

## Greater Manchester Combined Authority

Date: 23<sup>rd</sup> February 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 investments into Advanced Therapeutic Materials Ltd, Financielle Ltd and Home Global Holdings Ltd. 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 an equity investment of up to £500k to Advanced Therapeutic Materials Ltd;
2. approve a convertible loan of up to £400k to Financielle Ltd;
3. approve a loan of up to £300k to Home Global Holdings Ltd;
4. 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) Advanced Therapeutic Materials Ltd

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	<b>G</b>	The investment aligns with GMCA's strategic position in Advanced Manufacturing and Life Sciences and will lead to job creation.
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</b> impacts overall, whether long or short term.	<b>Mix of positive and negative</b> impacts. Trade-offs to consider.	<b>Mostly negative</b> , with at least one <b>positive</b> aspect. Trade-offs to consider.
		<b>Negative</b> 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	
<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.	<b>High standard</b> in terms of practice and awareness on carbon.	<b>Mostly best practice</b> with a good level of awareness on carbon.
		<b>Partially meets best practice/ awareness</b> , significant room to improve.
		<b>Not best practice</b> and/ or insufficient awareness of carbon impacts.

## B) Financielle Ltd

### Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation					
Equality and Inclusion							
Health							
Resilience and Adaptation							
Housing							
Economy	G	Financielle to increase headcount from 8 to more than 20 in the next 3 years. Financielle is speaking to a number of investors from out of the region to partake in this investment round.					
Mobility and Connectivity							
Carbon, Nature and Environment							
Consumption and Production							
Contribution to achieving the GM Carbon Neutral 2038 target							
Further Assessment(s):		N/A					
G	Positive impacts overall, whether long or short term.	A	Mix of positive and negative impacts. Trade-offs to consider.	R	Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR	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.

## C) Home Global Holdings Ltd

## Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	Investment supporting a digitally enabled business in the service sector, with high growth and employment potential.
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		

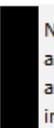
Further Assessment(s): N/A

 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.
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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 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.
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## 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**

Part of the proposed investment will be made from recycled funds. Future interest income on loans and dividend income from equity investments will be applied to Revenue reserves.

## **Financial Consequences – Capital**

Part of the proposed investments will be made from recycled funds. Any future income from the sale of shares and repayment of 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 Core Investment Team; and
  - a review by a sub-group of GM Chief Executives.

## 2. Investments Recommended for Approval in Principle

### 2.1. **Advanced Therapeutic Materials Ltd, Manchester** **Sector: Life Sciences / Advanced Manufacturing**

- 2.1.1. The business case in respect of an equity investment of up to £500k, as part of a total £1.5m fundraise, to Advanced Therapeutic Materials Ltd ("ATM") has been submitted to and appraised by the Core Investment Team and is recommended to the Combined Authority for conditional approval.
- 2.1.2. ATM produces custom-fit compression socks under the Isobar brand, targeting the sport, travel, and medical markets. ATM was established in 2003 following research at the University of Manchester and employs 10 staff at its small office and manufacturing site in Manchester.
- 2.1.3. The bespoke nature of the product has been evidenced to lead to improved therapeutic outcomes compared to off-the-shelf equivalents, particularly important in the medical sector, but also sought after in the elite sports and travel sectors.
- 2.1.4. ATM utilises Advanced Manufacturing techniques to deliver accurate compression throughout the sock as prescribed to fit the requirement of the user, with good feedback to date from key partners.

- 2.1.5. The business is undertaking a fundraise to support it over the next 18 months, during which it plans to achieve a number of critical milestones to prepare for scaling the business, including the addition of 10 staff in GM.
- 2.1.6. Further details regarding the equity 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. Financielle Ltd, Manchester**

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

- 2.2.1. The business case in respect of a convertible loan of £400k, out of a total fundraise of £1m, to Financielle Ltd has been submitted to and appraised by the Core Investment Team and is recommended to the Combined Authority for conditional approval.
- 2.2.2. Founded in 2020, Financielle has developed a mobile app platform with a suite of budgeting tools and educational content to improve financial health and management for women, helping to address the gap in knowledge between men and women.
- 2.2.3. The company has taken a different approach to budgeting from other offerings in the market by personalising the approach and focusing on changing habitual spending and saving habits over time. The company has helped thousands to reduce debt, build savings, save for first homes, and pay for IVF treatment to start families.
- 2.2.4. Having proved initial market fit and traction, the company is undertaking a fundraise to: support the continued growth of the business, building on its initial success; to continue to develop its products; and to recruit nine skilled roles over the next twelve months.
- 2.2.5. 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. Home Global Holdings Ltd, Salford**

### **Sector: Domestic and Commercial Services**

- 2.3.1. The business case in respect of a loan of £300k to Home Global Holdings Ltd, as part of a total £800k fundraise, has been submitted to and appraised by the Core Investment Team and is recommended to the Combined Authority for conditional approval.
- 2.3.2. Founded in 2022, the business provides domestic and commercial customers with laundry, cleaning, and ancillary services. It aims to provide hotel quality services to customers in a seamless manner.
- 2.3.3. It has agreements with several large-scale apartment owners and managers to have exclusive preferred partner status to provide services. Several other apartment managers have stated their interest in reaching similar agreements with Home.
- 2.3.4. The company is undertaking a fundraise to support the continued growth of the business, building on its initial success, expand its footprint and ensure it has enough capacity to meet the growing demand for its services. It is based in Salford. The business currently employs c33 members of staff. If Home achieves its forecasts, it could employ a material number of staff within the next 18 months, which could be as many as 150.
- 2.3.5. 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.