

Greater Manchester Combined Authority

Date: 29th July 2022

Subject: GM Investment Framework, Conditional Project Approval

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Resources and Steve Wilson, Portfolio Lead Chief Executive for Investment

Purpose of Report

This report seeks Greater Manchester Combined Authority (“Combined Authority” and “GMCA”) approval for a loan to FM Outsource Limited (“FMO”). The loan will be made from recycled funds.

Further details regarding the loan 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 2022, this report seeks Greater Manchester Combined Authority (“Combined Authority” and “GMCA”) 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 30 July 2022 to 29 September 2022.

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 loan facility of up to £650,000 to FM Outsource Limited;
2. delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information in respect of the above loan, and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the loan, to sign off any

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

3. Delegate authority to the Chief Executive Officer, GMCA & TfGM and the GMCA 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 30 July 2022 to 29 September 2022.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment

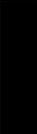
A) FM Outsource Ltd

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	The investment will lead to job creation.
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

Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenanc	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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Risk Management

The loan recommended in this paper; and any investments amended or commenced during the delegation period 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 loan; and any investments amended or commenced during the delegation period 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. Recommended for Approval

2.1. FM Outsource Limited, Bury

Sector: Digital & Creative

2.1.1. The business case in respect of a £650,000 development loan facility to FM Outsource Limited ("FMO") has been submitted to and appraised by the Core Investment Team and is recommended to the Combined Authority for conditional approval.

2.1.2. FMO are a UK-based outsourced customer care business, offering technology enabled customer service solutions to corporate clients. The business was founded in 2012 and employs 275+ people.

2.1.3. The GMCA loan will be used to provide both working capital and growth capital for the business to expand its team and technology.

2.1.4. Further details regarding the loan 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. Delegation

- 2.2.1. A delegation is sought to allow urgent recommendations for funding to be conditionally approved in the period between the GMCA's July and September 2022 meetings. It is proposed that authority be delegated to the Chief Executive Officer, GMCA & TfGM and the GMCA 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.
- 2.2.2. 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 GMCA.