

## Greater Manchester Combined Authority

Date: 16<sup>th</sup> December 2022

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 a loan to Erlson Precision Holdings Limited (“Erlson”) and an investment into Miribase Limited (“Shopblocks”). The investments 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 the loan facility of up to £400,000 to Erlson Precision Holdings Limited.
2. Approve the equity investment of up to £300,000 into Miribase Limited.
3. Delegate authority to the Combined Authority Treasurer and 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.

### Contact Officers

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# Equalities Impact, Carbon and Sustainability Assessment

## A) Erlson Precision Holdings Limited

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	Investment supports advanced manufacturing jobs in GM, and exporting of high precision parts.
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target	N/A	
Further Assessment(s): Equalities Impact Assessment		
	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/maintenance	N/A	
New Build Commercial/Industrial	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.	

## B) Miribase Limited

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	Investment supporting technology and developer jobs in Stockport, and the upskilling & training of young people.
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		N/A
Further Assessment(s):		Equalities Impact Assessment
	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		
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Land Use		
Land use	N/A	
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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 investment will be made from recycled funds.

## **Financial Consequences – Capital**

The proposed investment will be made from recycled funds.

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

## 2. Investments Recommended for Approval in Principle

### 2.1. Erlson Precision Holdings Limited, Trafford

#### **Sector: Advanced Manufacturing**

2.1.1. The business case in respect of a £400,000 loan facility to Erlson Precision Holdings Limited ("Erlson") has been submitted to and appraised by the Core Investment Team and is recommended to the Combined Authority for conditional approval.

2.1.2. Erlson is a manufacturer of precisely engineered parts for use in various industries including truck & car engines and aeroplanes.

2.1.3. The loan will support the business as it seeks to grow and diversify revenue, and support 100 jobs in Altrincham, Trafford.

2.1.4. 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.

## **2.2. Miribase Limited, Stockport**

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

- 2.2.1. The business case in respect of a £300,000 equity investment as part of a total funding round £1,250,000 into Miribase Limited (trading as “Shopblocks”) has been submitted to and appraised by the Core Investment Team and is recommended to the Combined Authority for conditional approval.
- 2.2.2. This 3<sup>rd</sup> investment round will follow GMCA investments of £335,000 and £400,000 in November 2019 and October 2021 respectively.
- 2.2.3. Shopblocks is a SaaS business (Software as a Service), building & maintaining fully integrated ecommerce platforms for a wide range of businesses.
- 2.2.4. The investment will fund the growth of the team to deliver the e-commerce platform to a growing pipeline of Business to Business enterprises.
- 2.2.5. Shopblocks currently has 24 employees, and is forecast to grow to 70 over the next 3 years.
- 2.2.6. 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.