

Date: **27 January 2017**

Subject: **GM Investment Framework Project Updates**

Report of: **Councillor 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 seeks Greater Manchester Combined Authority (“Combined Authority”) approval a second loan to Green Energy Advisor. The investment will be made from recycled RGF monies.

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 applicant.

RECOMMENDATIONS:

The Greater Manchester Combined Authority is requested to:

- a) agree that the project funding application by Green Energy Advisor (loan of £75k) 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 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; and
 - b) a review by a sub group of GM Chief Executives.

2. INVESTMENT PROJECT RECOMMENDED FOR APPROVAL IN PRINCIPLE

2.1 Green Energy Advisor (GEA)

The business case in respect of a second loan to Green Energy Advisor for £75k has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval. The loan will be funded through recycled investment funds.

GEA provides a variety of finance and funding solutions for the installation of energy efficiency measures within the domestic and commercial sector.

An application for a loan of £250k to GEA was approved in July 2014 to invest in mobile installation equipment and new staff. Approval for a second loan is sought which will provide matched funding to that of management to provide working capital support to the business.

Summary appraisal notes on the projects 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.

3. RISK MANAGEMENT

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

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

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 £75,000 loan proposed to Green Energy Advisor is from recycled funds.