PURPOSE OF REPORT

This report seeks Greater Manchester Combined Authority ("Combined Authority") approval for loans to Citylabs Limited (Phase 2). The loans will be made from recycled funds.

Further details are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the company.

RECOMMENDATIONS:

The Greater Manchester Combined Authority is requested to:

a) Agree that the funding application by Citylabs Limited (investment of £2,600k) be given conditional approval and progress to due diligence; and

b) delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transactions, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loans at a) above.
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BACKGROUND PAPERS:

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<th>TRACKING/PROCESS</th>
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<td>Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board</td>
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<th>EXEMPTION FROM CALL IN</th>
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<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
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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 either the Combined Authority’s Regional Growth Fund Programme or Growing Places Fund allocation. These projects are assessed against criteria based on the GM Investment Strategy, developed to underpin the economic growth of GM.

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**

**Citylabs 2.0 Limited**

The business case in respect of Citylabs 2.0 Limited (loan of £2,600k) has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.

Citylabs 2.0 will be a laboratory and NHS-enabled facility on the Oxford Road Corridor and represents a joint venture between Manchester Science Partnerships and Central Manchester University Hospitals NHS Foundation Trust.

The proposed loan of £2,600k will be made alongside £14,900k from Evergreen 1 and 2 contributing to total costs of £25,000k.

The development is expected to develop 91,867 sqft of commercial space which will accommodate approximately 400 jobs.

Summary appraisal notes on the project are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the applicant.

3. **RISK MANAGEMENT**

The loan 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 is based upon the existing templates for the fund, amended for the specific requirements of the individual funding arrangements.

5. **FINANCIAL CONSEQUENCES – REVENUE**
There are no revenue implications.

6. **FINANCIAL CONSEQUENCES – CAPITAL**
   The proposed investment above will be made from recycled funds.