Manchester City Council
Report for Resolution

Report to: Economy Scrutiny Committee – 8 November 2017

Subject: The Greater Manchester Investment Fund

Report of: Strategic Director - Development.

Summary

This report sets the range of funds that operate under the umbrella of the "Greater Manchester Investment Fund" a number of whom are managed directly by the Greater Manchester Combined Authority (GMCA) and others which the GMCA, the Manchester Growth Company and individual Local Authorities from within Greater Manchester signpost individual businesses and, where relevant, developers who are seeking to bring forward commercial development space. Also included within the Greater Manchester Investment Fund is the Housing Investment Fund which supports the delivery of the City Council's Residential Growth ambitions which in turn is directly related to our economic growth ambitions.

Recommendations

The Economy Scrutiny Committee is recommended to note the contents of the report.

Wards Affected

All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above;

None

Introduction

1. This report sets the range of funds that operate under the umbrella of the "Greater Manchester Investment Fund" a number of whom are managed directly by the Greater Manchester Combined Authority (GMCA) and others which the GMCA, the Manchester Growth Company and individual Local Authorities from within Greater Manchester signpost individual businesses and, where relevant, developers who are seeking to bring forward commercial development space. Also included within the Greater Manchester Investment Fund is the Housing Investment Fund which supports the delivery of the City Council's Residential Growth ambitions which in turn is directly related to our economic growth ambitions.

The Greater Manchester Investment Fund Portfolio

2. This attached presentation (Appendix 1) describes the range of financial instruments that Greater Manchester has access to in order to support the delivery of the city region's economic strategy. The funds have been categorised into those which support "business" and those which support "property" development. As stated above these relate to both commercial and residential development.

3. Appendix 2 of this report provides an overview of the Fund portfolio and how the Fund supports business with a number of case studies on individual businesses that have received support.

4. Andrew McIntosh, the Investment Director at the Greater Manchester Combined Authority will be present at the Scrutiny Committee to highlight issues and challenges with the GM Investment Fund portfolio as well as new opportunities for funding that are currently under discussion at the Greater Manchester Combined Authority. Committee will be updated by Andrew on the impacts of the investments made by the Fund into Manchester over and above the detail that is included in Appendices 1 and 2.

GM Funds analysis
GM Core Investment Team
September 2017

Current funds under management – business

£m	RGF	GM Loan Fund	NPIF	Life Sciences Fund
Fund size	£65m	£20m	£64m (notional GM share)	£31m
Managed by	*GMCA*	*Maven CP*	*Maven – equity* *FW Capital – debt* *BFS - microfinance*	*Catapult*
Deal size	*£0.5m - £5m*	*£0.1m - £0.75m*	*£15k - £2m depending on fund type*	*£50k - £3.0m*
Comments	• Loans/equity investment focussing on: - Funding that isn't eligible for NPIF - Certain refinancing/ restructuring situations where there is a prescribed level of private sector match funding - Note that 66% of the current portfolio would either be ineligible for NPIF funding or had a funding requirement in excess of what NPIF can provide, thereby demonstrating the additionality of the fund.	• Debt funding up to £750k, focussing on: - Loans that aren't eligible for NPIF funding (of Maven's current portfolio 46% would not have been funded if NPIF had been available) - Small equity investments that aren't eligible for NPIF funding	• Launched in March 2017 • Equity investments up to £2m • Debt funding up to £750k • Micro-finance The following are not eligible for NPIF funding: - Seed capital - Retail (B2C) - For equity investments, businesses that are older than 7 years - Distressed businesses NB. FW Capital require Personal Guarantees as part of their security requirements, which have historically meant that some applicants have not accepted the terms offered.	• Seed and Venture Capital fund targeting Life Sciences businesses in Greater Manchester and Cheshire. - £250k - £3m investment size (including follow-on funding) - 15 year fund life, comprising 5y investment period, 5y follow on period and 5y realisation period.

Current funds under management – property

£m	Growing places	NW Evergreen Fund	Evergreen 2	GM Housing Fund	GM Low Carbon Fund
Fund size	£35m	£60m	£45m	£300m	£15m
Managed by	*GMCA*	*CBRE*	*CBRE*	*GMCA*	*GVA*
Deal size	*£1m - £5m*	*£2m - £12m*	*£2m - £9m*	*£2m - £70m*	*£0.5m - £5m*
Comments	• Senior, junior debt and equity for commercial property and infrastructure • Funding between £1m-£5m with a minimum of 50% match from either public/ private sources	• Commercial property debt fund invested to deliver urban regeneration projects • Investment can be at either senior or junior debt • Equity funding can be provided in certain circumstances • Maximum 5 year term and limit of 20% of fund size per scheme with a cap of 30% exposure to any one developer.	• Launched in March 2017 • Commercial property debt fund focussing on: - Science and innovation (£30m) - Energy efficiency of buildings (£15m), including new and refurbished office development. • ERDF rules apply with regular reporting • 50% match funding requirement from either public / private sources.	• Senior, junior debt and equity for commercial property and infrastructure • Funding between £500k -£70m • Loans must be to Private Sector entities • Governance process for higher risk Small loans of <£2m is more streamlined • Focus moving forward is to support more non City Centre developments	• Launching imminently • Debt and equity up to £5m focussing • 50% match funding • Maximum term of 15 years • Aimed at renewable / low carbon technology installations and district energy networks • Performance measured by GHG reduction targets.

How are we investing?

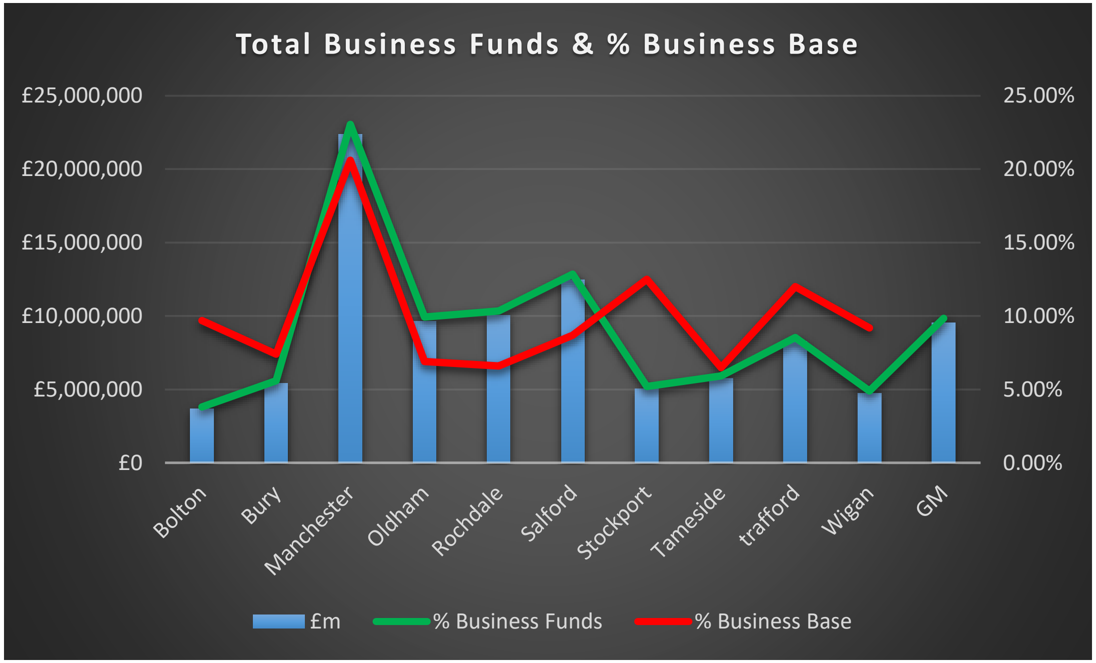
Area	Comment
GM Funds overview	• The basic premise of the GM suite of investment funds is that they exist to tackle a market failure in the provision of finance. They are not a panacea to address market failure in terms of viability but rather seek to target those schemes that are otherwise viable but for the availability of finance. This approach has been successful in building the investment capacity of GM from c£35m initially to the current position of funds under management in excess of £500m. • To date the investment strategy has created/safeguarded over 6,500 jobs, developed 23 ha of brownfield land and supported the building of over 4,400 new homes. • The funds have maintained a consistent approach to the deployment of funds with a rigorous diligence and governance process. As a consequence, funds have generally been committed to those areas where there is a greater concentration of businesses or assets. This is particularly true for the property funds. • The by product of this is that other areas around GM have received a proportionally smaller share of investment – generally because schemes are not necessarily viable at the prevailing rents or values in such areas. There is a complex combination of factors as to why this is the case which can only be solved by tackling multiple aspects of place-making. GM funds can play a role in this solution but are unlikely to have a significant impact in isolation. • There are however, some emerging funding streams where there is a degree of flexibility, particularly now some of the monies have been invested at least once. The balance of this paper seeks to set the framework for a discussion around how GM might wish to deploy some of the funding as well as explaining the rationale for the investment strategy to date.
GM approach	• In 2012, GMCA approved three broad investment themes being business, commercial property and low carbon. Following the launch of the GM Housing Fund, a separate investment strategy was approved in 2015. • The funds are overseen by the GM Core Investment Team led by the GM Chief Investment Officer. There are bespoke governance arrangements around each fund but the overall strategy and direction of the funds is set by the GMCA with the GM Investment Board playing a key role in shaping the strategy on an ongoing basis. • Each fund's investment strategy is aligned with the various underpinning regulations that govern the use of the funding and terms of the funding agreement. For example, Evergreen and the Low Carbon funds are obliged to be invested in accordance with ERDF regulations and the investment strategy as agreed with CLG, the GM Housing Fund must operate within the framework of the loan agreement with DCLG etc. • The pipeline for each fund's investments is generally derived from a combination of regular meetings with Local Authorities and GM's network of developers, funders and professional advisers. Investment criteria are reasonably well understood by key stakeholders. • Growing Places and RGF are already being invested with a greater degree of flexibility than during the first investment cycle – for example, they can now be invested as equity. Such an approach has been more successful to date with the business funds than the property funds. Funds that are externally managed will generally have less flexibility about them. • Greater detail on the individual parameters around each fund is provided at Annex 1.

Challenges

Area	Comment
Geographical focus	• Although the funds have been successful, there is a perception that funds do not fully address the investment needs of GM's more deprived areas. • In trying to address this, certain factors need to be taken into account: 1. The actual investment performance of the funds to date. 2. The rationale for why the funds have been invested as they have been. 3. The development of both short term and longer term solutions that look to develop a wider growth model. This will likely entail the application of current funding more flexibly where possible and the pursuit of additional investment to complement the funds GM already has as well as other place-making initiatives. • Items 1 and 2 are easier to address and the information to do so largely already exists. For example, the geographic focus of the property funds has undoubtedly been weighted towards Manchester, Salford and Trafford where the more viable schemes exist but this is not necessarily the case with the business funds (see overleaf). • Development of the longer term solutions cannot be addressed with existing GM investment funds and requires a much broader approach will be covered in part by the evolution of the GM strategy and its implementation plans. However, there are funding streams within GM that potentially can be applied differently or the investment strategy flexed to make a contribution towards the wider objectives.
Viability	• Viability of schemes is a key constraint for commercial property schemes. It is generally driven by two factors. The primary factor is headline rents that can be delivered in an area. These are generally £30+ psf in city centre locations with various external observers anticipating this will rise to £40 psf over the next 5 years. Away from the city centre, the rent reduces – it is typically c£20 psf in South Manchester but there are examples of <£10 psf in specific areas. As a rule of thumb, rents need to be in the range of £15 - £20 psf to deliver a viable office scheme. Other types of scheme are possible at lower levels however- for example, the recent Vengrove Estates project which provided industrial space had an assumed rent of £6.50 psf. • The second challenge is around construction costs which have grown faster than headline rents for a number of years. This squeezes developer margins and thereby makes delivery of viable schemes more challenging.
Property pipeline / resourcing	• The Core Investment Team undertook a thorough exercise between April – June 2017 when they met with each LA to review pipeline, a number of active developers and a number of funders in order to identify potential Growing Places / Evergreen pipeline schemes. All identified schemes are currently being pursued but there was only a very limited number, the reasons for which were attributed primarily to viability but also in certain instances, a reduced level of resource available to work up schemes to a greater level of detail. For example, the Regen resource in Manchester / Salford is 70+ FTEs but this contrasts to <10 in other GM areas. It is impossible to conclude whether this is due to a lack of viable schemes in first instance or a lack of resource but there appears to be a correlation between the two.
Declining fund size	• A consistent theme across the funds is that they look to address market failure whereby businesses/developers cannot access all the funding they require. Despite this focus the property portfolio is well secured and the risk of defaults is low. This is not the case for the business funds where there is a greater proportion of equity risk with often limited available security. The impact of focusing on the part of the market where there is limited private sector appetite is that there will be defaults and the fund size will deplete over time.

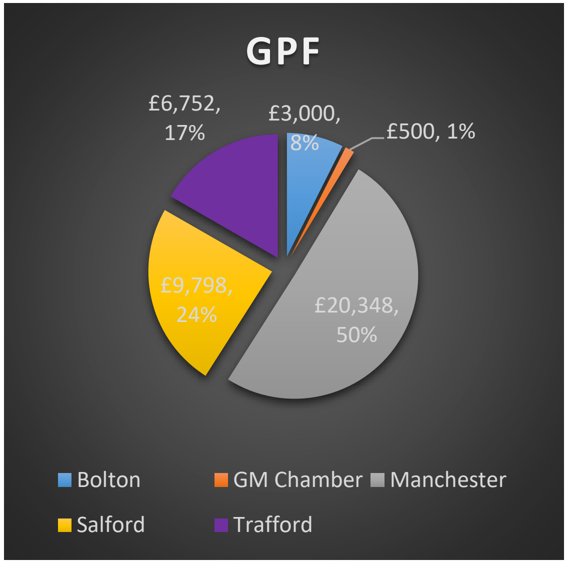
Distribution of funds under management

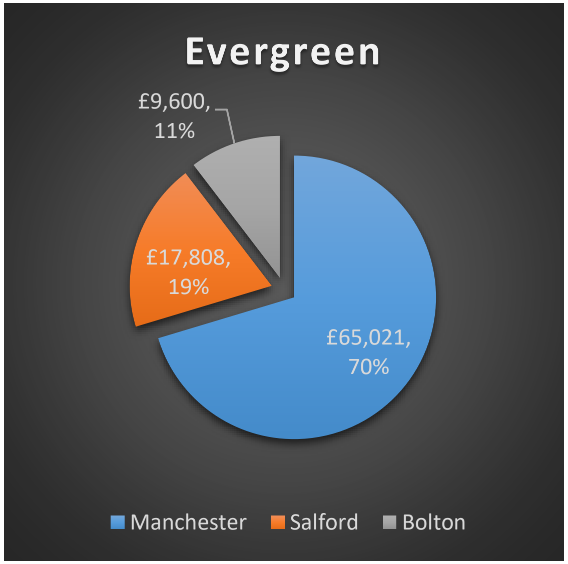
- Whilst Manchester has received the highest percentage of RGF and GM Loan Fund investments, this is consistent with it accounting for the highest proportion of business in GM.
- The GM category represents loans/grants made to the Manchester Growth Company. Whilst there are individual variances between districts, it is evident that there is a correlation between business location and funds invested.

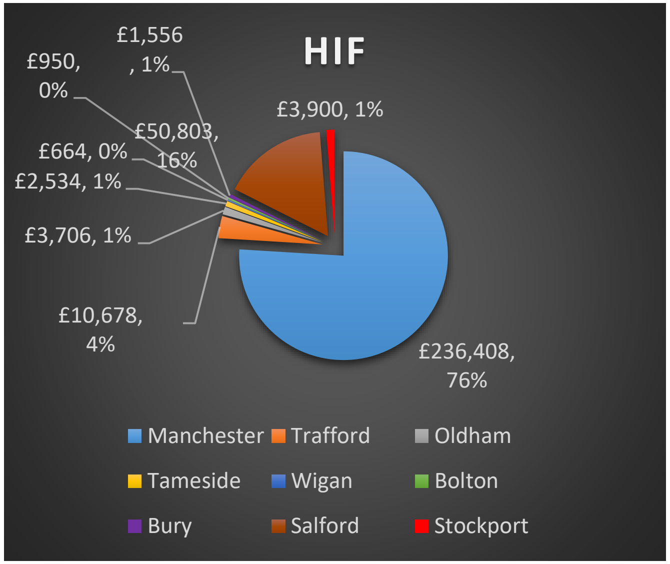


Distribution of funds under management

- Manchester has the highest proportion of committed commercial property funds (Growing Places and Evergreen) with Salford and Trafford also represented. Such areas generally have strong rental levels (£20+ / sq ft which has assisted with the ability of schemes to service the debt and ensure viability). The strong rentals also reflect the demand factors for the area – for example, Manchester has the highest percentage of GM's business base and occupier demand.
- The majority of the current Housing Investment Fund commitments have been made in the extended city centre that includes Manchester, Salford and Trafford. This reflects the initial demand from developers.
- Work is ongoing to develop pipeline outside of the city centre.







Future options for discussion

Area	Comment
Available funding streams	• Following the novation of the Evergreen Holding Fund to GMCA in November 2016, £2.6m of interest has been collected from Evergreen 1 under the terms of the Operational Agreement. This is currently sitting within Evergreen Holding Fund's bank accounts ("EHF"). • The use of this interest is governed by various EU regulations but the basic premise is that funds must be used for the general purpose of the original fund (i.e. urban regeneration). Depending on the quantum invested at any one time, it is expected that between £1m-£3m per annum will be generated in interest income. Such funds are to be invested under the stewardship of the Evergreen Holding Fund Board. The additional funds can be reinvested and provide additional capital to the Evergreen 1 fund or can be applied more broadly for example, as either equity investment or to fund the development work required to bring schemes forward – potentially relevant for some of the forthcoming town centre studies. • Surplus interest and fees are generated from Housing Fund investments and this can be utilised in a flexible manner to support further housing developments. It is currently anticipated that £8m to £10m of funding will be available over the next 5 years. Discussions are ongoing with DCLG to retain a greater proportion of the interest generated (providing c £10m of additional interest over the next 5 years) and to take control of the City Deal Receipts monies (currently c£15m). Should DCLG agree to the changes proposed there is likely to be additional rules related to the use of this funding that will need to be adhered to with a commitment from GM that it will invest the funding to deliver housing at an average cost of no more than £12k per unit and recover a minimum of 30% of the funding. • Other funding streams generally have some restrictions attached to them, certainly as regards to the capital. For example, the GM Housing Fund can potentially be applied more flexibly as equity or mezzanine debt but there will still be a target metric of £12k per unit required attached to the fund.
Investment as patient equity	• An option that potentially may assist in bringing schemes forward is considering utilizing the incremental interest identified as a small amount of equity available to bring schemes forward. This can potentially rank behind developer equity via an overage style arrangement.
Investment in resource	• Consultancy costs to work up additional schemes, develop town centre studies etc could be covered from within the GM funds interest. Any GM funds used for this purpose could ultimately be recovered from the delivery of any successful scheme via a small equity share or similar. Such a resource is potentially welcome given the challenges noted in bringing forward credible proposals for the Housing Infrastructure Fund.
Desire to allocate funds as grant	• Limited work has been undertaken from a property perspective to consider the impact of grant funding. This is largely attributable to the lack of any such funding over the last 5 years and the focus on recyclable funding only. Certainly from the evidence of the business funds, the impact of the small number of grants issued has been disappointing. The RGF loan programme has outperformed the grant programme to date on job outputs and in the long term should provide greater value for money for each job created/ safeguarded, along with the additional benefits of recycled capital for further job creation and greater control over the loan recipient. • The programme has seen examples where the application of grant funding has had a successful outcome but the majority of the strong performing projects could also have supported patient loan funding.
Development of an 'ask' for government	• Given the prevailing restrictions around the existing funds, it is highly unlikely that they will be able to make a transformative impact on districts. It may be worth developing an ask of government similar to some of the residential proposals that can be brought forward alongside the interest noted above so that there is a quantum of equity-style funding that can be allocated based on an open call for projects.

FINANCE FOR BUSINESS

GMCA
GREATER MANCHESTER COMBINED AUTHORITY

FOREWORD

Greater Manchester Combined Authority is committed to driving growth and recognises the key role businesses play in promoting employment, growth and increased productivity across the GM economy. One of the key barriers to the innovation and growth of GM businesses, as confirmed by the 2014 GM business survey, is the availability of finance.

To improve access to business finance the Combined Authority has invested £165m since 2012 to create a series of new fund initiatives, which contribute to a sustainable long-term supply of much needed capital for Greater Manchester based business and property developers.

GMCA's aim is to provide more flexible finance options, to businesses at all stages of development. Each business proposition is carefully reviewed in order to tailor investments to meet the needs of individual applicants.

Businesses have access to debt, mezzanine and equity investment products, capitalised through a blend of public and commercial sources including - the Regional Growth Fund, the European Regional Development Fund, the European Investment Fund and the British Business Bank. Funds are managed or contracted to achieve effective returns, further expand lending with recycled capital and also support a sustainable lending operation.

Councillor Kieran Quinn,
Investment Lead GMCA

INTRODUCTION

In Greater Manchester there are many viable businesses who are unable to access mainstream finance. To address this situation the GMCA has created access to a suite of alternative finance products, delivered or managed by the Greater Manchester Core Investment Team and the Manchester Growth Company (MGC) specialist SME finance provider Business Finance Solutions (BFS).

Business Finance Solutions offer a range of alternative lending products, to start-up businesses or established SME's from £1,000 up to £100,000.

BFS can also assist businesses in raising equity finance through Co it's angel syndicated investment Service or through North West Business Angels. Both services help raise investment for investee businesses of between £50k and £2m while also offering a unique pathway to a wealth of business support services delivered by MGC.

GM Core Investment Team manages the Greater Manchester Investment Fund (GMIF) which offers finance packages between £0.5m and £5m. Loans are typically for terms up to five years with commercial interest rates, reflecting the risk profile of the business. Mezzanine loans from £0.1m up to £0.5m are available for eligible companies having difficulty accessing traditional forms of finance from the Greater Manchester Loan Fund, managed by Maven Capital.

The Core Investment Team also oversee two Property Funds, comprising £35m of Growing Places for GM and a further £60m of Evergreen funding across the North West region (excluding Merseyside).

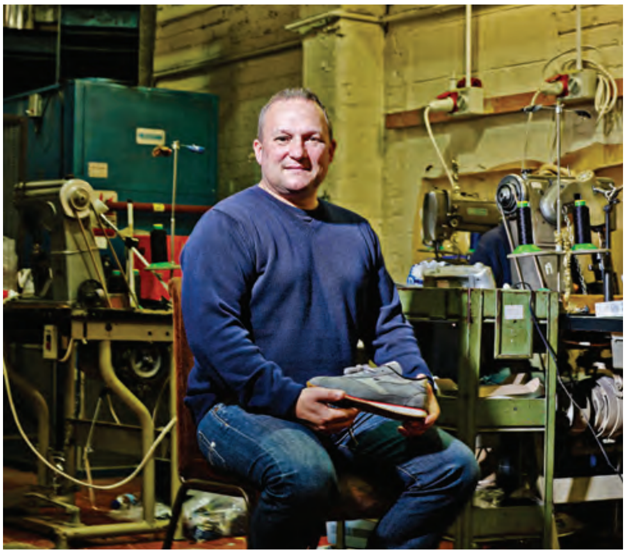
Both funds are administered through an established Greater Manchester investment framework for economic growth and fit with GM's strategic priorities. The funds offer debt finance from £1m up to a combined ceiling of c£20m with preferred terms of up to five years with commercial interest rates.

The Core Investment Team is also overseeing the procurement and launch of a £40m Life Sciences Fund, for Greater Manchester in partnership with the Cheshire and Warrington Local Enterprise Partnership.

'About a third of Greater Manchester businesses that sought finance (34%) reported experiencing difficulties with arranging it'.

2014 Greater Manchester Business Survey, BMG Research, for the New Economy


Urban Botanist


Walsh Footwear

START-UP AND SMALL BUSINESS FINANCE

Financially excluded 'non-bankable' businesses, are provided with a level of service and a range of products previously only available from mainstream finance providers. These include Start-up and Business Loans and access to equity investments of up to £2m through the Co Angel Service.

Since 2012:

£12.6m
committed into businesses across Greater Manchester

2,319+
GM businesses supported to date

3,370+
jobs created/safeguarded as a result of the funding deployed to date

689
people taken out of unemployment and into self-employment as a direct result of BFS assistance generating £7m savings in benefit costs

START-UP AND SMALL BUSINESS FINANCE* - DEPLOYMENT

	START-UP/MICRO £M	SME LOANS £M	TOTAL £M
Committed	7.2	5.4	12.6
Remainder	9.0	8.4	17.4
Total	16.2	13.8	30.0

* Managed by BFS

START-UP AND SMALL BUSINESS FINANCE OUTPUTS

MEASURE	CONTRACTED	ACHIEVED
Direct jobs created/safeguarded	8,379	3,370
Business Starts	3,518	1,718
Number of businesses supported	3,935	2,319

CASE STUDY
Start-Up And Small Business Finance

Banker Steven Pilkington has opened The Butcher's Quarter, the only artisan butcher's shop in Manchester city centre, thanks to a £50k Business Loan from Business Finance Solutions (BFS).

The Butcher's Quarter on Tib Street in the Northern Quarter will be the only artisan traditional butcher in Manchester city centre, following the closure of the last one in 2007. The shop stands on the site of a former butcher's that closed in 1975 and Steven has preserved many of the premises' original features such as the floor, walls and signage.

Steven, who lives in the Northern Quarter and previously worked for two major UK banks, has wanted to launch his own business for many years and decided upon The Butcher's Quarter as a great way to bring back a much needed resource to the city centre, located in an area that is home to a growing number of artisan and specialist food businesses.

Earlier this year Steven was referred to Business Finance Solutions (BFS) with his business idea and they agreed £50k funding through their Business Loans programme. BFS is also continuing to work with Steven and his team to provide additional support including workshops and growth advice.

Steven said: "With the help of the BFS Business Loan we have been able to bring this age old skill back into the city centre where we know there is a real demand for good quality food. Thanks to the loan we've been able to bring what was a great butcher's shop back to life and resurrect it at the heart of the community."

"BFS is one of the great things about Manchester and what they have done is quite amazing...BFS is pretty unique in what it has achieved so far, so being able to do more work with BFS and the team is really amazing from our point of view."

Tim Sawyer, Chairman of The Start Up Loan Company

CASE STUDY
Co Angel Investment

The Co Angel Investment service has supported Gelexir Healthcare with their first close of £414,000 of its current £950,000 funding round.

Gelexir a University of Manchester spin-out, has developed a hydrogel which is intended to relieve back pain by allowing cells in the disc to get back to "normal" functioning, hence relieving the cause of pain. The gel will be injected into the disc by a healthcare professional and is expected to replace the need for invasive back surgery. This has the potential to save the NHS and healthcare systems around the world significant sums of money and reduce back-pain suffering for millions of people globally. Gelexir engaged Co in offering instrumental and specialist support in preparing for and facilitating the fund raise.

Gelexir is led by spine surgeon and veteran ex-medical device corporate executive, Philippe Jenny, and has received investment from sector specialist investors including The North West Fund for Biomedical, managed by SPARK Impact, the Central Manchester Foundation Trust and a number of overseas and local angel investors. The funding is needed to take the business through a pivotal pre-clinical study and into first "in man" studies. The Co team is also continuing to work with Gelexir to identify additional funding that will take their investment in the online business to £950k.

Discussing the current fund raising process to date, Hans von Celsing, Executive Director Gelexir said: "The team at Co have been instrumental as part of the process to date in giving strong and impartial advice, providing us links to potential investors, and generally supporting us in the fund raising process.

The team have been brilliant in preparing us for investment, supporting angel investors with their due diligence scoping and execution and approaching institutional investors. We are looking forward to continuing our excellent working relationship with the Co Angel team to complete this current round of funding"

BUSINESS LOANS

Business loans from £100k up to £5m are available at commercial rates for businesses with viable growth plans that have a gap in their funding requirements. The funds are not sector restrictive and support a wide cross section of industries. The funds do not exist to compete with private sector finance and applicants are required to have obtained private sector match funding.

The business loans are designed to support job creation in the Greater Manchester area and this is part of the assessment criteria for any application.

Since 2012:

£72m
committed into businesses across Greater Manchester

60+
businesses supported to date

6,500+
jobs to be created/safeguarded as a result of the funding deployed

BUSINESS LOANS - DEPLOYMENT SINCE 2012

BUSINESS LOANS				
	RGF £'M	RECYCLED RGF FUND £'M	GM LOAN FUND* £'M	TOTAL £'M
Committed	65	0.75	6.1	71.85
Pipeline	-	9.0	1.4	10.4
Remainder	-	8.25	12.5	20.75
Total	65.0	18.0	20.0	103.0

* Managed by Maven Capital Partners

BUSINESS LOANS - RGF OUTPUTS DETAIL

RGF		
JOBS	CONTRACTED	ACHIEVED
Direct jobs created	3,366	811
Direct jobs safeguarded	1,775	1,591
Indirect jobs created	573	478
Indirect jobs safeguarded	810	457
Jobs Total	**6,524**	**3,337**
Number of businesses supported	-	63

CASE STUDY
Regional Growth Fund

James Briggs, one of the largest manufacturers of aerosols and consumer chemicals in Europe, has received £3.5m from the Greater Manchester Investment Fund.

The funding formed part of a wider investment plan to enhance IT systems, improve production automation, add new can printing and labelling technology, upgrade infrastructure and establish a new marketing and development centre.

Simon Tuley, Financial Director at James Briggs said: "Our growth plans over the next three years will not only ensure job security for current employees but should allow us to expand, creating up to 80 new jobs. The funding is great news for both James Briggs and our local suppliers."

Jim Sumner, Chairman of James Briggs, added: "This is a truly exciting time at James Briggs. We see a great opportunity to grow the business in both UK and international markets, which is excellent news for our customers, employees and suppliers. I would like to thank GMCA for their support during the bid process."

CASE STUDY
Regional Growth Fund

Manufacturers, Culimeta Saveguard Limited, based in Tameside considered taking their business to another part of the country or abroad when they couldn't find affordable space in or around Manchester to expand into.

Culimeta Saveguard Limited manufacture a range of specialised products from advanced high performance technical fibres which are used to help protect the environment, people and equipment in the workplace. With over £2m of investment from the Greater Manchester Investment Fund, they were able to expand their business by reviving a four-storey mill alongside the acquisition of new textile equipment and the creation of a new research and development facility. This expansion and growth will support the creation of over 140 new jobs.

Director Brendan McCormack said:. "Without this funding and the support and determination of Greater Manchester we wouldn't have been able to expand and grow our business. The funding has helped us with our plans to take our business to the next level as well as creating new jobs".

PROPERTY FUNDS

Property and infrastructure funds are available at commercial rates for developers where traditional financing cannot be obtained. The funds exist to compliment the private sector; applicants are required to provide an element of equity. Working in tandem with other sources of funding schemes that are part-funded by grant are welcome, but note that these funds offer debt only.

Costs are competitive and flexible terms are available through senior, mezzanine or syndicated loans.

Since 2012:

£74.6m
invested to accelerate property developments

16 hectares
of brownfield land redeveloped

5,747
job commitments to date as a result of the funding deployed

PROPERTY FUNDS - DEPLOYMENT SINCE 2012

PROPERTY FUNDS			
	GROWING PLACES £'M	EVERGREEN* £'M	TOTAL £'M
Committed	28.9	55.2	84.1
Pipeline	8.5	5.6	14.1
Remainder	2.2	-	2.2
Total	39.6	60.8	100.4

* Managed by CBRE

EVERGREEN OUTPUTS

EVERGREEN	
Jobs Total	**5,747**
Programme target	4,088
Sqmt. Developed	**130,725**
Programme target	109,760
Brownfield Land developed	**16.0**
Programme target	11.6

CASE STUDY
Growing Places and Evergreen

The GM Core Investment Team worked with Allied London to structure a £15m funding package from the North West Evergreen Fund - an externally managed fund backed by cash from the European Union and the Greater Manchester Combined Authority's Growing Places Fund - a Government-backed pot which offers loans to kick-start development projects.

The building will boast flexible space where tenants can customise space, essentially taking a shell and choosing the location of partition walls and the services they want.

Allied London chief executive Michael Ingall said: "Given the significant amount of investment, construction is now able to go ahead on what will be one of Manchester's most exciting buildings. "There is a real need to evolve the commercial real estate concept in order to support both fledgling and mature businesses, and provide the right environment for them to flourish, so the property world should adapt to the needs of fast-emerging businesses. Service, amenity and environment together with sustainability needs to be considered far more carefully than ever before."

CASE STUDY
Growing Places and Evergreen

Cutacre, Logistics North in Bolton is a former UK Coal surface mine that is being developed by Howarth Estates. The GM Core Investment Team acted as a single front door for Howarth to access a £10m funding package, comprising of £7m Evergreen funding and £3m of Growing Places funding.

The site, which is the largest live industrial development in the North West of England, offering some of the finest 'Design & Build' opportunities in the UK property market for manufacturing or distribution dependent businesses

The 250 acre employment scheme will deliver nearly 400,000 sq. m (over 4 million sq. ft) of bespoke buildings, ranging in size from 20,000 sq. ft to 1 million sq. ft. Harworth will also create a new country park for the benefit of local people on 550 acres of surrounding land.

Aldi has chosen to relocate its Regional Distribution Centre to Logistics North, acknowledging the significant advantage and is building a 500,000 sq ft distribution centre on the site.

MBDA, a major defence supplier, has also acquired an eight-acre site for the development of a new 100,000 sq ft facility. MBDA will move to this new facility, which will combine high-quality manufacturing space with offices, from its current base at Lostock, Bolton.

Phil Wilson, Executive Director at Harworth Estates said "Evergreen funding will be instrumental in enabling us to deliver what will be the premier logistics location servicing the North West. The loan we have received will fund the construction of roads, ground works, power, drainage and utilities and we will begin works in the summer. Having local authorities and funds such as the North West Evergreen Fund championing key regeneration projects in the North West of England is crucial to the continuing growth of the region".

Greater Manchester a great place to develop, innovate and do business...

- **Ranked Most Competitive Business City in Europe 2014 for third year running by KPMG**
- **Four major Universities with a large graduate talent pool including multilingual skills (200 languages spoken)**
- **International airport with direct flights to over 200 destinations World-wide**
- **A region of firsts – birthplace of the industrial revolution, splitting of the atom and the modern computer**
- **A region of innovative pioneers – where graphene, the world's thinnest and strongest material, was isolated**
- **Today, Greater Manchester is the first devolved economic city region, further enhancing the regions status for being a pro-business environment**
- **The Economic Intelligence Unit has named Greater Manchester as the best UK city to live, in its Global Liveability Survey 2015. The survey rated cities out of 100 in the areas of health care, education, stability, culture, environment and infrastructure**

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