

Date: 30th July 2021

Subject: GM Investment Framework, Conditional Project Approval

Report of: Councillor David Molyneux, Portfolio Leader for Investment and Resources and Eamonn Boylan, Portfolio Lead Chief Executive for Investment

PURPOSE OF REPORT:

This report seeks Greater Manchester Combined Authority (“Combined Authority” and “GMCA”) approval for an investment to Miribase Limited (“Miribase”). The investment will be made from recycled funds.

Further details regarding the investment are included in the accompanying Part B report to be considered in the confidential part of the agenda due to the commercially sensitive nature of the information.

In view of the prolonged timeframe between the Combined Authority’s meetings in July and September 2021, this report seeks approval to delegate authority to the Combined Authority Chief Executive in consultation with the Combined Authority Treasurer and the Portfolio Lead for Investment and Resources, to approve projects for funding and agree urgent variations to the terms of funding previously approved by the Combined Authority, for the period 31 July 2021 to 23 September 2021.

Any recommendations that are approved under the delegation will be reported to the next available meeting of the Combined Authority.

RECOMMENDATIONS:

The GMCA is requested to:

1. approve the funding application for Miribase Limited (investment of up to £400,000), and progress to due diligence.
2. delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information in respect of the above company, and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transactions, to sign off

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the investment noted above.

3. delegate authority to the Combined Authority Chief Executive and the Combined Authority Treasurer, in consultation with the Portfolio Lead for Investment and Resources, to approve projects for funding and agree urgent variations to the terms of funding in the period 31 July 2021 to 23 September 2021. Any recommendations that are approved under the delegation will be reported to the next available meeting of the Combined Authority.

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Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy		The investment will create long term good employment opportunities within Greater Manchester and attract inward investment into Manchester, as well as contributing to the innovation economy.
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		

Contribution to achieving the Greater Manchester Carbon Neutral 2038 target.

Carbon Assessment

Overall Score

N/A

Buildings	Result	Justification/Mitigation
New Build residential		
Residential renovation or maintenance		

New Build Commercial/Industrial		
Transport		
Active travel and public transport		
Roads, Parking and Vehicle Access		
Access to amenities		
Vehicle procurement		
Land Use		
Land use		

Equalities Implications:

Not applicable.

Climate Change Impact Assessment and Mitigation Measures:

None.

Risk Management:

Any investments noted in this paper will be governed under the existing investment framework which includes several levels of review and ongoing monitoring of performance.

Legal Considerations:

The legal agreements will be based upon the existing templates for the GM Investment Fund, amended for the specific requirements of the individual funding arrangements.

Financial Consequences – Revenue:

There are no revenue implications.

Financial Consequences – Capital:

Any proposed investments noted in this paper will be made from recycled funds.

Number of attachments to the report:

None.

Comments/recommendations from Overview & Scrutiny Committee:

None.

BACKGROUND PAPERS:

None.

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 PUBLIC DOMAIN RELEASE DATE: 30 th July 2036
GM Transport Committee	N/A
Overview & Scrutiny Committee	N/A

1. INTRODUCTION/BACKGROUND

- 1.1 The Combined Authority maintains and develops a pipeline of projects submitted by applicants seeking funding from the Combined Authority's Core Investment Funds allocation. These projects are assessed against criteria based on the GM Investment Strategy, developed to underpin the economic growth of Greater Manchester. A condition of investment is that the companies sign up as (at a minimum) a supporter of the Greater Manchester Good Employment Charter.
- 1.2 This assessment incorporated:
- a) an appraisal by the GM Core Investment Team; and
 - b) a review by a sub-group of GM Chief Executives.

2. INVESTMENT RECOMMENDED FOR APPROVAL IN PRINCIPLE

2.1 **Miribase Limited ("Miribase"), Manchester Sector: Digital & Creative**

The business case in respect of up to a £400,000 investment into Miribase Limited has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.

Miribase build complex & fully integrated websites for a range of customers in the UK and internationally. The Company received an equity investment of £335,000 from the GMCA in September 2019 which was used to scale up the team and further develop the technology and partnerships.

The business has grown considerably since the initial investment and approval is now sought for a follow on investment of up to £400,000 to be used to support working capital as the business accelerates revenue and customer growth.

The follow on investment will be matched by private sector investment of at least £600,000, providing a total investment of £1,000,000.

Miribase is based in Stockport and is forecast to create a further 24 skilled roles over the next 2 years.

- 2.4 Further details regarding the investment are included in the accompanying Part B report to be considered in the confidential part of the agenda due to the commercially sensitive nature of the information.

3. DELEGATION

- 3.1 A delegation is sought to allow urgent recommendations for funding to be conditionally approved in the period between the Combined Authority's July and September 2021 meetings. It is proposed that authority be delegated to the Combined Authority Chief Executive and the Combined Authority Treasurer in consultation with the Portfolio Lead for Investment and Resources to approve projects for funding and agree urgent variations to the terms of funding previously approved by the Combined Authority.
- 3.2 Any recommendations approved under the delegation will be subject to the usual due diligence processes and will be reported to the next available meeting of the Combined Authority.