

Greater Manchester Combined Authority

Date: 17th December 2021

Subject: GM Investment Framework, Conditional Project Approval

Report of: Councillor David Molyneux, Portfolio Lead 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 into My First Five Years Limited (“MFFY”) and approval for follow-on investments into Immersify Education Limited (“Immersify”) and Tootoot Limited (“Tootoot”). The investments will be made from recycled funds.

Further details regarding the investments 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.

Recommendations

The GMCA is requested to:

1. approve an investment into My First Five Years Ltd (investment of up to £750k);
2. approve a follow-on investment into Immersify Education Ltd of up to £200k;
3. approve a follow-on investment into Tootoot Limited of up to £100k; and
4. delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information in respect of the above Fund, and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the investment, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the investment noted above.

Contact Officers










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Equalities Impact, Carbon and Sustainability Assessment

A) My First Five Years Ltd

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health	G	
Resilience and Adaptation		
Housing		
Economy	G	30 jobs to be created in Salford Digital and innovative app
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		
Further Assessment(s): Equalities Impact Assessment		
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.
 Negative impacts overall.		
Carbon Assessment		
Overall Score	<input type="text"/>	
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New Build Commercial/Industrial	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.

B) Immersify Education Ltd

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health	G	
Resilience and Adaptation		
Housing		
Economy	G	30 jobs to be created in Salford Digital and innovative app
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		





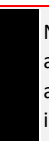
Further Assessment(s): Equalities Impact Assessment

 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.
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Carbon Assessment





Overall Score

Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New Build Commercial/Industrial	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.
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C) Tootoot Ltd

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health	G	
Resilience and Adaptation		
Housing		
Economy	G	30 jobs to be created in Salford Digital and innovative app
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		
Further Assessment(s):	Equalities Impact Assessment	
	Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.
	Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.

Carbon Assessment

Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New Build Commercial/Industrial	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
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Risk Management

The investments recommended 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

The proposed investments 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.

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

1.1. Background:

1.1.1. 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.

1.1.2. This assessment incorporated:

- an appraisal by the GM Core Investment Team; and
- a review by a sub-group of GM Chief Executives.

2. Investments Recommended for Approval in Principle

2.1. My First Five Years Ltd, Salford

Sector: Digital & Creative

2.1.1. The business case in respect of an up to £750k investment into My First Five Years (MFFY) has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.

2.1.2. MFFY is a child development mobile application ("app") allowing parents to understand and track their children's development through the first five years.

2.1.3. The app provides advice and information that is based on science and research, from a wide range of sources, rather than opinion. The test version of the app has been released to a community of parents with feedback being obtained and incorporated in advance of the planned commercial launch in 2022.

2.1.4. The Company was founded by Jennie Johnson (also the founder of Kids Allowed nurseries) alongside the early years development expert, Alistair Bryce-Clegg. The Company is raising £1.2m in order to launch and scale the app.

2.1.5. It is recommended that GMCA invest up to £750k into the round alongside existing investors and new High Net Worth Individuals. The investment will support the forecast creation of thirty new jobs in the region over the next two years.

2.1.6. 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.

2.2. Immersify Education Ltd, Manchester

Sector: Life Sciences

2.2.1. The business case in respect of an up to £200k investment into Immersify has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.

2.2.2. In September 2019, the GMCA approved an equity investment of £150k into Immersify as part of a £260k investment round. Immersify is an e-learning platform which seeks to bridge the gap between theoretical and practical learning by utilising augmented reality and animation to present interactive 3D models, to be used in subjects which require practical application – the first of which is dentistry. An example would be where students are being taught how to inject patients – it is difficult to visualise this in 2D material and can be seen much clearer on a 3D model.

2.2.3. The Immersify app effectively condenses long form and short form content into lesson modules, providing bespoke practicals, concise lessons and alternative learning methods such as flash cards/multiple choice questions etc. The feedback is that this provides much more engaging content than traditional textbooks, with instantaneous feedback to the user and engagement metrics to the universities.

2.2.4. The business is looking to raise £1.2m to support the further growth of its team and roll-out of the product to additional customers, of which it is recommended the GMCA provide a follow on investment of up to £200k. Manchester will continue to be the headquarters creating further high quality digital jobs for the region.

2.2.5. 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.

2.3. Tootoot Limited, Manchester

Sector: Digital & Creative

2.3.1. The business case in respect of an up to £100k investment into Tootoot has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.

2.3.2. The GMCA approved equity investments totalling £320k into Tootoot in September 2019 and June 2020. Tootoot is a tech business, which provides a platform to institutions for their stakeholders to report bullying, mental health issues, safeguarding issues, morale and employee engagement. The initial product was designed for use by schools. The business then developed a system for use in workplaces which has been rolled out over the last 12 months.

2.3.3. The business is looking to raise £200k to support the growth of its sales team allowing sales traction to continue to be built. It is recommended that the GMCA invest up to £100k into the round alongside existing investors.

2.3.4. 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.