PURPOSE OF REPORT
This report seeks Greater Manchester Combined Authority ("Combined Authority") approval of the GM Housing Investment Loans Fund loan detailed in the recommendation below.

RECOMMENDATIONS
The Greater Manchester Combined Authority is requested to:

- Approve the GM Housing Investment Loans Fund loan in the table below, as detailed further in this and the accompanying Part B report;

<table>
<thead>
<tr>
<th>BORROWER</th>
<th>SCHEME</th>
<th>DISTRICT</th>
<th>LOAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eccleston Homes Ltd</td>
<td>Temple Road</td>
<td>Bolton</td>
<td>£3.534m</td>
</tr>
</tbody>
</table>

- Recommend to Manchester City Council that it approves the above and prepares and effects the necessary legal agreements in accordance with its approved internal processes.

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BACKGROUND PAPERS:
- Housing Investment Fund (report to GMCA, 27 February 2015)
- GM Housing Fund – Updated Investment Strategy (report to GMCA, 27 July 2016)
the GMCA Constitution or in the process agreed by the [Delete as AGMA Executive Board appropriate] 

**EXEMPTION FROM CALL IN**

Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency? [Please state any reasons here]

<table>
<thead>
<tr>
<th>AGMA Commission</th>
<th>TfGMC</th>
<th>Scrutiny Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Date considered at 1 of the 6 AGMA Commissions; if appropriate]</td>
<td>[Date considered at TfGMC; if appropriate]</td>
<td>[Date considered/or to be considered at Scrutiny Pool; if appropriate]</td>
</tr>
</tbody>
</table>

1.0 **INTRODUCTION & OVERVIEW**

1.1 In line with the agreed governance process for the GM Housing Investment Loans Fund, (“the Fund”), the Combined Authority is asked to approve the loan detailed in section 2, which has been recommended for approval through the normal governance process.

1.2 The total value of offers of loans from the Fund approved by the Combined Authority to date is £407.1m. If the recommendation set out in this report are approved, the total value of offers of loans from the Fund will increase to £410.7m.

1.3 Affordable housing and section 106 agreements are dealt with at a local level in line with local policies, national planning legislation and the government’s National Planning Policy Framework. The income generated from the ongoing investment of the Fund can be utilised to support Local Authorities to meet the wider GMCA objectives. The level of commitment has now exceeded £300m and work is ongoing to revise the Investment Strategy to better align the future investment approach with the GMCA housing objectives.

1.4 It is intended that future reports seeking Combined Authority approval to loans will be set in the context of a wider Residential Growth Investment Strategy once this is developed which will provide a strategic framework for supporting housing delivery in Greater Manchester. This will include any new funding from the Housing Infrastructure Fund, the Housing Deal negotiated with Government and any monies available to deliver social housing from the additional £2 billion which the Government has announced. A more detailed report on this will be brought back in due course.

2.0 **LOAN APPROVAL SOUGHT**

2.1 Eccleston Homes Ltd is seeking a loan from the GM Housing Investment Loans Fund of £3.534m for the construction of 27 residential homes in Temple Road, Bolton. Full planning permission
was granted November 2017. The scheme provides much sought after quality family accommodation within Bolton and the loan enables the developer to accelerate delivery of other schemes within its pipeline.

2.3 Further details of the scheme and the proposed terms of the loan are included in the accompanying Part B report, to be considered in the confidential part of the agenda on account of the commercially sensitive nature of the information.

3.0 RISK MANAGEMENT

3.1 The structure and security package proposed for the loan in order to mitigate lending risks are given in the accompanying Part B report.

3.2 The loan will be conditional upon a satisfactory outcome to detailed due diligence and ongoing confirmation from the Monitoring Surveyor acting on the Fund’s behalf that the scheme is being delivered satisfactorily.

4.0 LEGAL CONSIDERATIONS

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

5.0 FINANCIAL CONSEQUENCES – REVENUE

5.1 The borrower will be required to meet the Fund’s legal, due diligence and monitoring costs and there is no requirement for additional revenue expenditure by GMCA / MCC in addition to the approved Core Investment Team budget.

6.0 FINANCIAL CONSEQUENCES – CAPITAL

6.1 The proposed loan will be sourced from the £300m GM Housing Investment Loans Fund.

7.0 RECOMMENDATION

7.1 The Combined Authority is recommended to approve the loan in line with the terms set out in the accompanying report.