

Greater Manchester Combined Authority

Date: 25th October 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

Purpose of Report

This report seeks Greater Manchester Combined Authority (“Combined Authority” and “GMCA”) approval for a loan to Sustainable Ventures (North) Ltd. The loan will be made from recycled funds.

Further details regarding the investments 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 a loan of £500k to Sustainable Ventures (North) Ltd
2. delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information in respect of the above loans, 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 and loans noted above.

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Equalities Impact, Carbon and Sustainability Assessment

A) Sustainable Ventures (North) Ltd

<u>BOLTON</u>	<u>MANCHESTER</u>	<u>ROCHDALE</u>	<u>STOCKPORT</u>	<u>TRAFFORD</u>
<u>BURY</u>	<u>OLDHAM</u>	<u>SALFORD</u>	<u>TAMESIDE</u>	<u>WIGAN</u>

Recommendation - Key points for decision-makers

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	<p>The company has a proven track record in developing climate-tech ecosystems, providing growth opportunities for startups and supporting job creation. On its first year, the Company will have created 10 FTEs, during the first 3 years of operations the local workforce is expected to be c. 25 people directly employed. The Company has a proven track record of supporting job creation within their target companies. e.g. since its inception they supported the creation of over 6,000 jobs from their London HQ.</p> <p>Yes, Sustainable Ventures operate in the innovation and technology space, focused on the carbon agenda, sectors that foster the upskilling of people, and normally offer good conditions given the need for talent.</p> <p>Yes, the Company offers comprehensive business support routes for the enterprises engaging with them.</p> <p>Yes, Sustainable Ventures operate in the innovation and technology space, developing new products and services.</p> <p>Yes, the Company has an active pipeline of companies looking to relocate to GM ahead of their site being operational.</p> <p>Yes, Sustainable Ventures operate in the innovation and technology space, focused on the carbon agenda, sectors that foster the upskilling of people.</p> <p>The investment will support the refurbishment of several floors within the Renold Building, at the heart of ID Manchester/Sister district.</p>
Mobility and Connectivity		
Carbon, Nature and Environment	G	The company is focused on supporting the adoption and roll out of green technologies to accelerate the transition to net zero.
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		The proposal is focused on accelerating the development and expansion of climate-tech companies in GM. The purpose of Sustainable Ventures intervention is to help achieve a carbon neutral economy.
Further Assessment(s):	N/A	
G	A	R
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.
		RR Negative Impacts overall.

Carbon Assessment

Overall Score #DIV/0!

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.

Risk Management

The investments 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

The proposed loan will be made from recycled funds.

Financial Consequences – Capital

The proposed loan to Sustainable Ventures will be made from recycled funds

Number of attachments to the report

None.

Comments/recommendations from Overview & Scrutiny Committee

Not applicable.

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.

Bee Network 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 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. Recommendations in this report follow on from:

- an appraisal by the GM Investment Team; and
- a review by an investment sub-group which includes independent, expert advisors.

2. Investments Recommended for Approval in Principle

2.1. Sustainable Ventures (North) Ltd, Manchester

Sector: Low Carbon

2.1.1. The business case in respect of a loan of up to £500k to Sustainable Ventures (North) Limited ("the Company" and "SVN") has been submitted to and appraised by the Investment Team and is recommended to the Combined Authority for conditional approval.

2.1.1. The loan will support the expansion of Sustainable Ventures ("the Group") operations into the region. The Group specialises in developing and managing climate-tech collaborative workspace alongside business services dedicated to supporting and scaling startups focused on sustainability.

2.1.2. SVN will deliver its Manchester workspace within the ID Manchester (now 'Sister') site, being the first regional expansion the Group has planned for the UK. This builds on the success they have seen in London, where they have provided support for over 700 start-ups, invested in over 50 companies, and contributed to the creation of over 6,000 jobs.

- 2.1.3. The loan from GMCA will fund the refurbishment and fit-out of the workspace, providing access to flexible office solutions for early-stage sustainability businesses which will foster the innovation ecosystem within GM and actively promote the transition to net zero.
- 2.1.4. Further details regarding this 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.