Date: 27 April 2018
Subject: GM Investment Framework Project Updates

PURPOSE OF REPORT

This report seeks Greater Manchester Combined Authority (“Combined Authority”) approval for an investment to Broughton House. The investment 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 Broughton House (loan of £3,000k) 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 loan/investment at a) above.

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BACKGROUND PAPERS:

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<th>TRACKING/PROCESS</th>
<th>YES</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>
<td>YES</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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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

Broughton House

The business case in respect of Broughton House (loan of £3,000k) 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.

Broughton House was established in 1916 as a treatment centre for soldiers returning from WW1. It has subsequently evolved into a charity and nursing home for veterans. The current building is becoming unsustainable and as a result the Charity are looking to redevelop the site in order to create a Veteran Care Village.

The Veteran Care Village will be a complex with both a Registered Nursing facility of 64 beds for Nursing, Dementia and Residential Care. The site will also incorporate 24 apartments for predominantly the over 55’s as well as an Armed Forced Support Hub.

Broughton House is seeking a loan of £3,000k alongside £8,000k of other funding to support the development of the village. The Charity expects to create 39 jobs in Salford over the next five years.

Summary appraisal notes on the investment 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 investment noted above 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 investment will be made from recycled funds.