

## Greater Manchester Combined Authority

Date: 22nd March 2024

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

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### Purpose of Report

This report seeks Greater Manchester Combined Authority (“Combined Authority” and “GMCA”) approval for an equity investment into The Modular Analytics Company Limited (“TMAC”), a loan to Glenbrook Industrial Limited and provides an update on FM Outsource Limited (“FMO”). The investment and loan will be made from recycled funds.

Further details regarding these projects 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 March and May 2024, 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 23 March 2024 to 30 May 2024.

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 a follow-on equity investment of up to £300k to The Modular Analytics Company Limited.
2. Approve a capital loan of up to £2.6m to Glenbrook Industrial Limited.
3. Approve amendments to the £650k loan in place with FM Outsource Limited.

4. Delegate authority to the Combined Authority Treasurer and Combined Authority Solicitor and Monitoring Officer to review the due diligence information in respect of the above investments, and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the investments, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the investments noted above.
5. 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 22 March 2024 to 30 May 2024.
6. Note any recommendations that are approved under the delegation will be reported to the next available meeting of the Combined Authority.

## **Contact Officers**

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# Equalities Impact, Carbon, and Sustainability Assessment

## A) The Modular Analytics Company Limited

### Recommendation - Key points for decision-makers

The GMCA is requested to approve the investment into TMAC to support the creation of further high quality jobs in the region.

### Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	Creation of high quality jobs in region.
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		

Contribution to achieving the GM Carbon Neutral 2038 target	N/A
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### Further Assessment(s): Equalities Impact Assessment

<b>G</b> Positive Impacts overall, whether long or short term.	<b>A</b> Mix of positive and negative Impacts. Trade-offs to consider.	<b>R</b> Mostly negative, with at least one positive aspect. Trade-offs to consider.	<b>RR</b> 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 non-residential (including public) buildings	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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## B) Glenbrook Industrial Limited;

### Recommendation - Key points for decision-makers

The GMCA is requested to approve the proposed loan facility which will unlock 45 acres of employment space in Wigan.

### Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	The site will unlock 45 acres of employment space and lead to the creation of jobs in the region.
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





<b>G</b> Positive impacts overall, whether long or short term.	<b>A</b> Mix of positive and negative impacts. Trade-offs to consider.	<b>R</b> Mostly negative, with at least one positive aspect. Trade-offs to consider.	<b>RR</b> Negative impacts overall.
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### Carbon Assessment





Overall Score	Result	Justification/Mitigation
<b>Buildings</b>		
New Build residential building(s)	N/A	
renovation/maintenance	N/A	
New build non-residential (including public) buildings	N/A	
<b>Transport</b>		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
<b>Land Use</b>		
Land use	N/A	

## C) FM Outsource Limited;

## Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	<b>G</b>	The investment will support the business' growth plans and 250 jobs.
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		
<b>Further Assessment(s):</b>	Equalities Impact Assessment	
 <b>Positive impacts overall, whether long or short term.</b>	 <b>Mix of positive and negative impacts. Trade-offs to consider.</b>	 <b>Mostly negative, with at least one positive aspect. Trade-offs to consider.</b>
		 <b>Negative impacts overall.</b>

## Carbon Assessment

<b>Overall Score</b>	<input type="text"/>			
<b>Buildings</b>	<b>Result</b>	<b>Justification/Mitigation</b>		
New Build residential	N/A			
Residential building(s) renovation/maintenance	N/A			
New Build Commercial/Industrial	N/A			
<b>Transport</b>				
Active travel and public transport	N/A			
Roads, Parking and Vehicle Access	N/A			
Access to amenities	N/A			
Vehicle procurement	N/A			
<b>Land Use</b>				
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 and loans 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**

Future debt repayments on the FM Outsource Limited loan, interest income and dividend income from the equity investment will be applied to Revenue reserves.

## **Financial Consequences – Capital**

The proposed equity and property investments will be made from recycled capital funds. Any future income from the sale of shares and repayments of property loans will be applied to Capital reserves.

## **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 Investment Team; and
  - a review by a sub-group of GM Chief Executives.

# 2. Investments Recommended for Approval in Principle

## 2.1. **The Modular Analytics Company Limited ("TMAC"), Manchester** **Sector: Digital & Creative**

- 2.1.1. The business case in respect of a follow-on equity investment of up to £300k to TMAC has been submitted to and appraised by the Investment Team and is recommended to the Combined Authority for conditional approval.
- 2.1.2. TMAC is a business which specialises in Artificial Intelligence-driven customer contact solutions, headquartered in Greater Manchester. TMAC operates on 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.
- 2.1.3. GMCA has previously invested £1,549k into TMAC to support its growth plans and this follow-on investment will allow the business to leverage additional private sector investment, grow its headcount by circa 15 jobs within the region and further develop its technology.
- 2.1.4. 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.



## **2.2. Glenbrook Industrial Limited, Wigan**

### **Sector: Commercial Property**

- 2.2.1. The business case in respect of a £2.6m loan (£3.215m total facility including rolled-up interest) to Glenbrook Industrial Limited has been submitted to, and appraised by the Investment Team and is recommended to the Combined Authority for conditional approval.
- 2.2.2. This is an opportunity for GMCA and its Evergreen Funds to collaborate in a £11.85m loan facility to unlock new employment space in Wigan.
- 2.2.3. The proposed loan will part-fund the acquisition and infrastructure works of a 45-acre employment site in Wigan. The site is considered strategically important for the region and will provide c.300 jobs in the borough. The site is being marketed for innovative manufacturing uses and has some initial traction in attracting occupiers to Wigan.
- 2.2.4. 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.

## **2.3. FM Outsource Limited, Bury**

### **Sector: Digital & Creative**

- 2.3.1. A £650k loan facility was provided to FM Outsource Limited (“FMO”) in 2022 following Combined Authority approval.
- 2.3.2. 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 250 people in Bury.
- 2.3.3. An amendment to the terms of the loan is considered 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.

## **2.4. Delegation**

- 2.4.1. A delegation is sought to allow urgent recommendations for funding to be conditionally approved in the period between the GMCA's March and May 2024 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.
- 2.4.2. 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.