

Greater Manchester Combined Authority

Overview & Scrutiny Committee

Date: 26 November 2025

Subject: Greater Manchester Good Growth Fund

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Resources; City Mayor Paul Dennett, Portfolio Lead Housing, Homelessness and Infrastructure; Councillor Bev Craig, Portfolio Lead for Economy, Business and Inclusive Growth and Andy Burnham, Mayor of Greater Manchester.

Purpose of Report

The Greater Manchester Strategy (GMS) set out how the Integrated Pipeline is central to GM's growth plan and creating a thriving city-region where everyone can live a good life. It will lock in growth for the next decade by pioneering a new way of delivering regeneration, building on a scale and at a pace not seen before this century. The pipeline will provide the facilities for GM's businesses to grow, and provide new neighbourhoods, with thousands of new homes, built around major employment sites so our residents can easily access the opportunities they present.

As part of the GMS Delivery Plan, the Integrated Pipeline represents these ambitions spatially, focusing on unlocking six Growth Locations, regenerating town centres, and delivering critical transport infrastructure aligned with the Local Transport Plan.

Achieving this vision requires over £10 billion in public investment over the next decade, leveraging government partnerships, utility investment and private capital.

GMCA commits to leading this effort with a revised investment strategy and an initial public investment pot exceeding £1 billion, including a proposed £150 million borrowing against future retained business rates income, to accelerate priority projects.

This is the Greater Manchester Good Growth Fund

This report requests approval for the first allocation of capital of c£400m from the newly created investment pot, which will unlock a further £1.3bn of investment and deliver 2,945 new homes and over 2 million sq ft of employment space.

This investment represents our commitment to the pipeline. It will allow us to deliver social value as well as economic growth so that every pound of public money invested in our pipeline unlocks further economic and social benefits for residents – from getting development partners to create new apprenticeships and T Level placements to procuring in a way that strengthens local supply chains and ensuring jobs created meet the standards set out in our Good Employment Charter.

Recommendations:

The GMCA Overview and Scrutiny Committee is requested to consider and comment on the report and note the recommendations which will be considered by the GMCA at its meeting on the 28 November 2025 as below.

The GMCA is requested to:

1. Note progress made in developing the GM Good Growth Fund and GM Integrated Pipeline since the original launch in May;
2. Agree the revised approach to investment and note the emerging governance process;
3. Note the intention that the revised approach to investment will be supported by the GM Good Growth Fund for which initial capacity, subject to approval of the borrowing outlined at recommendation 4, is in excess of £1bn;
4. Approve GMCA borrowing up to £150m against future Retained Business Rates, for investment into the integrated pipeline.
5. To agree the prioritisation methodologies used to appraise the initial funding allocations recommended in this report as set out in Appendix 1;
6. Approve the indicative allocation of funding to the recommended housing and employment projects as set out within this report, and
7. Note the alignment with the GMCA budgets setting process

8. Note the opportunity to leverage social value through the investment pipeline supply chain
9. Approve the changes to the Stockport Interchange loan as set out in the report

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Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

The proposals set out how GMCA is committing to delivering the Integrated Pipeline that is central to GM's growth plan to create a thriving city-region where everyone can live a good life. The pipeline will provide the facilities for GM's businesses to grow, and provide new neighbourhoods, with thousands of new homes, built around major employment sites so our residents can easily access the opportunities they present.

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation					
Equality and Inclusion							
Health							
Resilience and Adaptation							
Housing	G	The residential developments being recommended for GMCA support will deliver 2,945 new homes for rent, all of which will be delivered on brownfield land.					
Economy	G	The commercial developments being recommended for GMCA support will deliver 2.1m square feet of new employment floorspace, with the ability to accommodate around 22,000 jobs. Across the residential and commercial developments being recommended for GMCA support, around £1.3bn of private-sector investment is expected to be levered in.					
Mobility and Connectivity							
Carbon, Nature and Environment							
Consumption and Production							
Contribution to achieving the GM Carbon Neutral 2038 target							
Further Assessment(s):		Carbon Assessment					
G	Positive impacts overall, whether long or short term.	A	Mix of positive and negative impacts. Trade-offs to consider.	R	Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR	Negative impacts overall.

Carbon Assessment

Overall Score

Buildings		Result	Justification/Mitigation						
New Build residential			The following for each development will be set out in detailed proposals to be brought back to GMCA for approval in due course: - the EPC rating - the extent to which the developments exceed current Part L requirements and achieves other low carbon standards (e.g. Passivhaus) - the biodiversity impact assessment - access to amenity - details of any on site renewable energy						
Residential building(s) renovation/maintenance		N/A							
New build non-residential (including public) buildings		N/A							
Transport									
Active travel and public transport		N/A							
Roads, Parking and Vehicle Access		N/A							
Access to amenities		N/A							
Vehicle procurement		N/A							
Land Use									
Land use		N/A							
	No associated carbon impacts expected.		High standard in terms of practice and awareness on carbon.		Mostly best practice with a good level of awareness on carbon.		Partially meets best practice/ awareness, significant room to improve.		Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

Appropriate funding and security structures to mitigate risk for which in principle approval of investment is being sought will be developed through further due diligence and commercial negotiations and set out when detailed proposals are brought back to GMCA for final approval of funding commitments.

Legal Considerations

GMCA has the power to borrow money under the [Local Government Act 2003](#) as set out in the Combined Authorities (Borrowing) Regulations 2022. It also has a functional power of competence and the so called 'wellbeing power' under the Local Government Act 2000 enabling the Authority to invest in furtherance of its functions or to promote or improve the economic, social or environmental well-being of its area. Investments must either be on commercial terms such that the Authority acts as a Commercial Market Operator or must otherwise comply with the Subsidy Control Act 2022. These considerations will be addressed during negotiations and confirmed at final approval stage.

Financial Consequences – Revenue

The investments for which in principle approval is being sought will be managed within the GMCA Investment Team. Funding requirements for external legal, due diligence and monitoring costs will be set out when detailed proposals are brought back to GMCA for final approval of funding commitment.

Financial Consequences – Capital

The report seeks approval for up to £150m of borrowing which will be managed through GM's wider treasury management processes. The overarching funding strategy for the GM Investment Pot within this report. The make up of the specific GMCA investments for which in principle approval is being sought will be set out when detailed proposals are brought back to the Combined Authority for approval following further due diligence.

Number of attachments to the report: 1

Comments/recommendations from Overview & Scrutiny Committee

Background Papers

Integrated Pipeline Report to GMCA, May 2025 - [GMCA Part A Report Template](#)

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes

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 relevant Scrutiny Committee on the grounds of urgency?

No

Bee Network Committee

Not applicable

Overview and Scrutiny Committee

26th November 2025

1. Background

- 1.1 The Greater Manchester Strategy sets out how the Integrated Pipeline is central to GM's growth plan and creating a thriving city-region where everyone can live a good life. It will lock in growth for the next decade by pioneering a new way of delivering regeneration, building on a scale and at a pace not seen before in this century.
- 1.2 It will build on decades of successful public-private partnership to create nationally significant and globally connected economic clusters, supported by transport links, in growth sectors like Life Sciences and Health Innovation; Advanced Manufacturing; Digital, AI and Cyber; Creative and Media; Low Carbon; Financial Services and Business and Professional Services.
- 1.3 The pipeline will provide the facilities for GM's businesses to grow, as they use the world-class research and development from our universities to invent new products and services, access new markets and create jobs. It will also provide new neighbourhoods, with thousands of new homes, built around major employment sites so our residents can easily access the opportunities they present.
- 1.4 As part of the GMS Delivery Plan, the Integrated Pipeline includes ambitious plans to unlock the transformational potential of Greater Manchester's six Growth Locations, regenerate our town centres, and deliver the critical transport infrastructure required to connect our residents to the new employment and skills opportunities that we are creating.
- 1.5 We recognise that delivering growth at this scale demands an innovative and coordinated approach to investment and delivery in a way that enables us to accelerate progress, leverage collective resources, and maximise outcomes. This is supported by a revised approach to investment that sets out the principles we will adopt in allocating resources to realise this vision .
- 1.6 This approach positions GM as a leader in driving social value through development. By leveraging our investment, we will actively seek commitments that go beyond bricks and mortar, embedding principles such as the Good Employment Charter, promoting fair work practices, and creating

pathways for local talent through apprenticeships and T-Levels wherever possible. We will seek to work with our partners and supply chain to maximise the social value outputs that can be delivered.

- 1.7 Our ambition is to work collaboratively with partners and across the supply chain to maximise social value outputs, ensuring that every pound spent delivers wider benefits—supporting inclusive growth, strengthening local economies, and creating opportunities for residents to thrive. This is not just about meeting targets; it's about setting a new standard for how development can deliver for local communities.
- 1.8 We also recognise the need for people with the right skills and talent across the development industry to keep projects moving through our pipeline. That's why we've launched the GM Regeneration Skills Academy, an innovative programme designed to future-proof our sector by equipping professionals with the expertise needed to deliver complex regeneration projects. The Academy will create career-defining opportunities for development professionals in GM, helping them grow their regeneration skills and adapt to the evolving demands of the industry. This is about building capacity, nurturing talent, and ensuring that GM remains at the forefront of regeneration excellence—today and for the future.
- 1.9 This paper sets out:
 - An update on our work in developing our integrated pipeline, in advance of the launch of our comprehensive growth and investment opportunities at MIPIM in Spring 2026.
 - Our revised approach to investment to support the delivery of our pipeline, and
 - Recommendations for initial allocations of the GM Good Growth Fund for housing and employment sites, based on our revised investment approach

2. Integrated Pipeline

2.1 Background

- 2.1.1 The pipeline provides a structured and dynamic framework for identifying, sequencing, and prioritising key growth and place-making opportunities across GM over the next decade. It is the foundation for our investment decision making and is designed to support a rolling programme of investment, that ensures resources are directed to the right places at the right time.
- 2.1.2 Funding will be recycled wherever possible to maximise the benefits GM can deliver with its limited resources and will seek to maximise the investment into GM made by other government partners and the private sector.

2.2 Purpose

- 2.2.1 As a strategic tool, the Integrated Pipeline will support GMCA and our partners in making informed decisions around the allocation of funding, ensuring that investment is prioritised to deliver the greatest benefits. The pipeline plays a critical role in aligning use of our devolved funds through our integrated settlement with Government.
- 2.2.2 This approach will enable GM to commit to investment in priority projects and ensure that we accelerate and deliver growth across the whole conurbation, including the recently announced Local Innovation Partnership Fund which is the subject of a separate report to this Combined Authority meeting
- 2.2.3 The benefits that can be realised through supporting delivery of the GM Integrated Pipeline are nationally significant and critical to Government's growth missions. The development potential of our six Growth Locations is significant, as shown in Table 1 below, and will unlock thousands of new homes and space for new businesses, which supported by transport infrastructure and the Bee Network will in turn create thousands of new jobs and billions of pounds of GVA:

Development Potential in GM's Growth Locations (<i>based on all future years' land supply</i>)		
Growth Location	No of Homes	Employment Floorspace (sqm)
Airport & Southern Growth Corridor	13,571	362,919
Central Growth Cluster	100,465	2,387,422
Eastern Growth Cluster	4,366	239,495
North-East Growth Corridor	20,989	1,775,144
Western Gateway	20,533	1,197,697
Northfold	17,128	851,618
	177,052	6,814,295

Table 1: Summary of Growth Location Development Potential

2.3 Status

- 2.3.1 The approach to building the Integrated Pipeline is incremental, with the pipeline constantly evolving and always considered to be in a 'live' state of development. Over the past 12 months we have been working closely with the GM Local Authorities to build up the pipeline and our collective understanding of key growth and place ambitions, focussing initially on projects within our six Growth Locations. As a major step forward in building our pipeline, we launched our new interactive Integrated Pipeline map in May 2025 via the MappingGM platform.
- 2.3.2 Our Growth Locations approach will drive growth across the whole of the conurbation and ensure that the benefits can be felt across all 10 Local Authorities. For example, delivering the right connectivity as set out above will ensure that employment space being brought forward at Atom Valley will create employment opportunities for the local residents in the North of the conurbation, with our local education and skills providers working with us to help ensure a clear line of sight for residents into those jobs.
- 2.3.3 Over the next 6 months, the focus will be on continuing to align our transport infrastructure projects into the Integrated Pipeline. This will include delivering existing commitments through City Region Sustainable Transport Settlement

Funding (CRSTS1) and identifying key interdependencies between large-scale transport infrastructure and future key growth enabling transport projects.

2.3.4 The integration of transport infrastructure programmes with growth and place projects will be complete by summer 2026. This will enable alignment with the planned adoption of the GM Transport Strategy 2050 and Transport Delivery Plan and will enable further prioritisation to take place in relation to the £2.5bn GM allocation from the Transport for City Regions (TCR) funding from March 2027.

2.3.5 Subject to GMCA approval TfGM will undertake a 12-week public consultation on the draft Transport Strategy and Delivery Plan from December 2025. Further information is provided in the Greater Manchester Transport Strategy 2050 and Local Transport Plan (LTP) Delivery Plan report which is the subject of a separate report to this Combined Authority meeting.

2.4 **Pipeline activity**

2.4.1 Through the initial funding recommendations set out in Section 5 of this report, we are proposing to unlock a diverse range of integrated pipeline opportunities, including strategic housing sites, town centre regeneration schemes, and employment-led developments in key frontier growth sectors. These investments are designed to accelerate delivery, build investor confidence and drive inclusive transformation across GM, supporting us to deliver a thriving City Region where everyone can live a good life.

2.4.2 Our investment allocations do not operate in isolation and form part of a wider approach to delivering our integrated pipeline. This includes: Unlocking delivery of innovation and commercial space in our Industrial Strategy Zones including at SISTER and Upper Brook Street as part of the Oxford Road Corridor, located within our Central Growth Location, which is central to our GM innovation ecosystem, and supported by well-established Bee Network bus and active travel infrastructure linking to the rail network at Oxford Road station.

2.4.3 Critical housing investment at Adelphi Village as part of Salford Crescent to provide essential new homes to complement the innovation led growth across the wider development area, which builds on the expansion of Salford

Crescent station with the addition of another platform and our recent Investment Zone funding to deliver the state-of-the-art Acoustic Innovation Hub. Continuing to work closely across Bury and Rochdale to realise the development potential of the Northern Gateway, as a critical part of the Atom Valley area, and to further our drive to deliver Advanced Manufacturing within an Industrial Strategy Zone, including at the Sustainable Materials and Manufacturing Centre (SMMC). Following the approval of the Northern Gateway Mayoral Development Corporation (MDC), we are actively lobbying government to support us in providing the Highway infrastructure needed to unlock this nationally significant opportunity

- 2.4.4 In advance of the full integration of the transport programme into the integrated pipeline, we have developed a transport framework document which sets out over 20 transport interventions covering the short, medium and long term alongside the anticipated scale and timing of development. These include much needed connectivity to this major employment opportunity comprising bus and cycle links to local town centres, linking to the new interchange coming forward in Bury, the Western Access scheme – a necessary highways link with Active travel and bus enhancements – and the tram train pathfinder to the north linking Bury, Heywood, Rochdale and Oldham. The Western Access scheme is being taken through detailed development utilising previously approved Investment Zone Grant funding to get the scheme to the point it can start on site.
- 2.4.5 Unlocking opportunities in our Industrial Strategy Zone areas will also be complemented by recommendations to provide investment for wider strategic employment sites across the conurbation including proposals at MIX Manchester, part of our Central Cluster, and Wingates in Bolton, part of Northfold. Wingates is close to the rail station at Westhoughton, which will be integrated into the Bee Network in 2028, and will create quality jobs for local residents in accessible locations. This will support wider proposals across Northfold, including the ambition to deliver new housing at Lee Hall, linked to wider plans at Hulton Park.
- 2.4.6 As part of our approach, we are standing behind our nationally significant housing projects that are central to our long-term spatial development plan.

This includes proposed investment at Victoria North in Manchester helping to ensure continued delivery momentum whilst the project is considered as a potential New Town area, following the recommendations of the Government's New Town Taskforce. Work is underway to design a new tram stop at Sandhills, linking the area directly to Metrolink and providing access to the City Centre. This is being done alongside developing supporting bus and active travel infrastructure to provide active and sustainable travel for this priority development.

- 2.4.7 We are also backing our commitment to accelerating growth through our Mayoral delivery vehicles, with the recommended approval for the Trafford Wharfside development marking our first investment as part of our ambitious plans for the Old Trafford Regeneration MDC. A Transport framework is underway to support this proposal, building on the three Metrolink lines already in the vicinity of the Old Trafford area, which will consider capacity and frequency improvements, as well as enhanced Active Travel and the potential for a local rail station.
- 2.4.8 Our proposed funding allocations also show our clear commitment to support the regeneration and place making ambitions across our Town Centres. This includes proposals to support catalytic developments at the Cotton Works in Wigan Town Centre, and Prince's Gate in Oldham Town Centre which supports the wider Town Centre vision including plans to create Northern Roots as the UK's biggest urban farm and eco park. Our proposed investments support the work underway to progress the proposed MDC to be established in Oldham including the Oldham Sport Town opportunity. Work is also being progressed to back a new Mayoral Development Zone to support plans for the regeneration of Leigh and surrounding areas.
- 2.4.9 We continue to accelerate development at Prestwich Village, Bury, through initial investment in commercial space alongside our recent transport investment allocation of £15m towards the development of a new travel hub.
- 2.4.10 In Stretford Town Centre, previously approved Brownfield Housing Fund Grant is being drawn down to commence demolition of the existing Stretford Mall in preparation of new housing delivery. We are also taking an important decision

to unlock the regeneration potential at Ashton town centre in Tameside, which will support work underway to progress an MDC for the town centre, linking the vision for growth with the opportunities at Stalybridge and the corridor between the two centres. This will be complimented by Ashton railway station being in the first phase of rail integration into the Bee Network in 2026 alongside bus and Metrolink connectivity.

2.4.11 Further, we are making recommendations to support the continued success of Stockport town centre and the Stockport MDC through proposals to support new housing at Fletcher St, which represents our first investment in the proposed new MDC boundary area for the town centre, and investment into Stockport 8 within the existing Stockport MDC boundary.

2.4.12 We are committed to making regular investments in our integrated pipeline to support GM's long-term growth and regeneration ambitions. The recommendations outlined here reflect our initial allocations, alongside enabling transport infrastructure and services, designed to unlock early opportunities and build momentum. We will continue to work closely with our partners across the city-region to progress pipeline projects, ensuring that our investment delivers maximum impact in achieving our shared strategic priorities—from inclusive economic growth and housing delivery to innovation, infrastructure, and place-making.

2.5 **Looking forward**

2.5.1 As work progresses to build the pipeline and include layers of key information, a series of reporting tools are being developed to enable effective engagement with different audiences. Through the processes being developed the pipeline will provide GM partners, business and residents with visibility of growth as and when it happens showing change over time as we commit

funding and deliver the outcomes of the GMS, and provide GMCA with the ability to:

- Monitor progress of delivery and investment decisions at a programme and project level to provide assurance;
- Forecast at a programme and project level of where growth is planned in the next 10 years, helping to inform investment decisions; and
- Enable informed decisions on project prioritisation, sequencing and allocation of funding and resources across housing, employment and transport.

2.5.2 Delivering the overall integrated pipeline will require significant investment capacity which we estimate to be at least £10bn of public sector funds over the next 10 years. GM will utilise its resources in the most efficient and effective way.

2.6 **Our Partners**

2.6.1 As well as providing the information to inform our own investment decisions, the pipeline is also fundamental to our engagement with Government and its key agencies (such as Homes England and National Wealth Fund), providing us with the ability to direct their investment capacity and resources to suitable projects. Our approach will enable us to effectively 'match' Integrated Pipeline projects to Government funding opportunities, focussing on projects from the pipeline that fit the funding parameters and areas of focus.

2.6.2 Our partners will be key to delivering the pipeline and as a demonstration of their commitment, GMPF have ringfenced £300m for investment into our integrated pipeline.

2.6.3 The integrated pipeline underpins our Local Growth Plan with Government which is the subject of a separate report to this Combined Authority meeting and links with the National Industrial Strategy, National Infrastructure Strategy and national skills approach. Work is underway to identify key projects from the pipeline that are aligned to our key growth sectors and

support our Local Growth Plan ambitions, should funding be made available to support these.

- 2.6.4 Further, in line with our Sector Development Plans and through our work with the Growth Company (including with MIDAS and Marketing Manchester) and wider sector networks, we will be able to maximise private investment opportunities and support growth in key sectors by matching investment

appetite and business growth demands with integrated pipeline development opportunities.

- 2.6.5 GM will launch a new integrated pipeline platform for investment for March 2026 in preparation for initiating dialogue with institutional investors and developers.

3. Investment Approach

- 3.1 As noted earlier in the paper, the scale of investment needed into the pipeline is significant and we have the opportunity with the integrated settlement, to change our approach to ensure strategically important schemes are funded.
- 3.2 This though requires a system change whereby we determine what needs to be funded through the prioritised pipeline first and then determine the make up of the funding second – we need to move away from pots of funding that have different criteria (some of which are restrictive) and pool the investment resources we have in order to make the money go further.
- 3.3 To support this change in approach we have created an investment pot with an initial capacity of £1bn, which includes £150m of proposed borrowing, that can be invested flexibly into the pipeline.
- 3.4 Our revised approach to investment decision making is focused on three key stages:

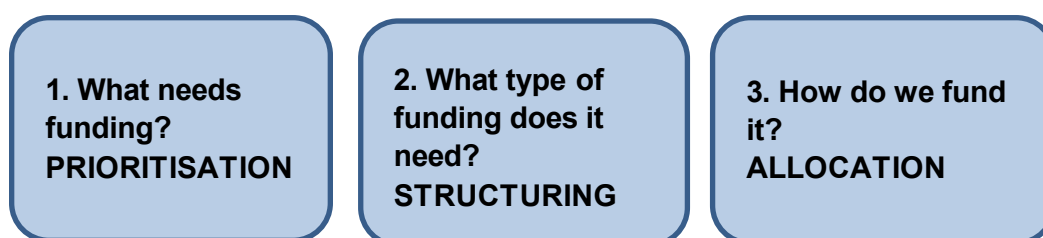


Fig. 1 Three stage of GM Investment Approach

Stage 1 – Prioritisation

- 3.5 The prioritisation stage seeks to identify the priority projects within the integrated pipeline to be considered for funding allocations.

- 3.6 The pipeline will be prioritised based upon agreed methodologies- significant work has been undertaken in recent months on the methodologies for housing, employment sites and infrastructure as set out later in this paper.
- 3.7 This prioritised pipeline is then the tool for allocating funding into schemes – **not only will we direct our own funding into this pipeline, but as noted earlier, we will seek to direct our partner agencies (Homes England, National Wealth Fund and GMPF) into the pipeline to maximise the schemes that can be funded**

Stage 2 - Structuring

- 3.8 Once a decision has been taken on what should be funded, the Investment team will determine the most appropriate funding structure, utilising the investment principles:



Fig 2. GM Investment Principles Summary

- 3.9 The majority of GM funding, given new agreements with government, will need to be recycled, with grant being directed to those schemes that achieve the highest strategic priorities, where grant is the only solution to viability and/or can derisk investment decisions into strategic schemes.
- 3.10 Funding ‘products’ may include:
- Grants;
 - Loans (commercial and subsidised);
 - Equity (commercial and subsidised) and
 - Patient Equity.
- 3.11 Guarantees will not be offered due to the capacity of the GMCA balance sheet – the pipeline for housing schemes that require a guarantee will be

directed to Homes England who have confirmed they will have a guarantee product through the National Housing Bank.

- 3.12 Funding solutions will not seek to focus on obtaining a commercial return – this is not an objective and subsidies should and will be given where they are needed, in order to bring schemes forward and achieve wider outcomes. The objective is to minimise the level of GMCA subsidy i) to make the money go further and ii) because it is a very limited resource.

Stage 3 - Allocation

- 3.13 In order to kickstart funding into the pipeline and whilst we await certainty of national funding programmes (e.g Homes England establish the National Housing Bank and mobilise the Social and Affordable Homes Programme), we have pulled together an initial investment pot with capacity in excess of £1bn for investment to be deployed over the next 12 months.
- 3.14 The £1bn will operate across all areas of investment and seeks to use the base of what we have received in the Spending Review and make it go further.
- 3.15 We will seek to allocate funding every six months, providing a balance between regular opportunities to allocate funding with the need to stabilise the pipeline. Where there are requests for funding that are commercial (for example, small loans to SME housing developers), we will continue to bring these forward on an ad hoc basis.
- 3.16 Allocations of funding are intended to provide early, upfront comfort that funding will be available in order to allow schemes to progress to delivery. All allocations will then be subject to detailed diligence with updates

provided back to GMCA at a later date which include further detail on the scheme and the proposed funding structure for final approval.

£1bn Investment Pot

3.17 The £1bn is comprised of a range of funding as set out in Table 2 below:

Table 2: Summary of Funding Sources for £1bn investment capacity:

Category	Amount (£m)
Grants received, principally through the Integrated Settlement	200
GM Borrowing, if approved	150
Financial Transactions that recycle (e.g HILF)	430
GM Pension Fund commitment to invest in the pipeline	300
New money for commitment	1,080

- 3.18 £1bn is not enough to deliver the pipeline across the whole of the Group in any one year, but the creation of the pot allows funding to be blended so that the impact of e.g. loans from government can go further, which could otherwise be restrictive with limited flexibility (due to the need for them to be repaid with interest).
- 3.19 Of the funding available, the grant and borrowing elements are the most flexible and are therefore the elements of the investment pot that are the most constrained. As we propose allocations for approval, we will set out how the proposed allocation is expected to impact upon the flexible element of the pot.
- 3.20 The ambition is for GM to borrow £1bn over the next ten years in order to invest in the prioritised integrated investment pipeline, supported by future income streams such as retained business rates. As a first tranche, this paper recommends for approval borrowing of £150m to contribute to the investment capacity available.

GM Borrowing in Practice

- 3.21 If approved, GM will borrow £150m to invest in the integrated pipeline. The Borrowing will be 'secured' against future income streams, the first of which is the GM premium element on business rates secured in the designated Investment Zones and Growth Zones. These areas benefit from enhanced business rates retention rules which ensure the full benefit of business rates growth above the 2023/24 baseline will be retained in GM and these areas will be exempt from the national reset of business rates confirmed for 2026/27 and all future resets for 25 years. The GM premium element of this income is the additional funding retained locally as a result of this enhanced status.
- 3.22 Initial indications show that by the end of 25/26 (the point of local authority reset of business rates) the value of this premium will be c£10m per annum and therefore over a 23-year period (time remaining on the Zones), income generated could be expected to be c£230m.

- 3.23 Taking into account interest, GM could therefore borrow up to £150m against this income stream. This represents the first phase of borrowing, as the premium builds, and following future business rates resets, there will be an opportunity for further borrowing
- 3.24 In addition to continuing to develop opportunities for borrowing against existing incomes streams such as retained business rates, we will seek to develop new ways to capture value from investments which will allow us to close viability gaps and maximise the benefit of public investment

Value Capture

- 3.25 Retained Business Rates and the original transport Earnback deal are examples of areas of value capture against which we are able to borrow.
- 3.26 In order to increase the investment capacity, we will look to maximise value capture mechanisms and as part of the recent Task & Finish process, HMT have committed to work with us on innovative approaches to funding GVA enhancing infrastructure projects.
- 3.27 To support this there is an established working group of HMT, MHCLG, and DfT officials who have been tasked with working with GM and other MCAs to examine the options.
- 3.28 The above work will take the principle that if in future GM invests upfront in large scale projects, that this will be funded through future income streams, being a combination of:
- Local value capture such as through a Mayoral CIL, Business Rates Supplement, Land Value Capture which seek to match the payment for the investment with those that benefit from it (e.g. those that benefit from a growth in land value as a result of a new tram stop).
 - Government contribution – recognising the fact that where we in GM invest in GVA enhancing infrastructure, government will ultimately benefit through a higher tax

Governance

- 3.29 The proposed governance process, to ensure the right level of oversight, is being developed and will be brought back to GMCA for approval.
- 3.30 The recent court case in relation to the Housing Investment Loans Fund highlighted that the underlying approach to assessing investment is good and so the governance will seek to build upon the existing approach to further strengthen our approach.

4. Pipeline Prioritisation Approach

- 4.1 The first wave of allocations recommended for approval is focussed on housing and employment sites based on the need to meet outcomes as agreed within the Integrated Settlement and the objective of supporting government's Growth Mission.
- 4.2 The total quantum of submissions is summarised below in Table 3 and illustrates the extent of the opportunity for investment, but also the challenge of directing limited resource into an extensive pipeline.

Table 3 Pipeline Submission Summary:

Housing Pipeline Submissions	
Metric	Value
No of pipeline schemes	69
No of New Homes	21,961
Total funding ask (all housing schemes)	£838.1m
Funding ask for top 10 strategic housing sites	£307.7m
Employment Pipeline Submissions	
Metric	Value
No of pipeline schemes	28
Total funding ask	£571m
Total Employment Floorspace	7,770,768 sqft unlocked

Total Job Potential (Direct)	20,561
Total Job Potential (Indirect)	26,056

- 4.3 Significant work has been done to design initial methodologies for prioritising the housing and employment sites. The detailed prioritisation methodologies are set out in Appendix [1]. A summary of the approach, which has been used to determine the first allocations of funding is included below. The GMCA is recommended to approve the Methodologies set out in Appendix 1.

Housing Pipeline Schemes

- 4.4 In order to identify a tranche of low-risk projects able to address viability challenges through patient equity investment, Build to Rent schemes seeking a patient equity investment were drawn from the Integrated Pipeline. The methodology applied to prioritising the schemes for investment approval focused on:

Summary Housing Methodology Criteria (Initial Methodology – Low Risk Schemes)	Weighting
Deliverability - important factors including the date by which there will be a material start on site and the status of other investment needed to deliver the scheme	40%
Value for Money - determined through comparing the outputs to the level of GMCA investment required, and what if any grant funding was sought	25%
Pay-back Potential - reflecting the ability to return GMCA investment public investment at exit and the timeframe for this (allowing funds to be recycled to other schemes)	20%
Minimising private-sector return - ensuring private investors/developers earn no more than a reasonable market return	15%

- 4.5 The above methodology prioritised relatively lower risk schemes with near term deliverability, and those schemes are included in the recommendations for approval.
- 4.6 In addition to the above approach, further housing schemes were drawn from the Integrated Pipeline to enable the GMCA to prioritise those schemes that represented strategic priorities for Local Authorities. Each Authority was asked to provide their number one scheme for funding. Schemes identified by the Local Authorities were prioritised according to the following methodology:

Summary Housing Methodology Criteria	Weighting
Strategic Fit - schemes that represent the relevant local authority's highest priority automatically received 20% of the total marks available, with an additional 10% available for schemes in Growth Locations or key town centres, or if the scheme was led by a Registered Provider	30%
Public Benefit - schemes were assessed against the delivery of affordable homes and for strong low carbon performance;	15%
Deliverability – including assessment of land assembly and planning status, requirements for Building Safety Act Gateway 2 approval, progress with procurement and start on site dates;	25%
Funding Strategy criteria – considering the status of other funding required for the scheme's delivery and, if not substantially progressed, whether the funding strategy assumptions were clear and credible;	7.5%

Value for Money criteria – considering the GMCA funding required per unit, the amount of that funding which was expected to be recovered and the commercial competitiveness of returns to other investors and developer profit / management fees. Where schemes were led by a Registered Provider, the funding, whilst a grant, was treated as fully recoverable in order not to prejudice the prioritisation of affordable housing.	22.5%
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Employment Pipeline Schemes

- 4.7 The scoring methodology for employment sites was designed to prioritise strategically important schemes that were materially deliverable, save for a viability challenge which GMCA could address through some form of subsidised funding structure.

Summary Employment Methodology Criteria	Weighting
Deliverability - including stage of landownership, planning status, procurement processes and development programmes, with schemes in a position to materially start on site scoring highest;	30%
Strategic Fit - driven by the site's location, alignment with net zero targets and sector focus for occupiers. There was no priority scoring designation within the Employment Sites methodology for Local Authority's to prioritise their top scheme;	30%
Value for Money - the Value-for-Money assessment utilised benchmarked employment density data to allow comparison across the various types of employment use (e.g. office, logistics, infrastructure etc); and	25%
Funding Structure – including how deliverable the proposed funding model was and the recoverability of the GMCA funding.	15%

5 Funding Recommendations

5.1 The initial recommendations for funding are summarised below. The recommendations are in principle and maximum allocations and the full detail of the proposed investments will be brought back to GMCA for consideration following further due diligence.

5.2 The GMCA is recommended to approve the proposed capital allocations to the housing and employment projects set out in the following tables (Table 4 and Table 5):

Table 4 - Proposed Housing Allocations - *Funding allocations are indicative and subject to further due diligence:*

Scheme	Local Authority	Developer	£'m	No. of units
Victoria North	Manchester	Far East Consortium	34.1	622
Whitworth Street West	Manchester	Glenbrook	17.0	364
Postal Street	Manchester	This City	16.3	126
Prince's Gate Phase 2	Oldham	Muse	35.1	256
Adelphi Village – BTR	Salford	English Cities Fund	23.4	336
Fletcher Street	Stockport	Progressive Living / Picture This	15.0	245
Stockport 8	Stockport	Muse	41.3	435

Trafford Wharf	Trafford	Cole Waterhouse / Heim Global	26.0	382
Cottonworks Block A	Wigan	Heaton Group	14.0	179
Total			222.2	2,945

Table 5 - Proposed Employment Allocations - *Funding allocations are indicative and subject to further due diligence*

Scheme	Local Authority	Developer	£'m -	Key Outputs (NIA sq ft)
Wingates	Bolton	Harworth Group	17.1	800,000
Prestwich	Bury	Muse	6.8	34,455
Upper Brook Street	Manchester	Property Alliance Group	22.1	81,354
Kendals	Manchester	Kendals Regeneration Ltd	44.0	450,000
Mayfield	Manchester	Mayfield Partnership	13.0	92,000
Sister	Manchester	Bruntwood SciTech / UoM	20.0	225,000
Mix	Manchester	Mix Mcr JV	7.0	121,000
Ashton Strategic Aquisitions	Tameside	Tameside MBC	7.6	197,000
Cotton Works	Wigan	Heaton Group	9.9	80,000
Total			147.5	2,080,809

- 5.3 In addition to the schemes noted above, several schemes totalling £62.9m have been identified which are being directed to the Evergreen pipeline for funding. We will continue to work with partners over coming months to identify any other schemes that can be directed towards their pipelines.
- 5.4 The initial allocations of funding do not address all of the Local Authority strategic housing projects and the pathway to future funding for these schemes have been discussed. This approach aligns with the principles of GMS that not all places will receive funding at the same time but this process gives visibility over future investment support for priorities at the right point in time.
- 5.5 We will be working with our Local Authority partners over the coming months to support progress of strategic projects and identify suitable pathways to funding (as set out in the table below). We anticipate being in a position to consider funding allocations in March 2026 for Wythenshawe Town Centre, Stretford Town Centre (phase 2), Prestwich Village residential development and Rochdale Station Gardens, subject to the proposals progressing against milestones to be agreed. Further, work is ongoing to ensure appropriate pathways to funding is secured at the right point in time to support redevelopment of Crompton Place in Bolton and Godley Green in Tameside.

Local Authority	Strategic Project	Pathway to Funding Next Steps
Bury	Prestwich (Residential)	Funding to be allocated in March 26, subject to the achievement of agreed milestones.
Bolton	Crompton Place	Letter of comfort to be provided from Bolton Council to the developer.
Manchester	Wythenshawe	Funding will be allocated in March 26, subject to the achievement of agreed milestones.

Rochdale	Station Gardens	Funding will be allocated in March 26, subject to the agreement of a repayable funding mechanism
Tameside	Godley Green	Letter of comfort to be provided that funding will be considered in September 2027 to allow the option to be exercised on the first plot of land in the event that we are not collectively in the position to demonstrate to the JV partner that the scheme is fully funded. Work to be undertaken on developing a fully funded solution in coming months.
Trafford	Stretford Town Centre, Phase 2	Funding to be allocated in March 26, subject to the achievement of agreed milestones.

Other allocations

- 5.6 In addition to the new capital allocations noted above, GMCA approval is sought to extend the terms of the following existing scheme within the current Housing Investment Loans Fund portfolio.

Stockport Interchange

- 5.7 Stockport Interchange has delivered 196 new homes as part of the flagship scheme to redevelop the former town centre bus station to create a new multi-modal transport interchange.
- 5.8 Alongside investment from a private-sector investment fund manager – Gresham House - the development was funded with £22.4m GM Housing Investment Loans Fund (“GMHILF”) loan, patient equity of £9.3m from each of GMCA and Stockport Council and grants of £6.8m.
- 5.9 Construction completed in May 2024, and the property is now operated for PRS by the partnership between GMCA, Gresham House and Stockport Council until 2036. The income stream and forecast value growth over this period being the key driver of GMCA and Stockport Council recovering their patient equity investment.
- 5.10 The GMHILF loan to fund the development is due for repayment in March 2026. The scheme is currently c.94% let with rental levels exceeding the original forecast, and as such it is being recommended that the loan term be extended for a further five years, alongside an increase in the loan to £26m. This extension will ensure that GMCA continues to have significant influence over the project that protects the public sector’s patient equity investment, with income generated being retained for reinvestment.
- 5.11 The extension to the loan will result in the interest rate increasing from 5.25% to 5.75% (based on a margin of 1.75% over the Bank of England base rate). The interest rate represents a commercial rate which has been subject to an external benchmarking exercise. The loan will be repaid from a further refinance at the end of the 5-year term, with no commitment or obligation on GMCA’s part to provide this.

6. Alignment with GMCA Budget Setting process

- 6.1 Whilst the approach to the investment pipeline set out in this paper represents a dynamic and evolving process, the outcomes will be fully aligned with the wider GMCA budget setting process.
- 6.2 This paper proposes a series of initial allocations for the combined authority's approval today. If approved those allocations will be incorporated into the GMCA capital budget with any revenue revenue implications incorporated into the budget setting process.
- 6.3 Further allocations from the £1bn investment pot outlined in this paper will be made periodically with the next phase expected to be proposed in March 2026. This will be subsequently incorporated into the capital budget on a quarterly basis to ensure appropriate oversight of all capital programmes and associated funding.

7. Summary & Recommendations

- 7.1 We have set out in this report our bold new chapter of growth defined by a clear shared vision for a thriving City Region where everyone can live a good life. Underpinned by our Greater Manchester Strategy and Delivery Plan, we are driving forward a 10-year programme of growth and prevention that will reshape our places, drive growth, and deliver lasting impact across all of GM. Through the recommendations in this report we are backing the initial investment in our Integrated Pipeline, we've created a £1bn investment pot which will unlock priority projects, making them viable and building investor confidence and driving wider investment from partners.
- 7.2 Today we're recommending £400m towards the first wave of Integrated Pipeline projects – a portfolio of high-impact housing, employment and town centre regeneration projects. We expect for investment to attract a further £1.3bn in private capital. Through this initial investment we will delivery nearly 3,000 new homes and 2 million square feet of new employment space. Our complementary transport investment through the integrated

pipeline will also play a critical role in enabling delivery of our growth through the right infrastructure.

- 7.3 The recommendations in this report are just the beginning. Through our revised investment strategy, Greater Manchester we will make regular, targeted investment into our Integrated Pipeline, ensuring every priority project has a clear pathway to delivery, ensuring that the benefits of growth are felt across all of GM.

Appendix 1 – Prioritisation Methodologies

1. Employment Schemes – Methodology

Strategic fit - 30% of overall score		
Areas of consideration	Information requirements	Scoring criteria
Scheme location – 60%	- Strategic fit statement providing evidence of which Growth Zone, Investment Zone or Growth Location it is located in. - Or stating why the scheme has wider strategic circumstances, e.g. scheme sits within a wider priority masterplan, unlocks key infrastructure with a wider benefit	- Green- Scheme sits within a Growth Zone, Innovation Zone or Growth Location - Amber- Scheme has demonstrated wider strategic circumstances and is a key strategic site - Red- no allocation or strategic fit
Scheme contributes to growth in the Frontier and/or Foundation sectors 20%	Evidence of which sector the scheme contributes to Frontier sector: Health Innovation/Advanced Materials & Manufacturing/ Digital, Creative and Media/ Clean Growth Foundation sector: People (skills & work)/ Infrastructure/ Ideas (innovation, partnerships and investment)/ Business Environment	- Green- scheme contributes to multiple Frontier and/or Foundation sectors - Amber- Scheme contributes to Frontier and/or Foundation sectors - Red- No evidence of contributions to the Frontier or Foundation sectors
Scheme contributes to GM reaching carbon neutral by 2038– 20%	For Office / Industrial Space Energy and Carbon Statement (including proforma) evidencing how a scheme will conform to Places for Everyone policy JP-S2	Green – achieve BREEAM outstanding' (or equivalent) for the Ene 01 – reduction of energy use and carbon emissions category

		- Amber - achieve BREEAM excellent' (or equivalent) for the Ene 01 – reduction of energy use and carbon emissions category - Red – does not achieve at least BREEAM excellent' (or equivalent) for the Ene 01 – reduction of energy use and carbon emissions category
	For Infrastructure Projects Statement evidencing how the scheme will support the delivery of energy efficient development / public transport strategy on sites unlocked by infrastructure	- Green- Clear articulation of right mix approach and details of low carbon energy net zero strategy for development - Amber – Articulation of either a right mix approach or details of low carbon energy net zero strategy for development - Red- Scheme has neither a right mix approach or details of low carbon energy net zero strategy for development

Funding Strategy – 15%		
Area of consideration	Information requirements	Scoring criteria
Funding Strategy – 100%	- Evidence that funding strategy has been tested, articulated and determined - Programme cashflow- identifying GMCA funding drawdown - Recoverability of GMCA's interventional funding	- Green- all funding queries have been answered and satisfied, allowing for a decision on GMCA funding to be determined - Amber- some funding queries remain unresolved but any risks have set out satisfactory mitigations to

		allow a decision on GMCA funding to be determined • Red- A number of funding queries remain outstanding that do not allow for a decision on GMCA funding to be determined
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Value for Money – 25%		
Area of consideration		Scoring criteria
Cost-Benefit Analysis – 60% Cost per FTE created – 40%	• Evidence of employment floor space and job creation during and post construction. • Scheme costs. • Regional GVA per capita.	• Cost-Benefit Analysis Each scheme will be assessed - and ranked - on a direct and indirect job creation basis reflecting delivery complexity and long-term economic impact capturing regional Gross Value Added (“GVA”) metric(s) results to be compared against cost to the public purse to deliver the scheme, in accordance with HM Treasury Green Book best practice. • Cost per FTE created Utilising widely recognised employment density guidelines, interventions will be assessed and balanced across type by assessing the cost per FTE

		created and subsequently assessed and ranked against the mean value of all the proposals.
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2. Housing Schemes – Methodology

Deliverability - 25% of overall score		
Areas of consideration	Information requirements	Scoring criteria
Status of land – 50%	• Confirmation of who owns the land / evidence that applicant has control of the land (e.g. title report, development agreement etc.) • If land assembly is required – timescales to do so • Evidence of planning status , evidence of any outstanding conditions or evidence of when planning will be determined • Statement from the applicant confirming scheme deliverability, identifying any key constraints and how this will be overcome	• Status of land & vacant possession • Status of planning • Whether or not BSA Gateway 2 approval will be required
Delivery strategy – 50%	• Confirmation of Delivery partner and evidence of arrangement • Programme for signing legal agreements • Programme for procurement and appointment of contractor • Development programme (showing works on site and unit completion)	• Status of contractor procurement • Start on site date

Strategic fit - 30% of overall score		
Areas of consideration	Information requirements	Scoring criteria
Scheme location – 100%	• Strategic fit statement providing evidence of which Growth Location or key town centre scheme is located in and that the sequence of development aligns with the Delivery Plans for that area • Or stating why the scheme has exceptional strategic circumstances, e.g. specialised supported housing scheme, e.g. scheme sits within a wider priority masterplan, unlocks key infrastructure with a wider benefit	• Local authority's highest priority will receive 20 marks • A further 10 marks will be available if the scheme is in a Growth Location or key town centre, or if the scheme is being delivered by a RP • 5 marks will be available if the scheme is not in a Growth Location or key town centre, but can demonstrate exceptional circumstances

Funding Strategy – 7.5%		
Area of consideration	Information requirements	Scoring criteria
Funding Strategy – 100%	• Evidence that funding strategy has been tested, articulated and determined • Cashflow profile • Those seeking to deliver affordable housing are expected to have discussed the scheme and SAHP funding requirements with Homes England. Both GMCA and Homes England will share funding requests	• Green – all funding is approved • Amber - there is a clear, realistic and achievable strategy to secure other funding • Red – unclear and/or unrealistic and/or complex strategy to secure other funding

Value for Money – 22.5%		
Area of consideration		Scoring criteria
Value for Money – intervention rate - 33%	Number of homes (output) considered against GMCA funding requirement	The scheme with the lowest funding requirement will receive the highest score, and the scheme with the highest funding need receiving the lowest score, per output
Value for Money – recoverability – 33%	Detailed financial appraisal / cashflow model, including proposed funding waterfall and returns	Schemes which repay in full, or RP schemes, will receive highest score, with schemes with the lowest % of funding repayment receiving the lowest
Value for Money – private-sector returns – 33%	Detailed financial appraisal / cashflow model, including proposed funding waterfall and returns	- Green – proposals around IRR and profit / development management fees sit at the lower end of the range, OR the funding waterfall sees GMCA repaid first - Amber – proposals around one of IRR and profit / development management fees sit at the lower end of the range - Red – neither the IRR or profit / development management fees are at the lower end of the range

Public value benefit assessment – 15%		
Area of consideration		Scoring criteria
Scheme contributes to increasing affordable homes in GM- 50%	- Evidence of tenure breakdown - Evidence scheme complies with local affordable housing planning policy requirements	- Green - Above local affordable housing S106 policy - Amber – in line with local affordable housing S106 policy - Red - Below for affordable housing local affordable housing S106 policy
Scheme contributes to GM reaching carbon neutral by 2038– 50%	- Energy and Carbon Statement (including proforma) evidencing how a scheme will conform to Places for Everyone policy JP-S2 or meet an energy use intensity target of 35 kWh/m2/yr For Infrastructure Projects - Statement evidencing how the scheme will support the delivery of energy efficient development/ public transport strategy on sites unlocked by infrastructure	- Green – Conforms to Places for Everyone policy JP-S2 or meets an energy use intensity target of 35 kWh/m2/yr - Amber- Scheme has been designed to meet Future Homes Standard - Red- Scheme does not conform to Places for Everyone policy JP-S2 or meet an energy use intensity target of 35 kWh/m2/yr, nor has it been designed to meet Future Homes Standard For Infrastructure Projects - Green- Clear articulation of right mix

		approach and details of low carbon energy net zero strategy for development • Amber – Articulation of either a right mix approach or details of low carbon energy net zero strategy for development • Red- Scheme has neither a right mix approach or details of low carbon energy net zero strategy for development
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