

Date: 30th September 2016

Subject: GM Investment Framework Project Updates

Report of: Cllr Kieran Quinn, Portfolio Lead Leader for Investment Strategy and Finance and Eamonn Boylan, Portfolio Lead Chief Executive for Investment Strategy and Finance

PURPOSE OF REPORT

This report provides updates to the Greater Manchester Combined Authority on the DataCentred project. Further details of 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 applicants.

RECOMMENDATIONS:

The Greater Manchester Combined Authority is requested to:

- a) agree to the changes to the commercial terms of the DataCentred funding as set out in the part b report; 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 transaction, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loan at a) above.

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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;
- b) a review by a sub group of GM Chief Executives; and
- c) a review by the Independent Investment Advisor.

2. Project updates

2.1 DataCentred

In October 2013 the Greater Manchester Combined Authority approved a loan of £4.75m to DataCentred Limited to bring the Michigan Park site at MediaCity into use and contribute to the subsequent investment into a second data centre in the region.

To date the Company have drawn £3.25m of the £4.75m approved. Match funding of £4m has been provided by Jon Moulton and Enterprise Ventures.

Details of the proposed commercial terms for the next £0.25m of funding are included in the confidential part of the agenda.

3 RISK MANAGEMENT

The DataCentred loan will be governed under the existing investment framework which includes several levels of review and ongoing monitoring of the performance of the loans.

The legal funding structure proposed for the loans will mitigate risks as far as reasonably practicable utilising the standard framework of legal documents.

4 LEGAL CONSIDERATIONS

The DataCentred legal agreements 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 additional £0.25m that is proposed to be allocated to DataCentred is from recycled funds.