

## Greater Manchester Combined Authority

Date: 13<sup>th</sup> December 2024

Subject: GM Investment Framework, Conditional Project Approval

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Resources and  
Steve Wilson, Portfolio Lead Chief Executive for Investment

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### Purpose of Report

This report seeks Greater Manchester Combined Authority (“Combined Authority” and “GMCA”) approval for a loan to North West Evergreen Limited Partnership. The loan will be made from recycled funds.

Further details regarding the investments and update are included in the accompanying Part B report to be considered in the confidential part of the agenda due to the commercially sensitive nature of the information.

### Recommendations

The GMCA is requested to:

1. approve a loan facility of up to £9,500,000 to North West Evergreen Limited Partnership.
2. delegate authority to the Combined Authority Treasurer in consultation with the Combined Authority Monitoring Officer to review the due diligence information in respect of the above investments, and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the investments, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the investments noted above.

### Contact Officers

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# Equalities Impact, Carbon and Sustainability Assessment

## A) North West Evergreen Limited Partnership

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	Increased funding capacity to support commercial regeneration in the long term
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target	N/A	
Further Assessment(s):	Equalities Impact Assessment and Carbon Assessment	
	<div style="display: flex; justify-content: space-between;"> <div style="width: 20%; background-color: #2e8b57; color: white; padding: 5px;">Positive impacts overall, whether long or short term.</div> <div style="width: 20%; background-color: #ffc107; color: black; padding: 5px;">Mix of positive and negative impacts. Trade-offs to consider.</div> <div style="width: 20%; background-color: #dc3545; color: white; padding: 5px;">Mostly negative, with at least one positive aspect. Trade-offs to consider.</div> <div style="width: 20%; background-color: #6c757d; color: white; padding: 5px;">Negative impacts overall.</div> </div>	

Carbon Assessment		
Buildings	Result	Justification/Mitigation
Overall Score		
New Build residential	N/A	
Residential building(s) renovation/maintenanc	N/A	
New Build Commercial/Industrial		All Evergreen loans target energy efficiency under its eligibility criteria and outputs are driven by carbon reduction.
<b>Transport</b>		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
<b>Land Use</b>		
Land use	N/A	
	<div style="display: flex; justify-content: space-between;"> <div style="width: 20%; background-color: #2e8b57; color: white; padding: 5px;">No associated carbon impacts expected.</div> <div style="width: 20%; background-color: #20b2aa; color: black; padding: 5px;">High standard in terms of practice and awareness on carbon.</div> <div style="width: 20%; background-color: #17aeb8; color: black; padding: 5px;">Mostly best practice with a good level of awareness on carbon.</div> <div style="width: 20%; background-color: #ffc107; color: black; padding: 5px;">Partially meets best practice/ awareness, significant room to improve.</div> <div style="width: 20%; background-color: #343a40; color: white; padding: 5px;">Not best practice and/ or insufficient awareness of carbon impacts.</div> </div>	

## **Risk Management**

The investments recommended in this paper will be governed under the existing investment framework which includes several levels of review and ongoing monitoring of performance.

## **Legal Considerations**

The legal agreements will be based upon the existing templates for the GM Investment Fund, amended for the specific requirements of the individual funding arrangements.

## **Financial Consequences – Revenue**

Any income generated on the loan will be applied to reserves.

## **Financial Consequences – Capital**

The proposed loan will be made from recycled Growing Places funding.

## **Number of attachments to the report**

None.

## **Comments/recommendations from Overview & Scrutiny Committee**

Not applicable.

## **Background Papers**

None.

## **Tracking/ Process**

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

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 relevant Scrutiny Committee on the grounds of urgency?

No.

## **GM Transport Committee**

N/A

## Overview and Scrutiny Committee

N/A

# **1. Introduction/Background**

## **1.1. Background:**

- 1.1.1. The Combined Authority maintains and develops a pipeline of projects submitted by applicants seeking funding from the Combined Authority's Investment Funds allocation. These projects are assessed against criteria based on the GM Investment Strategy, developed to underpin the economic growth of Greater Manchester. A condition of investment is that the companies sign up as (at a minimum) a supporter of the Greater Manchester Good Employment Charter.
- 1.1.2. Recommendations in this report follow on from:
  - an appraisal by the GM Investment Team; and
  - a review by an investment sub-group which includes independent, expert advisors.

# **2. Investments Recommended for Approval in Principle**

## **2.1. North West Evergreen Limited Partnership, GM-wide**

- 2.1.1. The business case in respect of a £9.5m loan facility to North West Evergreen Limited Partnership has been submitted to, and appraised by, the GMCA Investment Team and is recommended to the Combined Authority for approval.
- 2.1.2. The North West Evergreen Fund is a £60m fund established during the 2007-2013 ERDF Operational Programme to provide development finance for commercial property schemes across the North West (exc Merseyside). This forms part of GMCA's wider collection of Evergreen Funds which includes GM Evergreen 2 and the GM Low Carbon Fund (collectively referred to as "Evergreen").
- 2.1.3. The Evergreen funds are largely deployed into eligible schemes, and this is restricting capacity to fund new development in the region. By providing this loan to Evergreen, this will enable two further schemes to progress which will accelerate delivery of Grade A office space within GM.

- 2.1.4. The loan will be fully secured, and is expected to be repaid in September 2025 upon repayment of the underlying development loan, and provide a return of 6.9% per annum in interest.
- 2.1.5. This loan is above the Investment Fund's investment threshold (of £5m) under its investment strategy. However, the Investment Fund has sufficient investment capacity and facilitating a short-term loan to accelerate development of much needed Grade A office space in the region is important.
- 2.1.6. Further details regarding the loan are included in the accompanying Part B report to be considered in the confidential part of the agenda due to the commercially sensitive nature of the information.