

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	20 December 2023
<b>Executive Member:</b>	Councillor Jack Naylor, Executive Member (Inclusive Growth, Business & Employment) Councillor Jacqueline North, First Deputy (Finance, Resources & Transformation)
<b>Reporting Officer:</b>	Julian Jackson – Director of Place Nicola Elsworth – Assistant Director of Investment, Development and Housing
<b>Subject:</b>	<b>GODLEY GREEN: HOMES ENGLAND HOUSING INFRASTRUCTURE FUNDING (HIF) GRANT FUNDING AGREEMENT (GFA) – REMEDIATION PLAN</b>
<b>Report Summary:</b>	In December 2019, the Council entered into a £10m GFA with Homes England for the proposed Godley Green Garden Village.  Due to the complexities and timescales associated with promoting green belt land for development, it has not been possible to meet the deadlines for spend under the terms of the GFA. The Council was informed by Homes England on 31 July 2023 that no further extensions to the HIF Programme (beyond 31 March 2024) could be granted and that a remediation plan is therefore required in order to manage the exit from the programme and termination of the GFA.
<b>Recommendations:</b>	That Executive Cabinet be recommended to: <ol style="list-style-type: none"> <li>1. Approve the Council entering into the Deed of Termination Notice (targeted for before 31 December 2023, to avoid the risk of clawback of the £0.720m grant funding already drawn down).</li> <li>2. Note that a resolution to grant outline planning consent was confirmed on 1 November 2023 and that the Secretary of State confirmed on 9 November 2023 that the application will not be subject to call in.</li> <li>3. Note the ongoing cooperation between the Council, Homes England and Greater Manchester Combined Authority (GMCA) to identify alternative sources of grant funding (if required).</li> <li>4. Agree promotion of the project to Homes England's Brownfield Land and Infrastructure (BIL) fund via GMCA.</li> </ol>
<b>Corporate Plan:</b>	The Council's ambitions for Godley Green are reflected in the Corporate Plan by aspiring to build successful lives, strong and resilient new communities, and invest in a local and vibrant economy.
<b>Policy Implications:</b>	Godley Green is a key strategic site for Tameside, as identified in the Places For Everyone Spatial Framework, due for adoption in 2024.
<b>Financial Implications:</b>	In December 2019, the Council entered into a £10m grant funding agreement with Homes England for the proposed Godley Green

**(Authorised by the statutory Section 151 Officer & Chief Finance Officer)**

Garden Village. The Council negotiated an early draw down of £0.720m which was utilised to kick start initial preparatory and site investigation works.

The Council's Speakers Panel provided a resolution to grant the outline planning application for Godley Green on 1 November 2023. The outline application was referred to the Secretary of State for final approval on 2 November 2023, and responded on 9 November 2023 to confirm that the application will not be called in.

Due to the complexities and timeframes associated with promoting green belt for development, it has not been possible to meet the deadlines for spend under the terms of the GFA. The Council was informed by Homes England on 31 July 2023 that no further extensions to the HIF Programme (beyond 31 March 2024) could be granted, and that a remediation plan is therefore required in order to manage the exit from the programme and terminate the GFA. Homes England has helpfully confirmed, in writing that the £0.720m already drawn down won't be clawed back, on the condition that the Deed of Termination is signed and returned by the Council by 31 December 2023.

However, notwithstanding the position with the HIF Programme, the Council remains committed to the delivery of the scheme. Now outline planning consent has been minded to be approved, the Council is focussing its efforts on enabling delivery of the scheme. This work includes further refinement of costs and values (including the production of a fully costed Infrastructure Delivery Plan). In addition, the Council is working with the other site promoters/landowners to establish a delivery mechanism and determine how the scheme can be cashflowed and costs equalised.

**Legal Implications:  
(Authorised by the Borough Solicitor)**

The Council must ensure that the Deed of Termination is in full and final settlement of any and all outstanding liabilities under the GFA and that Homes England will not be able to claw back any of the £0.720m already drawn down.

**Risk Management:**

Homes England have confirmed that not signing the Deed of Termination by 31 December 2023 will mean that the £720k already drawn down will be subject to claw back as well incurring additional legal fees.

**Access to Papers**

**CONFIDENTIAL**

**APPENDIX 1:** Contains exempt information relating to paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) in that it relates to information relating to the financial or business affairs of a particular person (including the authority holding that information).

**Background Information:**

The background papers relating to this report can be inspected by contacting Ben Gudger, Head of Investment and Development



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## 1. INTRODUCTION

- 1.1 Godley Green is a key strategic site in Tameside and Greater Manchester (GM) and is due to be allocated for development within the GM Places for Everyone Spatial Framework (due for adoption in 2024). Godley Green will contribute 27% of Tameside's housing supply and 1.3% of GM's housing supply between now and 2037. The site now has the benefit of a resolution to grant outline planning consent and will create a high-quality new community across two villages and deliver up to 2,150 new homes, associated high quality green, blue and hard infrastructure (creating connections, sustainable living and increasing biodiversity), in addition to two local centres.
- 1.2 The working relationship and support that has been established regarding the Godley Green project between the Council, Homes England and GMCA since 2019 has provided the catalyst for the creation of a vision for Godley Green that, when realised, will provide the step-change that is required to transform the local housing market in the borough and to meet key housing needs requirements within Tameside and across GM.
- 1.3 Homes England informed the Council on 1 February 2018 that its £10 million bid for Housing Infrastructure Funding (HIF) for the proposed Godley Green Garden Village was successful and a HIF Grant Funding Agreement (GFA) was entered into in December 2019. The HIF investment was intended to support delivery of the critical infrastructure required to unlock development activity in the initial phases. In addition, the Council negotiated an early draw down of £0.720m, which was utilised to kick start initial preparatory and site investigation works.
- 1.4 Two critical milestones were included within the GFA and included the securing of an outline planning consent and confirmation of a Delivery Partner to deliver the infrastructure and initial phases of development. Although progress had been made on both of these milestones/workstreams, complexities associated with promoting land in the green belt at such a scale have meant that it has naturally taken time to secure planning consent and secure a delivery partner and achieving these milestones has been challenging.
- 1.5 The Council was informed by Homes England on 31 July 2023 that no further extensions to the HIF Programme (beyond 31 March 2024) could be granted and that a remediation plan is therefore required in order to manage the exit from the programme and terminate the GFA. This was confirmed formally through a Reservation of Rights letter to the Director of Place on 31 July 2023.

## 2. PREPARATION OF REMEDIATION PLAN TO EXIT THE GRANT FUNDING AGREEMENT

- 2.1 In order to exit the GFA, the Council has been asked by Homes England to set out a remediation plan that will require the completion of a Deed of Termination by 31 December 2023.
- 2.2 The Director of Place wrote to Homes England on 11 October 2023 setting out the anticipated stages for formal withdrawal from the GFA. These are:

DATE	Action	Outcome
September 2023	Update from Director of Place on HIF Position to Godley Green Delivery Group	Agreement to progress drafting of report, to begin the governance decision making process to formally withdraw from the HIF Grant Funding Agreement

November 2023	Report from Director of Place on Remediation Plan to Single Leadership Team	Identification of formal governance route
December 2023	Report from Director of Place on Remediation Plan to Board / Executive Cabinet	Formal resolution by the Council Executive to withdraw from the HIF Grant Funding Agreement
December 2023	Signing of Deed of Termination	N/A

2.3 In addition to these timescales, The Director of Place also asked Homes England to confirm the following as part of an agreed GFA exit strategy.

- Confirmation that £0.720m HIF funding already drawn down and expended by Tameside Council to support project milestones will not be subject to clawback.
- Confirmation that Q1 milestones (23/24) and any subsequent milestone monitoring in this financial year will cease with immediate effect and is no longer required.
- Confirmation that Homes England will collaborate on a joint press/media statement and to manage any announcements of the termination of the Grant Funding Agreement.
- Confirmation that Homes England will work with GMCA and Tameside Council to continue to support delivery of the project and to find an alternative source of funding to unlock delivery of the scheme.

2.4 Homes England responded in writing to the Director of Place on 23 October 2023 to confirm that the series of issues raised are acceptable, so long as the Deed of Termination (**Appendix 1**) is signed and returned by the Council by 31 December 2023.

### 3. WITHDRAWAL OF GFA – IMPACT ON PROJECT DELIVERABILITY

3.1 The grant monies were originally secured to make the scheme financially viable. The impact of the £10m HIF grant funding was to create a positive land value and construct enabling infrastructure to improve deliverability of the scheme. Although the HIF funding can no longer be accessed by the Council, outline planning consent has been minded to be approved which means the project can now move into its delivery phase. The Council is focussing its efforts on refining costs and values, including the production of a fully costed Infrastructure Delivery Plan and remains committed to its delivery. It should be noted that values have positively improved since HIF funding was allocated. The Council is also working with the other site promoters/landowners to establish a delivery mechanism and determine how the scheme can be cash flowed and costs equalised.

3.2 The Council continues to work with Homes England and GMCA (who acknowledge the strategic importance of the scheme) and will utilise this partnership to identify further sources of grant funding, if required, including promoting the project to Homes England's Brownfield Land and Infrastructure (BIL) fund via GMCA.

### 4. CONCLUSION

4.1 Homes England's flexibility in agreeing to an early draw down of grant funding has significantly helped the Council to facilitate and deliver a full pre and post-planning submission process, that included 12 public and statutory consultation sessions, during the challenging COVID lockdown period.

4.2 In addition, this funding, aligned with the Council's significant investment of financial resources and political leadership, has helped to create a development platform that has seen the majority of the site now optioned for development. Meanwhile, the Council's controlling interest in the site also places it in a strong strategic and commercial position when it comes to selecting a delivery partner. The Council continues to remain fully committed to

the delivery of the site and promotion of the allocation through the Places for Everyone process to remove it from the Green Belt and has made positive responses to the recent Main Modifications consultation accordingly.

- 4.3 Unfortunately, the Council and Homes England has not been able to agree further extensions to the HIF Programme. However, Homes England has made an ongoing commitment to continue to work with the Council and GMCA to explore further funding and partnership opportunities as they arise and should they be needed, that will support the delivery of this key, strategic site.

## **5. RECOMMENDATIONS**

- 5.1 As set out at the front of the report.