

## Greater Manchester Combined Authority

Date: 31<sup>st</sup> January 2025

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 of two investments through GMCA’ Advanced Manufacturing and Materials Investment Fund, GM Advance. The GMCA is also asked to agree the update on its loan to NeuWave Technologies Limited contained in the Part B report.

In view of the prolonged timeframe between the Combined Authority’s meetings in February and March 2025, 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 8 February 2025 to 27 March 2025.

Further details regarding the investments and update 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 facility of up to £395,000 to Molygran & Co. Ltd.
2. approve an investment of up to £150,000 to THEIA Guidance Systems Ltd.
3. approve an update to the Neuwave Technologies Limited investment.
4. delegate authority to the Combined Authority Treasurer in consultation with the Combined Authority 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 8 February 2025 to 27 March 2025.
6. Note any recommendations that are approved under the delegation will be reported to the next available meeting of the Combined Authority

## **Contact Officers**

**Steve Wilson:** [steve.wilson@greatermanchester-ca.gov.uk](mailto:steve.wilson@greatermanchester-ca.gov.uk)

**Laura Blakey:** [laura.blakey@greatermanchester-ca.gov.uk](mailto:laura.blakey@greatermanchester-ca.gov.uk)

**Robert Edwards:** [robert.edwards@greatermanchester-ca.gov.uk](mailto:robert.edwards@greatermanchester-ca.gov.uk)

## **Equalities Impact, Carbon and Sustainability Assessment**

**A) Molygran & Co. Ltd**

## 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 is an established business in GM, with growth plans in place and the only EPS provider that offers recycling services in the region.</p> <p>On the first 3 years post investment the Company will create 8 FTEs.</p> <p>Yes, the company is committed to creating good jobs, demonstrated as Molygran is a founding member of the Good Employment Charter.</p> <p>Yes, Molygran is an important supplier of packaging, insulation and construction in the region, as well as providing free recycling services to clients.</p> <p>N/A</p> <p>N/A</p> <p>Yes, the Company has a continuous approach to upskilling people. The company has clear frameworks to capture and grow talent.</p>	
Mobility and Connectivity			
Carbon, Nature and Environment	G	The proposal will see the expansion and optimisation of their EPS recycling facilities.	
Consumption and Production			
Contribution to achieving the GM Carbon Neutral 2038 target		Molygran specialises in the manufacturing and supply of high-quality expanded polystyrene (EPS) and polyethylene foam products. They offer a range of solutions including packaging, design and display, and construction products, all of which can be custom-made if required.	
Further Assessment(s):	N/A		
<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.

## Carbon Assessment

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			
<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.

## B) THEIA Guidance Systems Ltd

## Recommendation - Key points for decision-makers

### Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	Investment is into a business developing navigation aids for the partially sighted
Health		
Resilience and Adaptation		
Housing		
Economy	G	Investment is into an early stage business which is expected to grow Investment is contingent on relocation, creating local jobs and growth Proposed job growth is in higher paid tech-focused employment in a growth sector Investment is into a highly innovative, AI/machine learning business Investment is contingent on relocation, creating local jobs and growth
Mobility and Connectivity	G	Products developed may help partially-sighted more confidently navigate while walking, improving accessibility of active travel options. Additional potential applications for automotive navigation, i.e. self-driving car navigation and safety.
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		Investment is in a small start-up so any impact will be minimal, but AI is carbon-intensive due to the energy usage of the servers used, so consideration will be given to mitigating this. On the plus side, the mission of the business is to improve navigability in complex
Further Assessment(s):	Equalities Impact Assessment and Carbon 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.





### Carbon Assessment

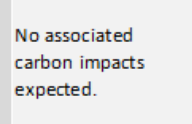
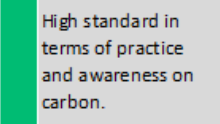
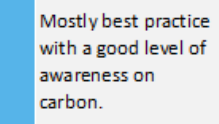
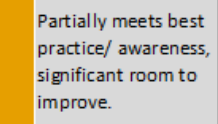
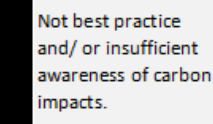
Overall Score

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	
<b>Transport</b>		
Active travel and public transport		Products developed may help partially-sighted more confidently navigate while walking, improving accessibility of active travel options.
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.
--	---	--	--	---

## C) NeuWave Technologies Limited

Impacts Questionnaire			
Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion			
Health			
Resilience and Adaptation			
Housing			
Economy	G	Looking to provide research and data engineering positions for a business which is developing a novel way of predicting sea and ocean waves. Will provide high skills jobs across a range of seniorities and roles.	
Mobility and Connectivity			
Carbon, Nature and Environment	G	Company will be looking to extract assist in deployment of offshore wind as part of Green energy solutions. This source reduces the overall carbon footprint of energy needs of the	
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			
<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 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 from GM Advance, alongside all associated subsidised fees, will be funded from Investment Zone revenue grant. Any dividend income received from the equity investments will be applied to revenue reserves. All future loan interest income will be applied to revenue reserves.

## **Financial Consequences – Capital**

Proposed equity investments from GM Advance, including subsidised valuation, will be funded from Investment Zone capital grant. Any sale of shares in the future will result in a capital receipt for the Authority. Any future income from the repayment of the loan will be applied to Capital reserves.

## **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.

**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 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. In June 2024, as part of GMCA's Investment Zone package, an allocation of £10m was made to establish a Revolving Investment Fund to directly invest in the Advanced Manufacturing and Materials sector, named GM Advance. This report includes recommendations for investment from this allocation.
- 1.1.3. 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. GM Advance Recommendations

#### **Sector: Advanced Manufacturing & Materials**

- 2.1.1. The two applications below have now been assessed and are recommended for approval. Please also note the update on Neuwave Technologies Limited:
- 2.1.2. **Molygran & Co. Ltd (£395k)** - Molygran, established in Radcliffe, Bury over 42 years ago, currently employs 15 full-time employees (FTEs). The company specialises in manufacturing and supplying high-quality expanded polystyrene (EPS) and polyethylene foam products.

The Company is actively committed to the transition to net zero, being the only member of the British Plastics Association currently offering free recycling of EPS within the GM region (and one of only 20 across the UK).

They offer a range of solutions, including packaging, design and display, and construction products. Over the past 10 years, Molygran has consistently invested in infrastructure and equipment upgrades, GMCA funding will support the expansion of their manufacturing facilities, software and hardware upgrades, and working capital to support their hiring plans.

- 2.1.3. **THEIA Guidance Systems Ltd (£150k)** – Theia is a machine-learning start-up focused on providing portable aids to navigation for the partially-sighted and in complex environments (e.g. warehouses, car parks, smoke-filled rooms). It can be adapted to both robots and humans.

The business is looking to raise a £1m funding round to enable the business to recruit staff to develop market-ready prototypes and licensable software. The investment is contingent on relocation of the business from London to GM.

- 2.1.4. Further details regarding these 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.

## **2.2. GM Advance Micro-Equity Recommendations**

### **Sector: Advanced Manufacturing & Materials**

- 2.2.1. **NeuWave Technologies Limited (£50k)** - An update and variation on the terms of the investment into NeuWave is 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. Delegation**

- 2.3.1. A delegation is sought to allow urgent recommendations for funding to be conditionally approved in the period between the GMCA's February and March 2025 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.

2.3.2. 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.