

GMCA Brownfield Housing Subsidy Scheme

Greater Manchester Combined Authority

Brownfield Housing Fund - Subsidy Scheme

This Subsidy Scheme has been made by Greater Manchester Combined Authority under the Subsidy Control Act 2022. It may be used to award subsidies, at the sole discretion of GMCA, provided the relevant terms and conditions are met.

1. Greater Manchester Combined Authority ("GMCA") makes the following subsidy scheme (the "Scheme") in compliance with the Subsidy Control Act 2022 (the "Act") having due regard to, inter alia, Section 10(1) of the Act and the Subsidy Control Principles set out at Schedule I of the Act and relevant Statutory Guidance ("SG").
2. The Scheme is made by Steve Wilson, GMCA Treasurer on behalf of Greater Manchester Combined Authority on 8th October 2024.
3. The purpose of the Scheme is to allow GMCA to award subsidies (using its own funds and funds from other public authorities) towards the costs incurred in developing brownfield sites, including but not limited to acquisition costs, demolition and site remediation costs, utilities and other infrastructure and the construction of new buildings in order to deliver within Greater Manchester:
 - (i) new housing units; and/or
 - (ii) additional social / affordable housing units; and/or
 - (iii) additional low carbon housing units; and/or
 - (iv) other infrastructure deemed necessary for the support of (i), (iii) or (ii) above.
4. The Scheme is effective from October 2024 until August 2029 and shall apply to subsidies which are legally committed by GMCA on or between these dates (the "Term") in line with the relevant terms and conditions.
5. A subsidy shall only be regarded as having been made under the Scheme where it can be demonstrated that the award:
 - a is conferred by GMCA, either using its funds alone or together with the funds of another public authority ("Relevant Funds"); and
 - b fulfils each of the terms set out herein to the reasonable satisfaction of GMCA.
6. The Scheme may be used to make awards of subsidy to:

- a any public body including any subsidiary company or division thereof; and/or
- b any private developer or house-builder or other organisation

which is engaged in or plans to engage in the development of a brownfield site in Greater Manchester for the purpose of facilitating the delivery of new housing units and/or additional social and affordable housing units and/or additional low carbon housing units.

7. Subsidies may be awarded in the form of grants or any other in-kind support (such as sub-commercial loans or equity) which GMCA regards to be appropriate in its absolute discretion. Where loan support is provided, the value of the subsidy shall be determined, in advance, in line with the Subsidy Control (Gross Cash Amount and Gross Cash Equivalent) Regulations 2022 (Annex L) and in default of that by any other reasonable method.
8. The maximum value of a subsidy awarded by GMCA under the Scheme shall be £20m to any eligible project recipient during the Term, but for avoidance of doubt this figure shall not include any other subsidy to the same recipient and project provided by another public body, and the maximum subsidy provided is per project, not per recipient.
9. The Scheme is a *Subsidy Scheme of Particular Interest* within the meaning of the Subsidy Control (Subsidies and Schemes of Interest or Particular Interest) Regulations 2022 and having been duly referred to the Competition & Markets Authority prior to its adoption (as per the report published by the Competition & Markets Authority on 2 September 2024¹), shall provide cover to a subsidy provided within its terms which would otherwise be classed as a *Subsidy of Particular Interest* under the same Regulations, whether by application of the cumulation rules or otherwise.
10. The Scheme may be used to provide a subsidy for the benefit of a beneficiary and a project which has not received any subsidy before, or one for which previous subsidy has already been provided by GMCA or any other public body, provided in the latter case always that the project as a whole is facilitating the purposes in (general condition) 3 above and due account is taken of any subsidy already received and this is factored into the assessment of compliance with the terms of the Scheme.
11. The legal basis for awards made by GMCA under this Scheme shall be Section 2 of the Local Government Act 2000. GMCA reserves the right to make awards under any other legal power available to it.
12. The Scheme shall not be used to award a subsidy which:
 - a is subject to EU State aid law, either because it falls within Article 10 of the Northern Ireland Protocol (as amended by the Windsor Framework) or Article 138 of the Withdrawal Agreement 2019;

¹ https://assets.publishing.service.gov.uk/media/66d5a7cfc52d5fb4c82ddd0b/Final_report_v3.pdf

- b would relieve the beneficiary from any liabilities arising from its responsibilities as a polluter under the law of England and Wales, Scotland or Northern Ireland; or
 - c would, but for Section 30(1) of the Act, be subject to any of the prohibitions or any other requirement contained in Sections 15 to 29 of the Act.
- 13. GMCA shall be responsible for ensuring that all transparency obligations are fulfilled with respect to each subsidy awarded under the Scheme. This shall include, where relevant, posting the required information on to the national Subsidy Database in line with Chapter 3 of Part 2 of the Act within not more than 3 months of awarding an individual subsidy.
- 14. GMCA shall have the right to take all reasonable steps to monitor and check the compliance of any award made under this Scheme, including to ascertain that the subsidy is being used for the purpose for which it was given and reserves the right to recover the subsidy in the event of misuse².
- 15. Any party receiving subsidy under the Scheme is responsible for making its own independent assessment of compliance with the requirements of the conditions of the Scheme and the Act. GMCA shall not be liable for any act or omission if a measure is found not to meet the terms of the Scheme.
- 16. Nothing written in the Scheme should be interpreted as providing any potential beneficiary of subsidy with any entitlement to subsidy. In choosing whether to apply the Scheme to a particular proposed award of subsidy GMCA's judgement shall be final and nor is GMCA obliged to use the Scheme in making a subsidy or other award of financial assistance for the purpose set out in section 3 above.
- 17. A subsidy may only be given under the Scheme where GMCA has sufficient grounds to determine that the subsidy:
 - a will cause the beneficiary to act in a manner which is different from that which might reasonably be expected in the absence of the subsidy to be provided;
 - b will be spent upon eligible defrayed costs which contribute to the development of one or more brownfield site(s) in Greater Manchester during the Term;
 - c facilitates the development of new residential units or further low carbon residential units (including social or affordable housing or other infrastructure deemed necessary to support delivery of the residential units); and
 - d is in line with the purpose of the Scheme in section 3 above.
- 18. The value of the subsidy provided under the Scheme shall be limited to a viability gap calculated by any reasonable method and to the reasonable satisfaction of GMCA in

² Section 77 of the Act

advance of the subsidy being awarded, also having regard to the form of subsidy being offered and the potential for repayment (if any) so afforded.

19. Where goods, works or services are obtained from third parties to deliver the works, appropriate steps shall be taken to demonstrate the remuneration is at or below market rate, including, where appropriate, undertaking an open and transparent procurement process.