

Date: 29 March 2019

Subject: GM Investment Framework Project Updates

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Resources and Eamonn Boylan, Chief Executive for Investment

PURPOSE OF REPORT

This report seeks Greater Manchester Combined Authority (“Combined Authority”) approval for a loan to Apadmi Limited. The loan will be made from recycled funds.

Further details regarding the loan 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 for Apadmi Limited (loan of £200k) 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 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 a) above.
- c) Give delegated authority for the period 30 March 2019 to 30 May 2019 to the Combined Authority Chief Executive and the Combined Authority Treasurer, in consultation with the Combined Authority Mayor and the Portfolio Holder for Investment to approve funding requests for projects in the absence of a Combined Authority meeting in April and approve any urgent variations on amounts and terms for already approved loans. Note that

recommendations approved under the delegation will be subject to the usual due diligence processes and will be reported to the Combined Authority at the next available meeting.

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BACKGROUND PAPERS:

| | | |
|---|-------|---------------|
| TRACKING/PROCESS | | |
| 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? | | 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 AGMA Scrutiny Pool on the grounds of urgency? | | NO |
| AGMA Commission | TfGMC | Scrutiny Pool |
| | | |

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

2.1 Apadmi Limited, Trafford

The business case in respect of Apadmi Limited (a loan of £200k) has been submitted to, and appraised by, the Core Investment Team and subject to the outcome of the due diligence is recommended to the Combined Authority for conditional approval.

Apadmi are a mobile technology company based in Trafford Park. The Company have previously received a loan from the GMCA for £650k which has been partially repaid. A further loan of £200k is recommended to support the Company's growth plans.

Summary appraisal notes on the loan 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.

3. RISK MANAGEMENT

The loan 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 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 loan will be made from recycled funds.