

Greater Manchester Combined Authority

Date: 13th May 2022

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 Northern Gritstone Limited (“Northern Gritstone”). 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.

Recommendations

The GMCA is requested to:

1. approve an investment of up to £1,500,000 into Northern Gritstone Limited; and
2. delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information in respect of the above investment, 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.

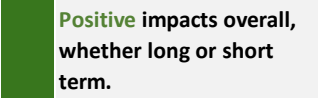
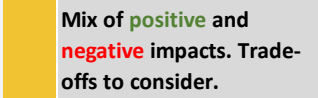
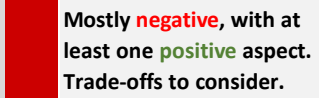

Contact Officers

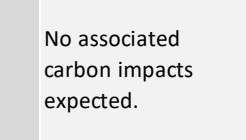
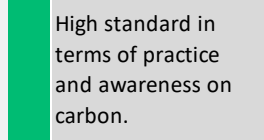
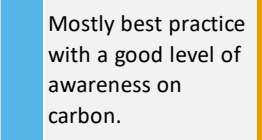
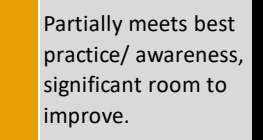
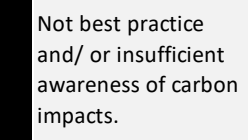
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Equalities Impact, Carbon and Sustainability Assessment

A) Northern Gritstone Ltd

Impacts Questionnaire							
Impact Indicator	Result	Justification/Mitigation					
Equality and Inclusion							
Health							
Resilience and Adaptation							
Housing							
Economy	G	Supports University spin-outs in the region with access to finance and creation of high quality jobs.					
Mobility and Connectivity							
Carbon, Nature and Environment							
Consumption and Production							
Contribution to achieving the GM Carbon Neutral 2038 target							
Further Assessment(s):	N/A						
	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.

Risk Management

The investment 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 investment 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. Investment Recommended for Approval in Principle

1.1. Northern Gritstone

- 1.1.1. Northern Gritstone is an investment vehicle for accelerating spin-outs from the universities of Manchester, Leeds and Sheffield. These spin-outs are often high-risk/high reward and therefore require dedicated financial resource to support the commercialisation of university research.
- 1.1.2. GMCA is recommended to invest up to £1,500,000 as part of a £120m first close of the investment fund. The Fund is expected to deliver strong inward investment to the North West region and provide much-needed access to finance for the underserved early-stage spin-out sector helping to drive innovation in the life sciences, low carbon and advanced materials sectors.
- 1.1.3. Northern Gritstone is expected to launch in June 2022 with a strong pipeline of potential investments across the three universities.
- 1.1.4. 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.