

**Minutes of the meeting of the GMCA Overview & Scrutiny Committee**  
**held on Wednesday 13 December 2023**  
**at the Tootal Buildings, Broadhurst House, 1st floor,**  
**56 Oxford Street, Manchester, M1 6EU**

**Present:**

Councillor Nadim Muslim	Bolton Council (Chair)
Councillor Peter Wright	Bolton Council
Councillor Imran Rizvi	Bury Council
Councillor John Leech	Manchester City Council
Councillor Basil Curley	Manchester City Council
Councillor Jenny Harrison	Oldham Council
Councillor Colin McLaren	Oldham Council
Councillor Tom Besford	Rochdale Council
Councillor Patricia Dale	Rochdale Council
Councillor Lewis Nelson	Salford City Council
Councillor Arnold Saunders	Salford City Council
Councillor Naila Sharif	Tameside Council
Councillor Mike Cordingley	Trafford Council
Councillor Nathan Evans	Trafford Council
Councillor Fred Walker	Wigan Council
Councillor Joanne Marshall	Wigan Council

**Also in attendance:**

Councillor Nazia Rehman	GM Assistant Portfolio Lead for Resources & Investment
Councillor Tom Ross	GM Portfolio Lead for the Green City Region

**Officers in attendance:**

Eamonn Boylan	GMCA
Gillian Duckworth	GMCA
Laura Blakey	GMCA
David Taylor	GMCA
Nicola Ward	GMCA
Elaine Mottershead	GMCA

**O&SC 55/23            Welcome and Apologies**

Apologies for absence were received from Councillor Russell Bernstein, Councillor Jill Axford, Councillor Helen Hibbert, Councillor Mandie Shilton-Godwin and Councillor Shaun Ennis.

**O&SC 56/23            Chair’s Announcements and Urgent Business**

The Chair announced that there would be a short reflective session (5-10 minutes) at the rise of this meeting to reflect on the work of the Committee.

Members were reminded that there would be an informal briefing session on 10 January 2024 at 12noon-1pm with a focus on GM Budgets.

**O&SC 57/23            Declarations of Interest**

There were no declarations of interest received in relation to any item on the agenda.

**O&SC 58/23            Minutes of the GMCA Overview and Scrutiny Committee  
held on 22 November 2023**

**Resolved/-**

That the minutes of the GMCA Overview and Scrutiny Committee held on 22 November 2023 be approved as a correct record.

**O&SC 59/23            Greater Manchester Investment Funds Update**

Councillor Nazia Rehman, GM Assistant Portfolio Lead for Resources and Investment presented this item supported by GMCA Officers Eamonn Boylan and Laura Blakey. The report presented a snapshot of Greater Manchester investment funds operating across business loans, commercial properties, and housing development loans. The funds were initially established in 2013 following the receipt of approximately £100m of Regional Growth Fund and Growing Places monies which were principally invested on a recycling basis. The funds had now grown to approximately £470m. The funds represented a success story for Greater Manchester Combined Authority, with investments of over £1.2b into commercial property, residential development and businesses,

supporting the development of over 9,500 new homes and creation of approximately 108,000 jobs across a range of sectors.

The Housing Investment Loan Fund originated from a £300m fund but has now delivered on £829m worth of investment. However, there had been no commitment from Government as to whether the scheme would be continued post 2025.

The Business Funds had lent over £110m since establishment, re-investing any income into further loans to those businesses who were often unable to access other lenders. Despite the recognition that the funds were higher up the risk curve than traditional lenders, any risks to the investments had been minimalised through a strong set of criteria and rigorous approval process.

In relation to commercial property loans, an innovative approach had been applied to the individual funds criteria, enabling GM to have invested over £350m to date via this scheme.

Greater Manchester's unique flexible approach to investment delivered exponential outcomes through investments and recycling. Officers gave a presentation (as circulated) and invited comments and questions..

- There was a query about the process, balance, and protocols for internal and external fund managers. It was confirmed that, for example, with the Life Sciences Fund, investments were made according to agreed management principles set out in the procurement document. The document included what was meant by Life Sciences, what types of businesses they could and could not invest in, the location of the business and the type of investment. There was some flexibility and if an opportunity had arisen outside of those parameters, then permission could be sought from the Board of Directors to progress by providing a clear business case.
- There was interest in how other local authorities had invested (their Regional Growth Funds etc) and whether they had taken a different approach. It was confirmed that many others had taken the approach of providing grants i.e. Growing Places. Greater Manchester had taken a unique approach to primarily recycle equity or loan

investments which proved to have a greater impact in the long-term. Others were now looking at this as good practice.

- The report appeared to show that core funds had made a loss and members were interested in whether there were any lessons learnt from this. It was confirmed that each time an investment had not gone as expected, there had been reflective sessions to assess whether risks could be mitigated further.
- With reference to the Life Science Fund, it had been stated that the performance data was unavailable. Officers explained that it would not be available until the end of the 15-year term. Whilst all 40 businesses were still in the system, the value of the portfolio was in constant flux and until the businesses exited, the true value of the fund could not be known.
- The Committee recognised the Social Impact Funds as a significant amount of money and sought assurances that this was spread across each of the GM Local Authorities. Officers offered to provide further information but gave assurance that there was a good split across GM established by independent fund managers.
- Officers confirmed that the green agenda was high on the criteria for investment across funds, in particular the Housing Investment Fund, where a specific request had been made to further incentivise green projects within the next potential round of the fund.
- Members queried that there had been no defaults on some funds to date. It was clarified that not all defaults would be known because the income did not come to GMCA. For example, on the City Deal receipts, the income was directed to Homes England.
- A pie chart in the presentation gave a percentage investment spread across local authorities which illustrated that 57% of investment funds had been made to schemes within the borough of Manchester City Council. Officers clarified that the proportionate rates reflected economic viability and that individual Councils were not doing anything specific that had resulted in either a higher or lower percentage of investment, it was often influenced by local market conditions. There was a core set of general criteria across all funds that had to be met to start the process. Local authorities, however,

were encouraged to bring innovative proposals even if it was outside of the criteria as support could be provided from the GMCA. The Brownfield Land Fund was one tool that could further address the increase of viable schemes in all GM boroughs.

- A member asked about democratic accountability and the fact that any decisions were drawn to the attention of elected members at a late stage in the process i.e. at GMCA. There did not appear to be earlier opportunity for scrutiny by elected members, particularly when there might be potential reputational or ethical considerations. Officers clarified that the Leaders who hold specific portfolios on behalf of the GM Mayor were consulted throughout the process. In addition, where there were any physical schemes, they were not progressed by the GMCA but through the relevant planning local authority in the usual way. Whilst the final decision would be at a GMCA Committee, there would have been member engagement beforehand. Members suggested that there be further political accountability when determining where surplus investment be targeted to ensure greater democratic accountability.
- A member raised concern that the investments GMCA were making could be considered “too safe”, lacked innovation and did not include borrowing when this might be expected. The designs for Farnworth town centre were highlighted as a good example of investment by GMCA. It was clarified that whilst risk mitigations were in place, they did not hamper progress. There was not a specific policy to prevent borrowing but the decision had been taken not to use this approach as there needed to be a substantial income stream to pay it back. As an example, developments for the metrolink were originally through borrowed money but there was an obvious future income stream for sustainability. Officers offered to circulate the Farnworth scheme to members for further information.
- A member raised concern about a potential new Government and the affect this may have on the Housing Investment Fund post 2025. Officers confirmed that there were ongoing discussions with Government colleagues and pipeline projects were being prepared across GM in preparation for the potential extension of the fund.
- There was a discussion around the voluntary, community and social enterprise (VCSE) sector and potential investment opportunities. In response, it was noted that there was work ongoing between the GMCA and the Greater Manchester Centre for Voluntary

Organisations (GMCVO) to support them in accessing loan opportunities.

- It was noted that page 23 of the agenda pack outlined successful tangible outcomes and there was a question about whether similar outputs for the next 12 months were expected. Officers confirmed that expectations remained positive although there was an in and out flow to business funds dependent on current markets.
- Clarity was provided regarding investments not being made solely by GMCA but in partnership with others. There was not a policy to dictate that GMCA could not be a sole investor but this had been a decision taken to mitigate risk in some instances. Private sector interest and support was usually sought although it was noted that there was no requirement for a 50-50 match in funding.
- There was an example given of a proposal recently approved by Wigan's Planning Committee that could not have taken place without these investments into previously derelict industrial sites and officers were thanked for their work in this matter.

The Chair and members thanked the team for presenting a comprehensive report on a very complex topic. In summary, they were reassured by the fact that GMCA had not borrowed monies for investment loans but sought to recycle funds instead. There were prudent processes in place and there were tangible results in housing, support for local businesses, working with local authorities and creating social impact that reflected the spirit of the purpose of devolution.

**Resolved/-**

1. That the contents of the report and presentation be noted.
2. That further information would be provided to Cllr Harrison in relation to the social impact funds spread across GM.
3. That officers would consider potential opportunities for further political engagement in the allocation of surplus funding to increase democratic accountability.
4. That further details of the Farnworth town centre scheme be shared with members of the Committee.

Councillor Tom Ross, GM Portfolio Lead for the Green City Region presented this item and, after a short introduction, invited comments and questions:

- Reference was made to Section 6 in the Part A report and implications for a contract extension in light of the new National Waste Strategy, for example, with the deposit return scheme. This would come into effect in 2026 and potentially there could be a change in law where any loss of income was claimed back. If procurement was undertaken in 2026, additional costs could be incurred because the changes could not be quantified at that point.
- Clarity was sought on consideration of an in-house option. The definitive factor to discount this option had been that GMCA would be considered as a new provider and would be unable to get insurance. The level of risk this would pose was unacceptable.

**Resolved /-**

1. That the comments from the GMCA Overview and Scrutiny Committee on the report and outcomes be noted.
2. That the recommendations below, which will be considered by the GMCA at their meeting on the 15 December 2023, be noted:
  - a. To note the contents of the report
  - b. To approve the initiation of discussions with the current contractor to extend the Waste and Resource Management Services (WRMS) and Household Waste Recycling Centre Management Services (HWRCMS) contracts in accordance with contract clauses.

**O&SC 61/23 Work Programme & Forward Plan of Key Decisions****Resolved /-**

That the Forward Plan of Key Decisions and Overview & Scrutiny work programme be noted.

### **O&SC 62/23            Dates of Future Meetings**

The schedule for the future meetings was noted:

24 January 2024	1-3pm
7 February 2024	1-3pm
21 February 2024	1-3pm
20 March 2024	1-3pm

### **O&SC 63/23            Exclusion of the 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 items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

### **O&SC 64/23            Options Appraisal for Provision of Future Waste Disposal Services**

**Clerk's Note:** This item was considered in support of the report considered in Part A of the agenda (minute reference 60/23).

#### **Resolved /-**

1. That the comments from the GMCA Overview and Scrutiny Committee on the options appraisal methodology and outcomes be noted.
2. That the recommendations below, which will be considered by the GMCA at their meeting on the 15 December 2023, be noted:
  - a. To note the contents of the report;



- b. To approve the initiation of discussions with the current contractor to extend the Waste and Resource Management Services (WRMS) and Household Waste Recycling Centre Management Services (HWRCMS) contracts in accordance with contract clauses.