exception of Oldham, none had indicated that it intends to invest, largely due to the initial long-term bond offer not fitting the requirements of each authority's debt management strategy.
- 6.2 The LGA Bond Agency has, however, sought to obtain buy-in from Greater Manchester and has made presentations to both GM Treasurers collectively and individually. Arising from these meetings, it became clear that the offerings of the Agency, once successfully launched, could well be of interest to the Combined Authority given the significant levels of longer term borrowings needed over the medium term. Whilst not having the capital available to invest a substantial sum, GM Treasurers are agreed that an investment of £50,000 from the GMCA would be appropriate and would seek support for the investment.

- 6.3 It is recommended that approval is given for the Greater Manchester Combined Authority to invest £50,000 in the Local Capital Finance Company Ltd, as part of the funding required to launch the agency. A letter of Intent is required to be submitted by 4th December 2014 indicating the GMCA's intent to invest in the Company.

Appendix 1

Councils who are current shareholders in the Local Capital Finance Company Ltd

Adur DC	Birmingham City Council
Blackpool Council	Brighton and Hove CC
Cambridgeshire CC	LB Camden
Cheshire West and Chester Council	Local Government Association
LB Hackney	Halton BC
Ipswich BC	Lancashire CC
LB Lewisham	North Lincolnshire
North Somerset Council	Northamptonshire CC
Norwich City Council	Oldham Council
Portsmouth City Council	Reading BC
Ribble Valley BC	Rochford DC
Rugby BC	Sevenoaks DC
Slough BC	LB Southwark
South Cambridgeshire DC	South Holland DC
South Norfolk Council	Stevenage BC
LB Sutton	Warrington BC
Warwickshire CC	Watford BC
Westminster City Council	Worcestershire CC
Worthing BC	York City Council

**JOINT GREATER MANCHESTER COMBINED AUTHORITY
& AGMA EXECUTIVE BOARD MEETING**

Date: 28th November 2014

Subject: Greater Manchester Metropolitan Debt Administration Fund –
Estimated Rates of Interest and Borrowing Strategy 2014/15
Revised and 2015/16 Original

Report of: Steven Pleasant, Chief Executive, Tameside MBC

PURPOSE OF REPORT

The purpose of the report is to present the Fund's estimated rates of interest for 2014/15 and 2015/16 together with the borrowing strategy to be employed.

The main points of the report include:-

The debt outstanding as at 1st April 2014 was £139m, estimated to reduce to £125m in 2014/15 and £110m in 2015/16.

As the maturity profile of the Public Works Loan Board (PWLB) loans undertaken by the Fund differs from the principal repayments by Districts each year, there is a requirement to undertake borrowing or invest surplus funds.

The estimated pool rate (revised) for 2014/15 is 5.73%, compared to original estimate of 5.74%. There is no significant borrowing requirement for 2014/15.

The estimated pool rate for 2015/16 is 5.33%. This is due to a number of higher interest rate loans maturing in 2014/15 and 2015/16, which consequently produces a decreased pool rate. There is a borrowing requirement of £6.8m for 2015/16. Temporary borrowing will be taken up to cover this.

RECOMMENDATIONS

That the revised 2014/15 estimate and the original 2015/16 estimate be noted.

CONTACT OFFICERS

The background documents for this report may be inspected by contacting Mr Michael Ashworth, Resource Manager, Tameside M.B.C.
Telephone number 0161 342 4364. e-mail michael.ashworth@tameside.gov.uk

1. INTRODUCTION

1.1. This report sets out the estimated borrowing requirement, the borrowing strategy and estimated rate of interest for 2014/15 and 2015/16.

2. BORROWING REQUIREMENT FOR 2013/14 AND ESTIMATED POOL RATE

2.1. At 1st April 2014 the Fund had the following debt:-

	£000
PWLB	136,027
Temporary Loans	3,011
Transferred Debt and Creditors	728
	<hr/>
	139,766
Less Debtors	720
	<hr/>
	139,046

2.2. The Fund's borrowing requirement for the year is estimated to be:-

Long Term Debt Maturing	£000
PWLB	12,740
Transferred Debt	33
	<hr/>
	12,773
Less Estimated Principal Repayments by Districts	14,185
	<hr/>
	Surplus 1,412

2.3. The surplus will be used to repay temporary borrowing taken up to cover earlier deficits.

2.4. Long term borrowing is restricted by the end date of the Fund (2022), which in turn has meant that it is difficult to successfully reschedule in the present interest rate yield curve. The portfolio of loans is regularly reviewed, in conjunction with our treasury management advisors, and a pro-active approach is taken to identify any suitable opportunities to re-schedule debt.

2.5. The revised estimated pool rate for 2014/15 is 5.73% (inc. 0.038% debt management expenses) which compares with an original estimate of 5.74% (inc. 0.038% debt management expenses).

3. BORROWING REQUIREMENT 2015/16 AND ESTIMATED POOL RATE

3.3. The estimated borrowing requirement for 2015/16 is:-

Long Term Debt Maturing	£'000
PWLB	22,000
Transferred Debt	33
	<hr/>
	22,033
Less Estimated Principal Repayments by Districts	15,183
	<hr/>
	Deficit 6,849

- 3.4. The changes made by the PWLB to introduce separate rates for the premature repayment of debt and the increase in the cost of new PWLB borrowing by approximately 1%, has significantly reduced the ability to re-schedule debt. A proactive approach will be maintained to work with our Treasury Management advisors to identify those opportunities that remain.
- 3.5. The estimated pool rate for 2015/16 is 5.33% of which 0.049% relates to debt management expenses.
- 3.6. There is a small decrease in the estimated 2015/16 pool rate (5.33%) from the revised estimate 2014/15 pool rate (5.73%). This is due to a number of higher interest rate loans maturing in 2014/15 and 2015/16 which consequently produces a decreased pool rate.
- 3.7. It should be noted that the longer term trend has been a year on year reduction in the GMMDAF pool rate. The 2015/16 pool rate shown above is an estimate only and may reduce, as per 2014/15. Every opportunity will be taken to reduce the pool rate, although rescheduling opportunities are now very limited.
- 3.8. The debt management expenses incurred are driven by the level of borrowing required (both long term and temporary) and transactions carried out during the year. Any increase in activity, due to re-scheduling, should be more than off-set by a lowering of the pool rate.
- 3.9. A detailed breakdown of estimates is included in the following appendices.
- | | |
|----------------|---|
| Appendix A | The composition of debt management expenses. |
| Appendix B | An analysis of the debt outstanding by service as at the 1 st April 2014. |
| Appendix C & D | Debt charges due from each relevant authority during 2014/15 and 2015/16 based on the debt outstanding and the estimated interest rate. |

GREATER MANCHESTER METROPOLITAN DEBT ADMINISTRATION FUND

	ORIGINAL ESTIMATE 2014/15	REVISED ESTIMATE 2014/15	ORIGINAL ESTIMATE 2015/16	COMMENTS
CENTRAL ESTABLISHMENT CHARGE	45,000	45,000	45,000	Estimate reduced in 2013/14 due to limited rescheduling opportunities and service redesign.
PWL/BROKERS COMMISSION	6,119	5,540	14,046	Due to the maturity profile of the PWLB loan portfolio, the average level of temporary borrowing in year is estimated to increase from £5.5m in 14/15 to £14.1m in 15/16. The commission charge therefore increases in proportion to this, but is more than offset by interest saving.
PRE 1974 TRANSFERRED DEBT DME	215	139	139	Based on figures provided by other Authorities
OTHER EXPENSES, CHAPS, ETC.	1,710	1,710	1,710	These are fixed costs, relating to bank charges and advisors fees, therefore estimates are unchanged
TOTAL EXPENDITURE	53,045	52,389	60,895	

% of Pool Rate

0.038

0.038

0.049

GREATER MANCHESTER METROPOLITAN DEBT ADMINISTRATION FUND - ANALYSIS OF DEBT OUTSTANDING AS AT 1st April 2014 BY AUTHORITY AND SERVICE

SERVICE	FIRE & CIVIL DEFENCE	POLICE	INTERGRATED PASSENGER	PROBATION	WASTE DISPOSAL	AIRPORT	CONSUMER SERVICES	HIGHWAYS	PLANNING	POLICY NON-INNER CITY	RECREATION	FINANCE	POLICY - INNER CITY	TOTAL
PCC for GM		9,676,137.75												9,676,137.75
GM FIRE	4,736,138.25													4,736,138.25
GMCA			23,515,075.72											23,515,075.72
BOLTON MBC				118,720.46		1,227,379.51	26,827.72	6,065,353.69	661,946.29	374,258.32	811,117.18	41,062.95		9,326,666.11
BURY MBC				78,965.22		816,374.13	17,844.07	4,035,017.57	440,284.22	248,932.62	539,702.73	27,312.44	193,329.52	6,397,762.52
MANCHESTER CC				206,590.85		2,135,818.84	46,684.13	10,556,554.65	1,151,882.81	651,263.89	1,411,994.55	71,455.49	1,528,025.52	17,760,270.72
OLDHAM MBC				100,137.72	10,941,376.28	1,035,263.83	22,593.86	5,108,457.92	557,480.24	315,194.18	683,195.82	34,582.54		18,798,282.39
ROCHDALE MBC				93,686.02		968,563.55	21,170.59	4,894,135.24	522,362.51	295,338.93	669,412.52	32,404.05		7,497,073.42
SALFORD MBC				110,178.76		1,139,072.07	24,897.52	5,630,781.87	614,320.60	347,331.19	753,253.78	38,108.55	707,849.85	9,365,794.19
STOCKPORT MBC				131,351.25		1,357,961.80	29,681.95	6,710,404.26	732,371.50	414,076.07	897,345.02	45,431.67		10,318,623.51
TAMESIDE MBC				97,820.57		1,011,308.13	22,104.89	5,110,122.85	545,415.38	308,372.81	698,954.98	33,834.09		7,827,933.69
TRAFFORD MBC				98,910.99		1,022,581.39								1,121,492.38
WIGAN MBC				139,620.34	1,474,039.86	1,443,450.91	31,550.55	7,293,733.04	778,477.20	440,143.81	997,625.94	48,291.78	58,075.67	12,705,009.09
	4,736,138.25	9,676,137.75	23,515,075.72	1,175,982.18	12,415,416.14	12,157,774.16	243,355.28	55,404,561.09	6,004,540.75	3,394,911.82	7,462,602.52	372,483.56	2,487,280.56	139,046,259.74

G.M. METROPOLITAN DEBT ADMINISTRATION FUND 2014/15

Appendix C

RATE OF INTEREST (%)	5.7310
YEARS TO RUN	8
INC DEBT MANAGEMENT RATE (%)	0.0377
ANNUITY FACTOR	0.16

AUTHORITY/SERVICE	POPULATION	DEBT			DEBT			EQUATED		TOTAL
		OUTSTAND'G	EXTRA	PRINCIPAL	OUTSTAND'G	DEBT	INTEREST	PAYMENTS		
		01/04/2014	REPAYMENT	REPAYMENTS	01/04/15	2014/15	CHARGE	IN 2014/15		
		£	£	£	£	£	£	£	£	
GM POLICE AUTHORITY		9,676,138	0	987,120	8,689,018	9,676,138	554,537	1,541,656		
GM FIRE & CD AUTHORITY		4,736,138	0	483,161	4,252,977	4,736,138	271,427	754,588		
GMCA		23,515,076	0	2,398,911	21,116,165	23,515,076	1,347,643	3,746,554		
BOLTON MBC	261300	7,980,566	0	814,144	7,166,422	7,980,566	457,364	1,271,509		
AIRPORT		1,227,380	0	125,212	1,102,167	1,227,380	70,341	195,553		
PROBATION		118,720	0	12,111	106,609	118,720	6,804	18,915		
BURY MBC	173800	5,309,094	0	541,612	4,767,482	5,309,094	304,263	845,875		
AIRPORT		816,374	0	83,283	733,091	816,374	46,786	130,069		
PROBATION		78,965	0	8,056	70,910	78,965	4,525	12,581		
INNER CITY		193,330	0	19,723	173,607	193,330	11,080	30,802		
MANCHESTER CC	454700	13,889,836	0	1,416,984	12,472,852	13,889,836	796,023	2,213,006		
AIRPORT		2,135,819	0	217,887	1,917,931	2,135,819	122,403	340,291		
PROBATION		206,591	0	21,076	185,515	206,591	11,840	32,915		
INNER CITY		511,373	0	52,168	459,205	511,373	29,307	81,475		
VIC CENT STATION		1,016,653	0	103,715	912,938	1,016,653	58,264	161,979		
OLDHAM MBC	220400	6,721,505	0	685,700	6,035,804	6,721,505	385,208	1,070,908		
AIRPORT		1,035,264	0	105,613	929,651	1,035,264	59,331	164,944		
PROBATION		100,138	0	10,216	89,922	100,138	5,739	15,955		
GM WASTE DISPOSAL		10,941,376	0	1,116,194	9,825,182	10,941,376	627,047	1,743,241		
ROCHDALE MBC	206200	6,434,824	0	656,454	5,778,370	6,434,824	368,778	1,025,232		
AIRPORT		968,564	0	98,809	869,755	968,564	55,508	154,317		
PROBATION		93,686	0	9,557	84,129	93,686	5,369	14,927		
SALFORD MBC	242500	7,408,694	0	755,804	6,652,889	7,408,694	424,590	1,180,395		
AIRPORT		1,139,072	0	116,203	1,022,869	1,139,072	65,280	181,483		
PROBATION		110,179	0	11,240	98,939	110,179	6,314	17,554		
INNER CITY		707,850	0	72,212	635,638	707,850	40,567	112,779		
STOCKPORT MBC	289100	8,829,310	0	900,730	7,928,581	8,829,310	506,006	1,406,735		
AIRPORT		1,357,962	0	138,534	1,219,428	1,357,962	77,824	216,358		
PROBATION		131,351	0	13,400	117,951	131,351	7,528	20,928		
TAMESIDE MBC	215300	6,718,805	0	685,425	6,033,380	6,718,805	385,053	1,070,478		
AIRPORT		1,011,308	0	103,169	908,139	1,011,308	57,958	161,127		
PROBATION		97,821	0	9,979	87,841	97,821	5,606	15,585		
TRAFFORD MBC	217700	0	0	0	0	0	0	0		
AIRPORT		1,022,581	0	104,320	918,262	1,022,581	58,604	162,923		
PROBATION		98,911	0	10,090	88,821	98,911	5,669	15,759		
WIGAN MBC	307300	9,589,822	0	978,314	8,611,508	9,589,822	549,590	1,527,904		
AIRPORT		1,443,451	0	147,255	1,296,196	1,443,451	82,724	229,979		
PROBATION		139,620	0	14,243	125,377	139,620	8,002	22,245		
INNER CITY		58,076	0	5,925	52,151	58,076	3,328	9,253		
WASTE DISPOSAL		1,474,040	0	150,375	1,323,664	1,474,040	84,477	234,852		
TOTAL	2588300	139,046,260	0	14,184,924	124,861,336	139,046,260	7,968,705	22,153,629		

RATE OF INTEREST (%)	5.3274
YEARS TO RUN	7
INC DEBT MANAGEMENT RATE (%)	0.0488
ANNUITY FACTOR	0.17

AUTHORITY/SERVICE	POPULATION	DEBT			DEBT		EQUATED DEBT 2015/16	INTEREST CHARGE	TOTAL PAYMENTS IN 2015/16
		OUTSTAND'G 01/04/2015	EXTRA REPAYMENT	PRINCIPAL REPAYMENTS	OUTSTAND'G 01/04/16				
		£	£	£	£	£	£	£	
GM POLICE AUTHORITY		8,689,018	0	1,056,601	7,632,417	8,689,018	462,900	1,519,501	
GM FIRE & CD AUTHORITY		4,252,977	0	517,170	3,735,807	4,252,977	226,574	743,744	
GMCA		21,116,165	0	2,567,766	18,548,399	21,116,165	1,124,946	3,692,711	
BOLTON MBC	261300	7,166,422	0	871,450	6,294,971	7,166,422	381,785	1,253,236	
AIRPORT		1,102,167	0	134,026	968,142	1,102,167	58,717	192,743	
PROBATION		106,609	0	12,964	93,645	106,609	5,680	18,643	
BURY MBC	173800	4,767,482	0	579,735	4,187,747	4,767,482	253,984	833,718	
AIRPORT		733,091	0	89,145	643,946	733,091	39,055	128,200	
PROBATION		70,910	0	8,623	62,287	70,910	3,778	12,400	
INNER CITY		173,607	0	21,111	152,496	173,607	9,249	30,360	
MANCHESTER CC	454700	12,472,852	0	1,516,722	10,956,130	12,472,852	664,481	2,181,203	
AIRPORT		1,917,931	0	233,224	1,684,707	1,917,931	102,176	335,400	
PROBATION		185,515	0	22,559	162,956	185,515	9,883	32,442	
INNER CITY		459,205	0	55,840	403,364	459,205	24,464	80,304	
I/C CENT STATION		912,938	0	111,015	801,923	912,938	48,636	159,651	
OLDHAM MBC	220400	6,035,804	0	733,965	5,301,839	6,035,804	321,552	1,055,518	
AIRPORT		929,651	0	113,047	816,603	929,651	49,526	162,574	
PROBATION		89,922	0	10,935	78,987	89,922	4,791	15,725	
GM WASTE DISPOSAL		9,825,182	0	1,194,761	8,630,422	9,825,182	523,428	1,718,189	
ROCHDALE MBC	206200	5,778,370	0	702,661	5,075,709	5,778,370	307,838	1,010,498	
AIRPORT		869,755	0	105,764	763,991	869,755	46,335	152,099	
PROBATION		84,129	0	10,230	73,898	84,129	4,482	14,712	
SALFORD MBC	242500	6,652,889	0	809,004	5,843,885	6,652,889	354,427	1,163,431	
AIRPORT		1,022,869	0	124,383	898,486	1,022,869	54,492	178,875	
PROBATION		98,939	0	12,031	86,908	98,939	5,271	17,302	
INNER CITY		635,638	0	77,295	558,343	635,638	33,863	111,158	
STOCKPORT MBC	289100	7,928,581	0	964,130	6,964,450	7,928,581	422,388	1,386,519	
AIRPORT		1,219,428	0	148,285	1,071,143	1,219,428	64,964	213,249	
PROBATION		117,951	0	14,343	103,608	117,951	6,284	20,627	
TAMESIDE MBC	215300	6,033,380	0	733,670	5,299,710	6,033,380	321,423	1,055,094	
AIRPORT		908,139	0	110,431	797,707	908,139	48,380	158,812	
PROBATION		87,841	0	10,682	77,160	87,841	4,680	15,361	
TRAFFORD MBC	217700	0	0	0	0	0	0	0	
AIRPORT		918,262	0	111,662	806,599	918,262	48,920	160,582	
PROBATION		88,821	0	10,801	78,020	88,821	4,732	15,533	
WIGAN MBC	307300	8,611,508	0	1,047,176	7,564,333	8,611,508	458,771	1,505,947	
AIRPORT		1,296,196	0	157,620	1,138,576	1,296,196	69,054	226,674	
PROBATION		125,377	0	15,246	110,131	125,377	6,679	21,925	
INNER CITY		52,151	0	6,342	45,809	52,151	2,778	9,120	
WASTE DISPOSAL		1,323,664	0	160,960	1,162,704	1,323,664	70,517	231,477	
TOTAL	2588300	124,861,336	0	15,183,375	109,677,961	124,861,336	6,651,882	21,835,257	

**JOINT GREATER MANCHESTER COMBINED AUTHORITY
& AGMA EXECUTIVE BOARD MEETING**

Date: 28 November 2014

Subject: Greater Manchester Spatial Framework

Report of: Eamonn Boylan, Chief Executive, Stockport MBC

PURPOSE OF REPORT

AGMA Executive Board agreed to produce the Greater Manchester Spatial Framework as a joint DPD on 29 August and asked officers to report back on the implications of this. The recent announcement of the Greater Manchester Agreement and the move to directly elected leadership for Greater Manchester also has implications for both the preparation and content of the GMSF. In light of these developments, this report provides further information on the proposed scope of the plan as well as the required amendments to the AGMA constitution and decisions by individual Districts to initiate this process.

RECOMMENDATIONS:

The AGMA Executive Board is requested to ask:

Each full council to:

1. Approve the making of an agreement with the other 9 Greater Manchester councils to prepare jointly the Greater Manchester Spatial Framework ('GMSF') to cover housing and employment land requirements and associated infrastructure across Greater Manchester (as set out in Appendix 1 to this report) as a joint development plan document on terms to be approved by the Council's Chief Executive.
2. Note that the [Council's Executive / Cabinet/ City Mayor] will be asked to delegate the formulating and preparing of the GMSF to AGMA Executive Board
3. Note that there will be further reports to full Council in respect of, matters, which are within the remit of full Council including approval of the GMSF
4. Approve the amendment of paragraph 13.2 of Schedule 1 to the AGMA constitution by deleting the words '(initially in terms of Waste and Minerals Planning)' and authorise the updating of the AGMA Constitution to reflect this

Each Executive / cabinet/ leader/ the City Mayor (depending on each Council's own arrangements and in the event that the Councils have approved the above recommendations):

- (a). Note that full Council has approved the making of an agreement with the other 9 Greater Manchester councils to prepare jointly the Greater Manchester Spatial Framework ('GMSF') to cover housing and employment land requirements and associated infrastructure across Greater Manchester (as set out in Appendix 1 to this report) as a joint development plan document
- (b) Delegate to AGMA Executive Board the formulating and preparing of the Greater Manchester Spatial Framework ('GMSF') to cover housing and employment land requirements and associated infrastructure across Greater Manchester (as set out in Appendix 1 to this report)] insofar as such matters are executive functions.
- (c) Note that the following are the sole responsibility of full Council:
- Responsibility for giving of instructions to the executive to reconsider the draft plan submitted by the executive for the authority's consideration.
 - The amendment of the draft GMSF plan document submitted by the executive for the full Council's consideration
 - The approval for the purpose of its submission to the Secretary of State or Minister of the Crown for his approval of the GMSF if required
 - The approval of the GMSF document for the purposes of submission to the Secretary of State for independent examination.
 - The adoption of the GMSF.
- (d). Approve the amendment of paragraph 13.2 of Schedule 1 to the AGMA constitution by deleting the words ' (initially in terms of Waste and Minerals Planning) ' and authorise the updating of the AGMA Constitution to reflect this

In addition, the AGMA Executive Board is asked to:

- (i). Request a further report outlining the implications of the Devolution Agreement for the preparation of the GMSF (as set out in paragraph 1.2) and setting out future steps in the event that the above delegations are approved.
- (ii). Agree an interim approach to budget commitments in 2014/15, as set out in paragraphs 4.4 - 4.5 with Manchester acting as lead authority for the GMSF budget .

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BACKGROUND PAPERS:

GM Position on Growth - Report to GMCA – January 2014
GM Spatial Framework – consultation on evidence - Report to AGMA Executive Board – August 2014

1. INTRODUCTION

- 1.1 GMCA/ the AGMA Executive Board agreed on the 29 August 2014 that the Greater Manchester Spatial Framework (GMSF) should be progressed as a joint Development Plan Document (DPD). This would focus on future housing and employment land requirements and provide the basis for an informed and integrated approach to spatial planning across the city region, through a clear understanding of the role of our places and the relationships and connections between them.
- 1.2 The announcement on the 3 November 2014 of the Greater Manchester Agreement and the move to directly elected leadership for Greater Manchester has implications for both the preparation and content of the GMSF. The GM Agreement provides for a directly elected mayor with powers over strategic planning, including the power to create a statutory spatial framework for GM. This will act as “the framework for managing planning across Greater Manchester and will need to be approved by unanimous vote of the Mayor’s cabinet.” Legislation is required to enable these changes and it is anticipated that the first city region Mayoral election will take place in early 2017. We need to obtain further legal advice on how to design GM’s constitutional arrangements to allow a seamless transition from the preparation of a joint Development Plan document by AGMA Executive Board to the GMSF produced by GM Mayor, otherwise we run the risk of having to begin the process again.
- 1.3 Until this time however AGMA and the GMCA will continue to operate under existing constitutional arrangements. If we are to progress work on the GMSF prior to the election of a city region mayor, it is the AGMA Executive Board (rather than the GMCA itself) which will need to oversee its development.
- 1.4 The AGMA Executive Board was established, separate from the GMCA, as a Joint Arrangements Committee (known as the AGMA Executive Board) under Section 101(5) of the Local Government Act 1972 as well as section 20 of the LGA 2000 and regulations 4, 11 and 12 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. The Constitution of the AGMA Executive Board as amended, with effect from 1 April 2011 sets out the functions in Schedule 1. These include, under the heading, “Planning & Housing”, the following:
 - 13.1 *Developing and coordinating the operation of a Greater Manchester Spatial Strategy as a framework for underpinning and linking partners Local Development Frameworks and Core Spatial Strategies*
 - 13.2 *To coordinate and manage joint Local Development Framework activity across the combined administrative area on behalf of the 10 local planning authorities, in circumstance where this is agreed as appropriate (initially in terms of Waste and Minerals Planning)*
 - 13.3 *To develop and coordinate the operation of a Greater Manchester Housing Strategy*
 - 13.4 *To determine the future allocation of any pooled public sector housing resources across the combined administrative area and provide a sub-*

regional context for managing the scale, distribution and mix of new housing development.

1.5 The remit of the AGMA Executive Board (para 13.2 above) is currently limited to the preparation of joint waste and minerals DPDs only. In order to address this, the AGMA Executive Board will need to amend its constitution so that the a plan covering housing and employment can be prepared jointly by the 10 local planning authorities.

1.6 It is proposed that Schedule 1, paragraph 13.2 of the AGMA constitution is amended as follows (changes shown in italics):

“13.2 To coordinate and manage joint *Development Plan* activity across the combined administrative area on behalf of the 10 local planning authorities, in circumstance where this is agreed as appropriate *(initially in terms of Waste and Minerals Planning)* “

2 DISTRICT ARRANGEMENTS

2.1 In addition, each Local Authority is required to obtain full council approval to prepare a new joint development plan as well as the approval of its executive (whether that is the Cabinet, Leader or City Mayor) to delegate the preparation of the GMSF as a joint DPD to AGMA Executive Board. Full council approval by all 10 will also be required prior to submission of the draft plan to the secretary of state and to adopt the final plan once it has been through the examination in public.

2.2 The preparation of the GMSF as a DPD will need to be reflected in each District's Local Development Scheme (LDS), which sets out the three-year project plan identifying which local development documents will be produced, in what order, and when. A report will be brought back to AGMA Executive Board outlining a proposed approach to this.

2.3 Further work is required to ensure that individual district Statements of Community Involvement (SCI) reference the joint DPD appropriately. This will ensure that relevant planning regulations are adhered to and help to provide a consistent approach to consultation and engagement across GM. A consultation strategy has been prepared which sets out our approach (Appendix 2).

3 SCOPE OF THE GMSF

3.1 The GMSF will express the long term spatial vision for Greater Manchester and be a pro-active tool for managing growth, providing the 'roadmap' for the type of place(s) we want to create. There is a balance between what is needed at the Greater Manchester scale to support our growth and reform objectives and those matters that require a finer granularity and are best addressed at the individual district scale.

3.2 The scope of the document may now be set by legislation rather than agreement between the ten local authorities. The Greater London Act 1999

sets out the powers of the London Mayor, with sections 334-350 covering planning. Section 334(5) states that the Mayor's spatial development strategy (i.e. The London Plan) "must deal only with matters which are of strategic importance to Greater London". The use of the word "only" is important and it is reasonable to expect something similar in the legislation devolving powers to Greater Manchester so as to ensure that the existing powers of local authorities are protected. The devolution agreement is clear that the planning powers are "new" and the agreement is not about taking existing powers from local authorities.

- 3.3 Notwithstanding the above, following discussion with senior officers in each district and a recent consultation on the GMSF initial evidence base, it is proposed that the GMSF should focus on the overall spatial strategy, that is, the amount of housing and employment floorspace development that should be provided in each district, and the key locations for delivering this (opportunity areas).
- 3.4 Distribution within districts would be set out in district Local Plans, but would clearly be informed by the opportunity areas identified in the GMSF. Comprehensive site allocations, including the boundaries of the opportunity areas and the requirements for individual sites, would be included in district Local Plans. In terms of infrastructure, the GMSF would focus on identifying the broad location of strategically significant schemes required to deliver the overall scale and distribution of development, with district Local Plans then providing more detail on the delivery of those schemes as well as identifying other, locally important infrastructure requirements.
- 3.5 This approach means that the scope of the GMSF would be reasonably broad, but not fully comprehensive. Further detail is set out in (Appendix 1).
- 3.6 The consultation exercise which has recently ended has generated discussion around the scope. Once the responses have been fully considered a more detailed report will be brought back to the AGMA Executive Board for further consideration.

4. RESOURCES

- 4.1 Budget estimates for developing the GMSF were originally prepared on the basis that it would be a non statutory plan and work could be completed within two years. A Sustainability Appraisal ('SA') was commissioned and work was begun on that basis in order to meet the tight timescales originally envisaged.
- 4.2 When AGMA Executive Board made the decision in August to progress the GMSF as a statutory development plan, officers were requested to report back on the full implications of the decision, factoring in the additional tasks and extended timescales required to deliver the GMSF as a statutory plan. Work to clarify the scope of the GMSF is set out in more detail in section 4 of this report. Ongoing discussions are underway between districts around their own capacity and workload demand. The aim is to identify which tasks can be delivered 'in-house' by officers within districts and which would need to be procured externally, based on capacity or skills required.

- 4.3 Initial scoping work on the sustainability appraisal has continued, but it is likely that the range of the Sustainability Appraisal will need to extend to reflect the full scope of the GMSF and that costs will therefore increase. The timescales for production of the SA have also increased, in line with the extended process for producing the GMSF as a statutory plan.
- 4.4 Whilst a budget for the GMSF has not been approved by AGMA Executive Board, some expenditure for independent legal advice (£8.5k), project assurance (£1.2k) and scoping the sustainability appraisal (£13.8k) has been incurred. As such, it is requested that this expenditure (23.5k) with an additional budget of £10k (for the further legal advice referred to in paragraph 1.2 above), amounting to £33.5k in total, be approved by AGMA Executive Board, subject to a more detailed report on the overall GMSF budget to AGMA Executive Board at a later date.
- 4.5 As AGMA is not an incorporated body in its own right it is unable to commission (or pay for) external work in support of the GMSF. As such, and whilst the plan comes under the auspices of AGMA, contracts or payments would need to be agreed and carried out on AGMA's behalf through one of the ten GM authorities. Given the role of Manchester City Council in providing financial management and legal advice to AGMA and the GMCA, it is recommended that Manchester could act as lead authority for the GMSF budget during the current phase of work.

5. TIMETABLE

- 5.1 The timetable will partly depend on the scope of the document and the resources available for its production. The initial stage of consultation on the 'objectively assessed GM housing / employment land need' is relatively narrow and so it is considered advisable to consult on a more comprehensive evidence base and options around key issues before publishing a full draft GMSF. A further report will be prepared setting out the proposed timetable once there is more clarity around the implications of the devolution agreement.

Appendix 1

Issue	GMSF	Local Plan
Vision and Strategy	<ul style="list-style-type: none"> • A spatial vision for Greater Manchester's (GM) development • The role of different places and their contribution to this overall vision • Any large opportunity areas (based on an agreed size threshold) that will deliver major levels of development and their general location (not precise boundaries) • A general description of the key infrastructure that opportunity areas will require 	<ul style="list-style-type: none"> • Implications of the GMSF vision, how the district will contribute to the achievement of the GM vision • Likely to cover a range of issues outside of the GMSF scope • Detail on the delivery of the GMSF opportunity areas • Any other key opportunities important for the district
Economic Development	<ul style="list-style-type: none"> • Gross floorspace requirement for GM and each District in terms of offices, industry and warehousing district informed by overall spatial strategy • Any key locations (not boundaries) for office, industry and warehousing development, including an approximate level of provision • Any key locations for tourism development • Potential to identify a small number of existing areas that are strategically significant 	<ul style="list-style-type: none"> • Distribution of floorspace within the district • Allocate sites for development, including any key locations identified in the GMSF • Sites for tourism development, including in key locations identified in the GMSF • The approach to existing employment areas, including protection and redevelopment
Housing	<ul style="list-style-type: none"> • Overall GM requirement to meet demographic/economic demands • Net figure for each district informed by overall spatial strategy • General phasing for GM as a whole, taking sub-regional delivery issues into account • Broad mix of housing required to meet GM requirement • Spatial implications of demographic/economic drivers • Number of gypsy and traveller pitches required in each district and travelling showpeople plots 	<ul style="list-style-type: none"> • Distribution of housing within the district and site allocations • Detailed phasing for the district, potentially including the role of strategic sites • Mix of housing in different parts of the district and mix on allocated sites • Appropriate densities in different areas and suitable densities on site allocations

Issue	GMSF	Local Plan
	<ul style="list-style-type: none"> • Proportion of household growth that will be in the 65+ age group • Very broad locations that could meet particular types of demand, such as 'aspirational' housing 	<ul style="list-style-type: none"> • Proportion of new housing that should be affordable, including the tenure split – may vary by area and site allocations • Details of how the needs of older age groups will be accommodated • Criteria for new Gypsy, traveller sites and site allocations • More detailed identification of any market segments that could be met, including through site allocations • Any other issues not covered in the GMSF (eg student housing, housing for people with disabilities, service families, etc)
Town Centres	<ul style="list-style-type: none"> • Hierarchy of larger town centres and a brief explanation of the role and opportunities • Role of the key out of town centres 	<ul style="list-style-type: none"> • Boundaries of centres in the GMSF hierarchy (including boundaries of shopping areas and frontages, etc), and investment proposals • Identification of smaller centres • Scale and distribution of retail and leisure developments, etc and site allocations
Transport	<ul style="list-style-type: none"> • Broad location of strategic schemes required to deliver the proposed scale and distribution of development • Explain essential role of key transport infrastructure such as Manchester Airport 	<ul style="list-style-type: none"> • More detail on the delivery of GMSF strategic schemes • Identify other, more local transport schemes • Protection of existing transport routes • Other issues not covered in GMSF eg Parking and accessibility standards, etc
Other infras-tructure	<ul style="list-style-type: none"> • Broad location of strategic schemes for water, waste water, gas and electricity to deliver the proposed scale and 	<ul style="list-style-type: none"> • Detail on the delivery of any GMSF strategic schemes

Issue	GMSF	Local Plan
	<p>distribution of development</p> <ul style="list-style-type: none"> • Overall strategy for delivering low carbon energy and any GM wide significant opportunities • Overall strategy for managing flood risk and broad location of any strategic infrastructure required • Role of social infrastructure and implications of 'opportunity areas' on current infrastructure (eg health or education). • Strategically or internationally important facilities, eg for sports and leisure 	<ul style="list-style-type: none"> • Local infrastructure schemes • Opportunities for renewable and decentralised energy • Policies on managing flood risk and site allocations • Site allocations for social infrastructure and criteria for new facilities or redevelopment of existing sites • Local standards for recreation provision and site allocations as well as protection of existing facilities.
Environment	<ul style="list-style-type: none"> • Climate change will be part of the overall spatial strategy, and a consistent theme through the GMSF, with a broad approach to maximising economic opportunities whilst reducing emissions and enhancing resilience/adaptation • Overall strategy for GMs green and blue assets and the role of a quality environment in meeting the vision for GM • The strategic green and blue infrastructure network in GM and any key gaps in it that need to be addressed (broad locations) • Overall strategy for addressing poor air quality and reducing air quality management areas 	<ul style="list-style-type: none"> • Local policies on climate change mitigation and adaptation • Identify precise boundaries of both the strategic and local green infrastructure network • Set out how gaps in the strategic and local networks will be addressed • Identify local green infrastructure standards • Local Green Space designations • Local policies on reducing, and mitigating the impacts of, air pollution • Protection and enhancement of heritage assets
Development management	<ul style="list-style-type: none"> • Any strategic development management policies required to clarify how key aspects of the GMSF are delivered, eg on high quality of places 	<ul style="list-style-type: none"> • Comprehensive suite of local development management policies covering many of the issues above as well as others beyond the remit of GMSF • Each district may also provide further

Issue	GMSF	Local Plan
		guidance in supplementary planning documents as required

**JOINT GREATER MANCHESTER COMBINED AUTHORITY
& AGMA EXECUTIVE BOARD MEETING**

Date: 28 November 2014

Subject: GM Empty Homes Consortium: Post April 2015

Report of: Eamonn Boylan, Chief Executive, Stockport MBC

PURPOSE OF REPORT

To consider the future of work on empty homes in Greater Manchester beyond the expiry of current capital funding programmes in April 2015.

RECOMMENDATIONS

- (a) To approve the proposal that a joint GM approach to empty homes should continue;
- (b) To approve the development and implementation of the approach set out in this report to achieve:
- the continuation of a GM consortium approach to Affordable Homes Programme (AHP) funding for empty homes beyond April 2015 with those districts and partners keen to continue;
 - further development work through joint working with district colleagues on a flexible revolving fund for empty property, linked to TopCo; and
 - further sharing of best practice and experience, including through the dissemination of the outcomes of the Knowledge Transfer Partnership project; and
- (c) To delegate authority to the Head of Paid Service, Treasurer and Monitoring Officer to agree the necessary documents with the Homes & Communities Agency (HCA) and consortium partners for AHP funding to assist in the return of empty homes to use as affordable housing; and
- (d) To authorise the Monitoring Officer to complete the necessary documentation.

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1 INTRODUCTION

1.1 Our main current funding programmes for GM empty homes work reach an end on 31 March 2015. Discussions with both districts and members of the existing GMCA empty homes consortium have shown that an appetite for a continued GM approach to empty homes work exists. If we pursue this, it would necessarily be – as with the current programme – a mix of GM level coordination and collaboration with local outreach, communication and delivery.

1.2 This has to be seen in the context of:

- assumed continued (national and local) political backing for and interest in empty homes as both a potential problem to be resolved and an opportunity to generate additional housing supply;
- declining but still significant numbers of empty homes across GM meaning that the scale of intervention needs to be both flexible and carefully calibrated;
- continued shift in availability of resources from grant to revolving/recycling investment, and greater control of resources for GM through devolution/City Deal, Housing Investment Board and emerging ‘TopCo’ structures;
- significant investment of time made in the delivery of current AHP and Clusters programmes by consortium members and districts, leading to the return of 900 or more properties to use, and to a much clearer understanding of the key elements of empty homes work;
- learning captured and codified through the Knowledge Transfer Partnership programme led by Tameside Council and Salford University and ready to be disseminated and embedded in the final phase of that project; and
- creation of the Empty to Plenty brand, standard lease framework and other shared elements of a GM ‘toolkit’ as assets we can continue to exploit.

2 BACKGROUND

2.1 The two current programmes now operating in GM for investing in returning empty properties to use are both due to wind up at the end of March 2015 – the CLG-funded Clusters of Empty Homes programme, and the AHP 2012-15 programme. The former is not expected to be repeated, but AHP continues for another three year programme period from 1 April (AHP2). Four GM housing providers have successfully bid for allocations from AHP2 for continuing empty homes work – Six Town Housing in Bury and City West in Salford for Purchase & Repair; Ashton Pioneer in Tameside and Aksa in Manchester, Oldham and Rochdale for Lease & Repair. Significantly, £814 million of the AHP2 fund remains to be allocated under Continuous Market Engagement (CME) arrangements from HCA, with the CME process now opened for bids.

- 2.2 As at 11 November, the GMCA-led Consortium delivering AHP investment had started work on 458 units to be returned to use as affordable housing by end March. Current expectations, based on latest profiling information from providers, is that the final programme will be in excess of 500 units, although much remains to be done to bring those to completion.

3 HEADLINE OPTIONS: A CONTINUED GM PROGRAMME OR REVERT TO LOCAL ACTION

- 3.1 We should be clear that we could choose to step back from GM collaboration on empty homes at this point as the current AHP programme ends. Districts and their RP partners could revert to bidding separately for AHP funding and manage those as separate programmes, entirely at their own risk. We know that some will do that if the GM approach ceases – and also that some may halt their empty homes work without the GM lead. Lessons from current joint working, including the Knowledge Transfer Programme, could be disseminated and left with districts and partners to use individually, as could the various other elements of the ‘toolkit’, including the standard lease. There would be no need for a GM-level programme management function.

- 3.2 Conversely, if we choose to continue working together, there are a number of potential advantages:

(a) By continuing a **consortium approach**, we can

- reduce risk to individual partners by managing resources across a broad programme and connecting them to advice and support within the consortium;
- continue to innovate and test new approaches and ideas beyond the requirements/restrictions of current funding streams e.g. looking at supporting owners going into care and providing a ‘breathing space’ solution for their existing property which would otherwise be empty;
- share capacity and expertise on issues such as enforcement options, and seek to influence other key players – including lenders – using our collective strength; and
- open up possibilities around simplified procurement processes on a collective basis.

(b) By continuing a **GM-wide programme approach**, we can

- retain an ability to achieve good overall unit costs by having a broader portfolio of schemes across a GM footprint, while still being able to tackle some more expensive projects where they can be justified;
- work with partners to maximise the collective capacity available to engage with owners and work with them to secure their commitment;
- share and further develop good practice and learning between partners; and
- tap into alternative sources of investment – public and private - and connect empty property work with wider projects and strategies such

as town centre regeneration, local neighbourhood/place management approaches, etc.

- (c) By emphasising an **ongoing commitment** to empty homes work, we can
- be confident enough to tackle more complex or time-consuming projects currently difficult to deliver through time-limited programmes;
 - maximise GM's ability to tap into short notice or end of programme funds available from HCA by providing a degree of comfort to partners that GM/districts will continue to support empty homes work and therefore encouraging them to maintain a pipeline of possible schemes to take forward;
 - do more scheme-linked skills & employment work which naturally take longer than 'conventional' schemes, but can achieve broader strategic outcomes;
 - the previous point can be facilitated by using local SME contractors – a continuing programme might allow a procured standard list of local contractors to be maintained, adding flexibility and potentially helping keep the pressure on costs of delivery; and
 - benefit from regular and repeated communication aimed at a changing population of empty home owners using an established brand, exploiting social media and other digital channels, and including messaging aimed at encouraging 'self-help' by empty home owners as well as delivery through direct investment.

3.3 Taking those on board, we might set an overall aim of reducing the number of empty homes and other empty property in GM, thereby creating additional homes for GM residents. Below that possible programme objectives would be as follows:

- (a) ability to tackle both residential and non-residential empty property and bring it back into housing and (where appropriate) mixed use with a residential element;
- (b) continued supply of additional affordable housing for local residents, but also ability to pursue market sale, rent or intermediate tenure outputs as appropriate;
- (c) a sustainable revolving pot approach as a desired outcome with long term benefits for empty homes work in GM if we can achieve it;
- (d) continued coordinated communication, engagement, shared learning and good practice development across the GM network of providers and districts; and
- (e) flexible use of funding on a programme basis to support effective delivery.

4 **OUTLINE STRUCTURE**

4.1 The headlines below are intended to suggest the outline of a continuing GM approach. It is proposed that this is seen as one element of the wider residential growth agenda being pursued by GM in partnership with HCA and Government. That said, there are distinctive features of work on

empty homes that mean some of the thinking around driving new build development needs to be modified to deal with existing properties.

4.2 There are three main elements to the proposed structure:

1. Continued funding through the **Affordable Homes Programme** (AHP) for work by partners to deliver affordable housing – for lease or purchase – from empty properties. This would be funded from the Continuous Market Engagement (CME) element of the AHP fund, with bid(s) to be made via the existing GMCA Consortium arrangements, based on the aggregation of locally-led bids from partners into a GM programme. This allows management and flex of funds between providers to assist in minimising risks and impacts on overall delivery of unexpected difficulties or barriers to delivery in particular areas or for specific schemes. The CME process will allow further phases to be bid for over time, as additional prospective schemes come to fruition.

The maximum delegation of responsibility for programme management possible within the AHP rules would be sought, backed by the Housing Investment Board's dual accountability to GMCA and HCA. Providers would be supported in bidding through the GM arrangements based on their performance in delivering existing programmes – districts would have a crucial role in developing/continuing the effective partnerships needed to ensure strong delivery. Based on discussions with districts, it seems clear that the Consortium will have fewer partners than for the current programme, reflecting the trend within the current programme period for a minority of partners to undertake a substantial majority of the work, but also a view taken by some districts and partners that the AHP product no longer matches local needs/market circumstances.

2. Development of a **GM-managed flexible revolving pot** aimed at investing in returning empty property to residential (or mixed use with a residential element) for market sale or rent. This would be an element of the emerging 'TopCo' portfolio of mechanisms for generating additional residential growth in GM. While this might be a minor part of the TopCo toolkit, the potential self-sustaining nature of this could provide a steady stream of future outputs from a relatively small initial investment. There may also be opportunities for projects with a mix of new build and empty property refurbishment.

This will need careful modelling and risk assessment to ensure that the theoretical attractiveness of this approach can be achieved in practice, but the learning secured from the varied models already tested around GM should put us in a strong position to make this work. If successful, this would also provide some insurance against the any future reductions in the availability of grant funding for empty homes work.

Potentially, the pot could support use of Enforcement powers by removing barriers in terms of need to front fund costs (CPO acquisition costs, works in default of notices, upfront repairs associated with use

of Empty Dwelling Management Orders). Increased credibility around the use of enforcement powers would act to spur owners into taking action through a “deterrent” effect. Each of the statutes underpinning the above measures contain specific arrangements for recovering costs, although it might be prudent to seek to agree a repayment rate of 90%-95% to allow for “leakage” through admin charges etc.

Using the revolving pot in this way would also take pressure off LA capital programmes which could result in additional resources being available to support other aspects of empty property work.

3. A **supporting set of tools and interventions**, maintaining and building on those already developed, and possibly funded through a top-slice on the first two elements, including:
 - i. Disseminating and benchmarking best practice for districts in terms of use and sharing of data (including Council Tax) within authorities to maximise accuracy and availability of information on the status, ownership and condition of empty properties to inform effective and properly focused delivery of partner capacity and interventions;
 - ii. Effective communication, engagement and branding based on the Empty to Plenty work already done and the knowledge and innovation emerging from partners’ current work and the KTP project;
 - iii. Continued practical co-ordination and programme management through GM function; and
 - iv. Use of standardised products, leases, etc. as appropriate to minimise confusion and embed lessons and good practice already established

These could also be available to partners who have bid successfully for the initial round of AHP allocations for empty homes work in GM.

5 ISSUES TO BE RESOLVED AND SUGGESTED APPROACH

- 5.1 The immediate priority is to reach a decision on whether a Consortium approach specifically in relation to AHP will continue – so partners can make decisions about whether to bid independently through the CME process. This will allow the momentum established by the existing programmes to be maintained – whether through GM or individual CME bids.
- 5.2 There are a number of issues to be resolved and agreed to make a continued GM AHP consortium approach happen:
 - Given the likely change in membership, and the move to the CME process, a revised legal agreement should be agreed rather than seeking to extend the existing Agreement.

- We need to agree with Consortium members an approach to cover the costs of maintaining a GM programme management function to handle – as a minimum - submission of data and claims via the HCA’s systems and movement of funds around the programme to maximise delivery, together with the costs of processing payments. .
- It may also be worth considering whether there would be an appetite for topping up those costs by a small agreed amount to generate a shared resource to be used for joint research, promotional activity or materials in support of the Empty to Plenty identity, or any other work to be agreed by the Consortium to aid work on empty homes across GM. Consortium members might legitimately expect districts/GMCA also to contribute to that pot, which may prove challenging in the current climate.
- Based on soundings with officers, we understand that some districts (potentially Bolton, Stockport and Wigan) are unlikely to pursue further AHP-funded empty homes work in the current market conditions. Conversely, others (including Bury, Manchester, Oldham, Salford, Tameside and Trafford) remain keen to continue to access this funding stream. An initial 12 month programme could be a starting point, with subsequent bids to top up and extend activity as delivery proceeds and opportunities arise.
- As previously, the GM programme would be built on a bottom-up basis, informed by the views of districts and the appetite of Consortium members with strong delivery track records to proceed with a pipeline of potential schemes. One clear advantage of the new programme is that we can bid in phases as new schemes emerge, rather than needing to estimate a headline total in advance to cover a three year programme.

6 POTENTIAL NEXT PHASE OF WORK

(a) GM-managed flexible revolving pot

- 6.1 Whatever the conclusions on the GM element of AHP, the development of the ‘revolving pot’ model and supporting toolkit also offer potential benefits across GM as a whole. Initial discussions with a small group of district colleagues suggest a possible outcome in funding terms illustrated in the table below:

Funding streams	To end March 15	April 15	April 16	April 16
Recycling fund	-	-	2	3
AHP Empty Homes	3	2	2	1
	2	-	-	-

Clusters of Empty Homes				
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6.2 The figures in the table are illustrative only, but indicate the view that the restrictions on AHP funds to two basic products and affordable housing as the only output suggest that a more flexible fund will relatively quickly become the preferred route for partners to deliver schemes, even with the need to achieve recycling of investment. This could encompass outcomes including residential market sale and rent, and retail or other elements of mixed use schemes, while nonetheless retaining some scope for affordable units funded via AHP. There is a wide appetite around GM districts for this flexible approach, perhaps reflecting the different feeling around the current state of local housing markets around GM and the need to adapt our approaches.

6.3 However, a robust model to ensure the returns generated are sufficient to achieve a self-sustaining fund has yet to be developed. This will require input from districts who have been piloting similar approaches, as well as from finance/investment colleagues. This might be achieved as one element of the emerging GM TopCo work programme.

(b) Supporting tools and interventions

6.4 At the same time, and feeding into the design of this more flexible funding model, we need to step up the efforts on the supporting toolkit, the sharing of best practice, skills and experience around the partnership. The final stage of the Knowledge Transfer Partnership project, due to conclude in February, will make a substantial contribution to that work, disseminating learning captured in Tameside and in other GM districts. An Empty Home Owner Engagement Strategy and Toolkit will be ready to share with partners to support improved communication with owners.

6.5 Disseminating and benchmarking best practice for districts in terms of use and sharing of data is also an area with potential to achieve improved outcome by making better use of our collective resources and information. There is potential to unlock more data from a range of district systems, though disparate systems can present challenges to rapid progress.

6.6 Given the limited resources and experience available within some districts for empty property work, particularly around the use of enforcement powers, it would also be useful to give consideration as to how these needs could be supported through any continuing consortium work. Continued investment in and exploitation of the Empty to Plenty identity will also prove a positive value for money investment.

**JOINT GREATER MANCHESTER COMBINED AUTHORITY
& AGMA EXECUTIVE BOARD MEETING**

28 NOVEMBER 2014

**EXCLUSION OF THE PUBLIC - SECTION 100A LOCAL GOVERNMENT ACT
1972**

RESOLVED: That the public be excluded from the meeting during the items of business specified below as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during those items there would be disclosure to them of exempt information of the descriptions respectively specified: -

Agenda Item No.	Title of Report	Minute No. (to be added)	Description of exempt information by reference to the paragraph number in Schedule 12A of the Local Government Act 1972
11	INDIVIDUAL ELECTORAL REGISTRATION		This report is not for publication because it contains information relating to the financial and business affairs of particular persons and the exemption outweighs the public interest in disclosing the information.

