

Decisions taken by the Property / Regeneration Briefing on Monday, 26 July 2021

Agenda Item No	Topic	Decision
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Part A – Items considered in public

A9	Brownfield Housing Fund, Greengate Sites	<p style="text-align: center;">SALFORD CITY COUNCIL - RECORD OF DECISION</p> <p>I Councillor Tracy Kelly, Deputy City Mayor, in exercise of the powers contained within the City Council Constitution do hereby:</p> <ol style="list-style-type: none"> 1. Approve the Council entering into a grant funding agreement with Greater Manchester Combined Authority (GMCA) in relation to the Brownfield Housing Fund for Greengate Site 3. 2. Approve the Council entering into a grant funding agreement with Greater Manchester Combined Authority (GMCA) in relation to the Brownfield Housing Fund for Greengate Site 4. 3. Provide delegated authority to the Strategic Director Place, City Solicitor and Chief Finance Officer to negotiate and finalise the detailed financial, commercial and contractual arrangements in respect of the proposed grant from GMCA to the Council. 4. Authorise the Strategic Director Place to enter into and complete all necessary agreements or documents to give effect to the above recommendations. 5. Approve the delivery option, as set out in the report, as the most appropriate delivery mechanism for the remaining Greengate development sites.
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		<p>The Reasons are Salford City Council has received a total grant allocation from Greater Manchester Combined Authority (GMCA), as part of the GM Brownfield Housing Fund (BHF) to support the unlocking of stalled, brownfield sites across five sites in Salford for housing. The above approvals will allow the council to deliver the proposed housing at the sites in Greengate concerned and in accordance with the BHF timescales.</p> <p>Options considered and rejected were: Not to seek funding from the GM BHF and not progress the housing proposals</p> <p>Assessment of Risk: Medium</p> <p>In the event that the project is not progressed satisfactorily in line with the agreed milestone dates or delivered by the completion date, or other conditions of the Grant Agreement are not met, the Council could be deemed to be in breach and be liable to GMCA.</p> <p>This includes that if the GMCA determine that the project is not sufficiently progressed to be able to draw down the funding for site acquisition by March 2023, they may withdraw the funding.</p> <p>The source of funding is: GM Brownfield Housing Fund (BHF)</p> <p>In August 2020, GMCA were awarded an initial allocation of £81.1m of Brownfield Land grant from MHCLG – part of the Government’s five-year £400m Fund to bring forward more homes by unlocking brownfield land.</p>

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		<p>Legal Advice obtained: Lauren Armstrong, Solicitor, Legal Services</p> <p>As detailed in accompanying report</p> <p>Financial Advice obtained: Natalie Birchall, Finance Officer</p> <p>As detailed in accompanying report</p> <p>Procurement Advice obtained: Deborah Derbyshire, Category Manager</p> <p>The proposals relate to a property transaction which is not a works contract, therefore there are no procurement implications.</p> <p>HR Advice obtained: n/a</p> <p>Climate Change Advice obtained: Sarah Heslop, Group Leader, Development Team</p> <p>The proposals relate to the appointment of a developer partner to deliver housing-led development on stalled sites within the Greengate area of the City Centre, in line with the Greengate Regeneration Strategy 2018. The successful Developer's approach to sustainable design and development principles will be tested at the planning application stage.</p>

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Agenda Item No	Topic	Decision
		<p>The following documents have been used to assist the decision process:</p> <ul style="list-style-type: none"> • Public briefing report of the Strategic Director for place submitted to the Property/Regeneration Briefing on 26 July 2021 • Housing Strategy “Our Home, our City 2020 to 2025” • City of Salford Unitary Development Plan 2004-16 (adopted June 2006) • Planning Obligation SPD (2019) <p>Contact Officer: Sarah Heslop, Group Leader, Development Team Email: sarah.heslop@salford.gov.uk</p> <p>This decision is not subject to consideration by another Lead Member. The appropriate scrutiny panel to call-in the decision is the Growth and Prosperity Panel</p> <p>Signed: Councillor Tracy Kelly Deputy City Mayor Dated: 30 July 2021</p> <hr/> <p>This decision was published on Friday, 30 July 2021 This decision will come in force at 4.00 p.m. on Friday 6 August 2021 unless it is called-in in accordance with the Decision Making Process Rules.</p>

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A10	Brownfield Housing Fund, Housing Development Sites	<p align="center">SALFORD CITY COUNCIL - RECORD OF DECISION</p> <p>I Councillor Tracy Kelly, Deputy City Mayor, in exercise of the powers contained within the City Council Constitution do hereby:</p> <ol style="list-style-type: none"> 1. Approve the Council entering into a grant funding agreement with Greater Manchester Combined Authority (GMCA) for the receipt of a maximum sum of £5,312,000 in relation to the Brownfield Housing Fund for five development sites across three wards: Ordsall, Pendlebury and Clifton and Weaste and Seedley. 2. Give delegated authority to the Strategic Director Place, City Solicitor and Chief Finance Officer to negotiate and finalise the detailed financial, commercial and contractual arrangements in respect of the proposed grant from GMCA to the Council. 3. Authorise the Strategic Director Place to enter into and complete all necessary agreements or documents to give effect to the above recommendations. <p>The Reasons are Salford City Council has received a total grant allocation from Greater Manchester Combined Authority (GMCA), as part of the GM Brownfield Housing Fund (BHF) to support the unlocking of stalled, brownfield sites across five sites in Salford for housing. The above approvals will allow the council to deliver the proposed housing at the sites concerned and in accordance with the BHF timescales.</p> <p>Options considered and rejected were: Not to seek funding from the GM BHF and not progress the housing</p>

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		<p>proposals</p> <p>Assessment of Risk: Medium</p> <p>In the event that the project is not progressed satisfactorily in line with the agreed milestone dates or delivered by the completion date, or other conditions of the Grant Agreement are not met, the Council could be deemed to be in breach and be liable to GMCA. The key commercial risks identified at this stage are overage provision and delivery of developments being delayed.</p> <p>The source of funding is: GM Brownfield Housing Fund (BHF)</p> <p>In August 2020, GMCA were awarded an initial allocation of £81.1m of Brownfield Land grant from MHCLG – part of the Government’s five-year £400m Fund to bring forward more homes by unlocking brownfield land.</p> <p>Legal Advice obtained: Lauren Armstrong, Solicitor, Legal Services</p> <p>Legal Services has been provided with two grant funding agreements issued by GMCA’s legal advisors. These are pro-forma grant agreements which flow down GMCA conditions and any MHCLG requirements in connection with the Brownfield Housing fund. GMCA’s position is that, other than terms listed in a separate “gaps list”, the terms are non-negotiable. SCC is also required to register a restriction on title with Land Registry in favour of GMCA over the two funded sites and undertake full investigation of title and searches. Colleagues in the property legal team will be able to assist with these requirements.</p>

Salford City Council – Decisions taken by the Property / Regeneration Briefing on Monday, 26 July 2021

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		<p>Legal has reviewed the proposed terms, and whilst the terms contain some risk to SCC (as highlighted in paragraphs 2.3-2.5), from a legal perspective the terms could be accepted (subject to satisfactory agreement of the Schedules which will set out the project specific conditions and commercial principles). If the funding is not spent within the grant period, it is not spent on eligible expenditure as defined in the agreements, or the project specific conditions or outputs as detailed in the grant schedules are not met within specific timescales, then there is a risk to SCC that some or all of the funding may be withdrawn or subject to clawback. Therefore it is important that SCC is broadly comfortable with the commitments it is giving to GMCA under this agreement and the proposed timescales are achievable. Any relevant commitments should also be contractually “flowed down” to SCC’s delivery partner under the terms of a delivery agreement, particularly where SCC is reliant on the delivery partner to these.</p> <p>Legal shall provide a detailed review to SCC client officers on the terms of the grant. A subsidy control legal opinion (formerly referred to as ‘State Aid’) is being sought from external solicitors.</p> <p>Financial Advice obtained: Natalie Birchall, Finance Officer</p> <p>The Council has received a total grant allocation of £5,312,000 from GMCA, as part of the GM Brownfield Housing Fund (BHF) to support the unlocking of stalled, brownfield sites across five sites detailed in this report.</p> <p>The purpose of this report is to seek approval to enter into the Brownfield Housing Fund to deliver housing in the above mentioned five sites and enter into a grant funding agreement with GMCA to a maximum sum of £5,312,000.</p> <p>Further approvals will be required as the schemes progress and spend will be closely monitored to</p>

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Agenda Item No	Topic	Decision
		<p>ensure capital expenditure meets the general terms of the agreement and the BHF is only used for the approved scope of activities.</p> <p>Procurement Advice obtained: Deborah Derbyshire, Category Manager</p> <p>The report is seeking to enter into a grant funding agreement with Greater Manchester Combined Authority therefore there are no procurement implications.</p> <p>HR Advice obtained: n/a</p> <p>Climate Change Advice obtained: Gill Holt, Development Officer, Housing Strategy Team</p> <p>The proposals set out in this report relate to housing-led development on the five sites. The properties on these sites are being delivered to a high standard fabric first approach to provide low carbon, low energy homes and the approach to sustainable design and development principles have/will be tested at the planning application stage.</p> <p>The following documents have been used to assist the decision process:</p> <ul style="list-style-type: none"> • Public briefing report of the Strategic Director for place submitted to the Property/Regeneration Briefing on 26 July 2021 • Housing Strategy “Our Home, our City 2020 to 2025” • City of Salford Unitary Development Plan 2004-16 (adopted June 2006) • Planning Obligation SPD (2019)

Salford City Council – Decisions taken by the Property / Regeneration Briefing on Monday, 26 July 2021

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		<p>Contact Officer: Gill Holt, Development Officer, Housing Strategy Team Email: gillian.holt@salford.gov.uk</p> <p>This decision is not subject to consideration by another Lead Member. The appropriate scrutiny panel to call-in the decision is the Growth and Prosperity Panel</p> <p>Signed: Councillor Tracy Kelly Deputy City Mayor Dated: 30 July 2021</p> <hr/> <p>This decision was published on Friday, 30 July 2021 This decision will come in force at 4.00 p.m. on Friday 6 August 2021 unless it is called-in in accordance with the Decision Making Process Rules.</p>
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