

Date: 26 June 2020

Subject: GM Investment Framework and Conditional Project Approval

Report of: Councillor David Molyneux, Portfolio Lead 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 a loan to Private White VC Limited “Private White”. The loan will be made from recycled funds.

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 funding application for Private White (loan of up to £1,400,000), 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 company, 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 1 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: 26 JUNE 2035
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 the Combined Authority's Core 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 investments is that the companies sign up as a supporter of the Greater Manchester Good Employment Charter.
- 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 Private White, Salford Sector: Manufacturing

The business case in respect of Private White (a loan of up to £1,400,000) has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.

Private White, established in 2012, is a luxury clothing brand with all products manufactured in a factory in Salford. The company primarily retails online and through wholesalers into luxury retailers. The company sources 90% of all raw materials from the UK, using local suppliers.

The company has recently applied for and won two government contracts to produce PPE for the NHS. As a result, the company is seeking a further loan of up to £1,400,000 to support its working capital requirement to deliver the contracts.

- 2.2 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.

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 agreement 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

The proposed investment will be made from recycled interest that has been earned from the recycled funds.

6. FINANCIAL CONSEQUENCES – CAPITAL

There are no capital implications.