

Greater Manchester Combined Authority

Date: 28th March 2025

Subject: GM Investment Framework, Conditional Project Approval

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Resources and
Steve Wilson, Group Chief Finance Officer

Purpose of Report

This report asks the Greater Manchester Combined Authority (“Combined Authority” and “GMCA”) to note that an equity investment of up to £125k to Wi-Q Limited has been approved under delegation.

In view of the prolonged timeframe between the Combined Authority’s meetings in March and May 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 29 March 2025 to 29 May 2025.

Recommendations

The GMCA is requested to:

1. Note an equity investment of £125,000 to Wi-Q Limited, approved under delegation.
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 loans, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loans noted above.
3. 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 29 March 2025 to 29 May 2025.

- Note any recommendations that are approved under the delegation will be reported to the next available meeting of the Combined Authority

Contact Officers





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Equalities Impact, Carbon and Sustainability Assessment

A) WI-Q Limited

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	The business is expected to grow and serve an international market with its software product.
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.

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			
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 investment 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

Future income will be applied to Revenue reserves.

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 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 approved under delegation

2.1. Wi-Q Limited, Manchester

Sector: Digital and Creative

- 2.1.1. An equity investment of up to £125k to Wi-Q Limited ("Wi-Q") has been approved under delegation.
- 2.1.2. Wi-Q is a technology business based in Manchester providing software platforms to primarily hotel and hospitality operators. Wi-Q's key customers are Hilton Hotels, Al Shaya (a casual dining operator based in the Middle East) and Intercontinental Hotels.
- 2.1.3. GMCA completed an investment into Wi-Q in December 2023 and currently owns c4.6% of the business.
- 2.1.4. The run-rate of revenue has been growing consistently since February 2024. However, the business has continued to incur losses, and this has led to cash pressure and build-up of creditors.

- 2.1.5. Since GMCA's initial investment, the business has continued to develop strong relationships with its customers – and they are taking steps to increase the working relationships in new ways. This is providing several short-term opportunities to increase revenue and enable Wi-Q to reach profitability within the next six months. In addition, it has longer term opportunities from new customers to deliver significant revenue and enhance profitability.
- 2.1.6. In addition, the founder of the business is now going to re-join as Exec-Chairman. The founder and current CEO have a long history of working together. GM Investment Team's impression is that the increased stewardship of the founder and the increased capacity of the CEO to focus on her exceptional customer relationship management will form a very strong team. This provides confidence that the business will be able to achieve profitability as planned and is a key element of the fundraising round.

2.2. Delegation

- 2.2.1. A delegation is sought to allow urgent recommendations for funding to be conditionally approved in the period between the GMCA's March and May 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.
- 2.2.2. 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.