

Greater Manchester Combined Authority

Date: 30th September 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 Apadmi Group Limited (“Apadmi”). The loan will be made from recycled funds.

In addition, the GMCA is asked to note that follow-on investment into The Modular Analytics Company Limited which was approved under delegation. The delegation was set-up in lieu of no GMCA meeting in August.

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.

Recommendations

The GMCA is requested to:

1. Approve the increase of the previously approved loan facility to Apadmi Group Ltd from £2.7m to up to £3.3m.
2. Note the investment into The Modular Analytics Company Limited of £400,000, approved under delegation.
3. 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.

Contact Officers

Steve Wilson: steve.wilson@greatermanchester-ca.gov.uk

Bill Enevoldson: bill.enevoldson@greatermanchester-ca.gov.uk

Laura Blakey: laura.blakey@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment

A) Apadmi Group Limited

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	Acquisition will create growth at the HQ in Salford 150 jobs to be created in Salford Strategic app development
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

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.

B) The Modular Analytics Company Ltd

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	Supports GM's Digital & Creative sector Investment will support increased job opportunities in the region.
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target	N/A	

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

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Land use	N/A	

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Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

The loan 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 loan 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 Fund 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. Apadmi Group Ltd – Phase 3, Salford

Sector: Digital & Creative

- 2.1.1. The business case in respect of increasing the size of the previously approved loan to Apadmi Group Ltd ("Apadmi") of £2.7m (approved on 27 May 2022), to up to £3.3m, has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.
- 2.1.2. Apadmi is an end-to-end mobile application ("app") developer and strategic partner to both large and small businesses, based in Salford. The Company has previously received loans from the GMCA totalling £850k in 2015, which have been repaid in full.
- 2.1.3. The new loan will provide funding for a strategic acquisition for the Company. Apadmi currently employs circa 170 people in Salford, this is forecast to double over the next three years.
- 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.

3. Investments approved under delegation

3.1. The Modular Analytics Company Limited – Phase 2, Manchester

Sector: Digital & Creative

- 3.1.1. A follow-on investment of £400,000 into The Modular Analytics Company (TMAC) has been approved under delegation.
- 3.1.2. TMAC is a business which specialises in Artificial Intelligence-driven customer contact solutions, headquartered in Greater Manchester. TMAC is transitioning to a Software-as-a-Service model, with its suite of products designed to help businesses drive efficiencies and improve results for large contact centres primarily in the insurance, retail and banking sectors.
- 3.1.3. GMCA has previously invested £749,000 into TMAC to support its growth plans and this follow-on investment will allow the business to build on the strong start it has made in converting its pipeline and onboarding new customers.
- 3.1.4. TMAC currently employs 14 people in the region and this is expected to grow to over 40 by 2025.
- 3.1.5. 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.