

Date: 25 October 2019

Subject: GM Investment Framework Project Updates

Report of: Councillor David Molyneux, Portfolio Lead 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”) approval for an investment into a new limited company (“TopCo”) to be established. Once TopCo is established, it will own both Ampersand Commerce Limited (“Ampersand”) and Snow.io Limited (“Snow”). 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 the funding application for TopCo (investment of £750,000), and progress to due diligence; and
2. delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information in respect of the Group, and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transaction, to sign off any outstanding conditions, issue final

approvals and complete any necessary related documentation in respect of the investment at a) above.

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BACKGROUND PAPERS:

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: 25 OCT 2034
GM Transport Committee	Overview & Scrutiny Committee	

Equalities Implications – n/a

Climate Change Impact Assessment and Mitigation Measures – n/a

Risk Management – see paragraph 3

Legal Considerations – see paragraph 4

Financial Consequences – Revenue – see paragraph 5

Financial Consequences – Capital – see paragraph 6

1. INTRODUCTION AND OVERVIEW

- 1.1 The Combined Authority maintains and develops a pipeline of projects submitted by applicants seeking funding from either the Combined Authority's Regional Growth Fund Programme or Growing Places Fund allocation. These projects are assessed against criteria based on the GM Investment Strategy, developed to underpin the economic growth of GM.
- 1.2 This assessment incorporates:
 - 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 A new limited company ("TopCo") which will own Ampersand Commerce Limited ("Ampersand") and Snow.io Limited ("Snow"), Manchester

Sector: Digital and Creative

Ampersand was established in 2009 and Snow began trading in 2014. TopCo will be established following approval of the Investment. The Group (being TopCo, Ampersand and Snow) is based in Manchester.

The business case in respect of the Group (an investment of £750,000) has been submitted to, and appraised by, the Core Investment Team and subject to the outcome of the due diligence is recommended to the Combined Authority for conditional approval.

Ampersand provides an ecommerce service to retailers assisting the retailer to design and implement complete and fully integrated ecommerce solutions. It is an established business which has historically been profitable and has c29 employees. Snow is a software as a service business which provides an integration solution for an ecommerce retailer's systems. Snow's product has now been fully developed and is expecting to expand its customer base rapidly in the coming years.

The funding will be used as growth capital for the Group and will fund an expansion in Snow's infrastructure and sales and marketing team across the Group. The Group expects to create 40 jobs within the next three years.

- 2.2 Summary appraisal notes on the investment are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the company.

3. RISK MANAGEMENT

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

4. 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.

5. FINANCIAL CONSEQUENCES – REVENUE

There are no revenue implications.

6. FINANCIAL CONSEQUENCES – CAPITAL

The proposed investment will be made from recycled funds.