

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2728

Title: Rough Sleeping Accommodation Programme - Resonance Everyone In Limited Partnership

Executive Summary:

This decision seeks approval for investment of up to £5m Rough Sleeping Accommodation Programme (RSAP) funding into the Resonance Everyone In Limited Partnership fund (REILP) for the acquisition of 50 homes for current and former rough sleepers.

Approval for the funding is sought through a Decision by the Mayor, as the nature of the equity investment is considered to be novel, contentious or repercussive due to the advice set out in Part 2 of this decision.

Decision:

That the Mayor approves:

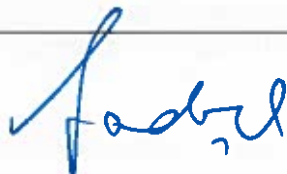
- 1) an interest-bearing loan of up to £5m to GLA Land and Property Limited ("GLAP") from the GLA;
- 2) a subsequent equity investment of up to £5m by GLAP in Resonance Everyone In Limited Partnership on the basis set out in this decision form and subject to the successful conclusion of legal due diligence on the limited partnership agreement;
- 3) using the return on the above equity investment to repay the GLA principal and interest at the end of the investment term; and
- 4) once repaid, redeploying the GLA principal and any net additional returns to facilitate the provision of housing for the homeless for a subsequent duration of no less than 20 years.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

11/12/20

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. The Mayor has secured funding from the Government's £433m four-year national fund to deliver accommodation and associated support for former rough sleepers – the Rough Sleeping Accommodation Programme (RSAP). Of this, £93.4m (£57.8m of capital and £35.6m revenue) has so far been allocated to the GLA, to deliver 900 affordable homes in London by 31 March 2021 and provide four years' support to the residents of this accommodation (MD2687). MD2687 delegated authority to the Executive Director of Housing and Land and the Interim Deputy Executive Director of Housing and Land acting jointly or separately to approve funding allocations in line with decision making processes for the Affordable Homes Programme (as set out in Mayoral Decision Making in the GLA) and the Memorandum of Understanding with the Government for the Rough Sleeping Accommodation Programme. Approval for the funding proposed in this report is sought through a Decision by the Mayor, however, because the nature of the equity investment is considered to be novel, contentious or repercussive due to the advice set out in Part 2 of this document.
- 1.2. A prospectus setting out the objectives and requirements of the RSAP programme was published on the GLA website along with a template bidding form, which providers had to return by 20 August 2020.
- 1.3. Resonance Limited (company number 04418625) ("Resonance") submitted their bid in the required form by the closing date. The bid was assessed by the GLA and Ministry of Housing Communities and Local Government (MHCLG) officers according to the criteria set out in the RSAP prospectus, alongside the other bids received, and is recommended for approval.
- 1.4. The proposal is to invest £5m of equity, through GLA land and Property Limited ("GLAP"), on a recoverable basis into Resonance Everyone In Limited Partnership ("REILP") operated by Resonance and Nacro. The GLAP equity investment would act as seed capital, along with £7.5m of equity from Big Society Capital ("BSC"), at the point of establishing the fund. A further £2.5m will be sought from other partners within six months after the first investment close to bring the capital raised to a total target of £15m to deliver 50 homes.
- 1.5. The GLAP equity investment will be funded by a loan from the GLA to GLAP using the RSAP funding.
- 1.6. The REILP fund will have a life of 10 years. It offers investors the opportunity to invest in a portfolio of London residential property which will focus on the objectives of RSAP (set out in paragraph 2.3).
- 1.7. Nacro has also been allocated up to £712,916 of GLA RSAP revenue grant, subject to contract, to provide support services to the residents housed in the REILP properties in line with the objectives of the RSAP programme. This has been assessed and approved through the standard RSAP bidding process.
- 1.8. The fund forecasts a financial return of 4% to GLAP (before tax). This is inclusive of forecast appreciation on capital and rental values, for which the assumptions are detailed in the body of this decision form.
- 1.9. As this is a recoverable investment, MHCLG has requested that the principal and returns generated from this investment be redeployed to provide housing for homeless people for at least another 20 years after the initial investment term of 10 years. Once the principal and returns have materialised at maturity of the investment, the GLA will ring-fence these funds to support housing for homeless individuals in line with the terms of the Memorandum of Understanding with MHCLG dated 22 July 2020.

- 1.10. GLAP's total existing commitment to Resonance funds is £25m. This is broken down into two investments into Real Lettings Property Funds 2 ("RLPF2"), an initial investment of £10m in 2017 (DD2175) and a subsequent investment of £15m in 2019 (DD2346).

Partners

- 1.11. The Fund will be an unregulated collective investment scheme for the purposes of the Financial Services and Markets Act 2000 (the Act), which means that it would not be authorised or otherwise approved by the Financial Conduct Authority (FCA), and accordingly could not be marketed in the UK to the general public, but the establishment, operation and winding up of the scheme would be regulated activities under the Act. This fund structure is typical for private property investment funds.
- 1.12. Resonance is a social investment company which specialises in investments into charities and social enterprises to help them increase their impact. It has extensive experience in sourcing and operating funds, having worked with 237 investors and with £200m under their management. Their homelessness Property Funds have purchased and refurbished over 800 properties, providing homes for over 1,500 people, and enabling 216 individuals to move-on to more permanent accommodation.
- 1.13. Resonance manages £25m of GLAP investment under the Real Lettings Property Fund 2 ("RLPF2"). The fund was launched in 2017 and has achieved the following outputs: £98.5m under management (inclusive of GLAP equity), 336 homes acquired in London (against a target of 325), and a running cash yield of 1.75%.
- 1.14. Nacro is a charity (company number: 00203583) and Registered Provider (registration no: 4781), with the Regulator of Social Housing. It was established over 50 years ago with experience in housing ex-offenders, the homeless and running education and training programmes aimed at assisting tenants to integrate into society and live independent lives. Its work also extends beyond housing in the fields of justice and health, e.g. by providing substance misuse services and practical support to young offenders. Nacro currently houses 3,414 tenants, and 73% of their previous tenants have moved on to stable accommodation after leaving their services.
- 1.15. Big Society Capital (BSC) is a leading social impact-led investor and independent financial institution authorised and regulated by the FCA. It is funded from surplus funds of the National Lottery Community Fund, as well as investment from shareholder banks including Barclays, HSBC, Lloyds Banking Group and RBS. Its key corporate objectives include a focus on affordable housing, strengthening communities in disadvantaged areas, supporting initiatives which tackle problems at early stages, and growing the social impact investment market. BSC has enabled housing for over 4,600 vulnerable individuals via £78.8m of funding.

Operation of the fund

- 1.16. The operation of the fund is governed through the following agreements:
- a Limited Partnership Agreement between REILP, Resonance, Nacro and each investor;
 - a Fund Management Agreement between REILP and Resonance;
 - a Framework Agreement between REILP, Resonance and Nacro, which includes a standard property lease; and
 - a side letter which sets out the parameters of the GLAP investment.
- 1.17. This follows a similar format to RLPF2, which is standard for private property funds. However, unlike RLPF2, the limited partnership will be a private fund limited partnership instead of a limited partnership. There are three relevant entities involved in the provision of the investment vehicle:
- Resonance Impact Investment Limited (Company Number: 588462) – provides the key property investment services. It is authorised and regulated by the FCA and a subsidiary of Resonance Limited;

- Resonance Everyone In GP Limited – will be established to act as a General Partner of the fund, i.e. the central entity responsible for the management of the fund; and
- Resonance Everyone In Nominee Limited will be the company which jointly holds the property on trust with Resonance Everyone in GP Limited.

1.18. The fund will work as follows:

Acquisition and fund management

- Resonance Impact Investment Ltd (“RIIL”) is targeting investment of £15m to deliver 50 homes;
- RIIL sources properties on behalf of REILP and in partnership with Nacro using a scoring card system. This includes items such as good transport links and proximity to amenities such as supermarkets and surgeries. In line with RSAP requirements, it seeks to avoid concentration in any one location but focuses on clusters for ease of management;
- the Fund Investment Committee meets weekly and commits funds to acquiring properties;
- RIIL oversees the conveyancing work and completion of the acquisition of the property on behalf of the fund. Resonance Everyone In GP Ltd and Resonance Everyone In Nominee Ltd jointly hold the properties in trust on behalf of the fund investors;
- the annual fund management fee receivable by RIIL is equivalent to 1% of the investment during the investment period – this covers the period to first close and final close of six months to seek additional funders and acquire the properties. The cost falls to 0.75% of the investment after the investment period; and
- Resonance Everyone In GP Ltd may employ contractors to undertake minor refurbishment works to the properties. The properties targeted for acquisition are self-contained one-bedroom flats that are refurbished to a quality exceeding “Decent Homes Standard”. Often new kitchens, bathrooms and heating systems are installed in order to maintain standards and longevity. Health and safety compliance through the latest electrical and heating systems help to maximise energy performance and deliver safe, secure, warm homes often improving EPC ratings to SAP level C and above. This reduces carbon dioxide (CO₂) emissions and tenant energy costs, exceeding minimum E rating.

Lettings and housing management

- the Fund (i.e. Resonance Everyone In GP Ltd and Resonance Everyone In Nominee Ltd) leases the properties to Nacro for 10 years, and in return receives a guaranteed rent from Nacro. The guaranteed rent receivable by the fund will be calculated between London Affordable Rent and Local Housing Allowance (“LHA”) rates for each property;
- the rent and service charge (inclusive of intensive housing management charges) will be covered by Housing Benefit and the support element will be covered by the RSAP revenue grant;
- Nacro will seek nominations via the Mayor’s Clearing House service to ensure a pan-London approach; and
- the property will be let by Nacro, with the tenant benefiting from a two-year assured shorthold tenancy.

Exit and winding down

- It is expected that the fund will be wound down at the end of the 10-year term. This entails disposing of the properties either on the open market, or on arms-length market terms into another social impact fund, or to a registered provider to repay the investors. The latter solutions are preferred by Resonance and BSC to preserve the social value of the portfolio.

Financial operation of the fund

- 1.19. The GLA investment of £5m will be paid to REILP upfront in the 2020/2021 financial year from the £57.8m RSAP capital allocation to the Mayor.
- 1.20. A maximum of £712,916 of revenue grant from the £35.6m RSAP revenue allocation to the Mayor will be provided to Nacro to cover the support services to the tenants. This is not invested into the fund but provided directly to Nacro to manage the support services to those housed in REILP properties.
- 1.21. The GLA's rationale for investment into REILP is to provide accommodation for former and current rough sleepers as per the RSAP objectives outlined in paragraph 2.3; the return on the GLA's investment is an additional benefit.
- 1.22. It is expected that the guaranteed rent would return a net initial yield of 3% on GLAP investment monies – this is broadly in line with the current performance of Real Lettings Property Fund 2 which covers the same geographic area and similar rental levels. It also sits below the estimated 4.5% net yield reported in recent residential investment transactions in zones 3-6 (CBRE, 2020).¹ This is not surprising as the rent receivable by the fund is below market rents, hence compressing rental yields downwards.
- 1.23. The fund projects rental growth at a rate of 2% per annum. Whilst COVID-19 brings uncertainties about rental growth in the short term, pre-COVID estimates by the property agent JLL were in the region of 3% per annum in the medium-term.²
- 1.24. The fund projects capital value appreciation at a rate of 3% per annum. The annual house price inflation is in line with current medium-term forecasts in London, which account for deflation in 2021 following the COVID-19 economic impact but anticipate a medium-term return to an inflationary cycle with a five-year inflation average of 4% per annum³.
- 1.25. All in all, based on the above assumptions, the Fund forecasts an Internal Rate of Return of 4% before tax. Details of the fund-level returns and cashflow can be found in Appendix 1; and the GLAP-level returns and cashflow after tax can be found in Appendix 2.

2. Objectives and expected outcomes

- 2.1. Investment into the Fund provides an opportunity to provide homes and support in line with the RSAP objectives, wider GLA strategic housing priorities, and COVID-19 recovery objectives.

Affordable housing

- 2.2. The GLA is investing in REILP to meet a specific and urgent need to provide accommodation for former and current rough sleepers. It is expected that the fund will purchase 50 homes, for which Nacro will apply for Housing Benefit exemption status (meaning that Housing Benefit entitlement may be higher than for general needs accommodation). Whilst the tenancy costs for this supported accommodation may be higher than general needs affordable housing products to reflect the more intensive nature of the services provided, they are expected to be affordable to residents on the basis that rents will be covered by Housing Benefit.

Homelessness prevention, support and provision of move-on accommodation

- 2.3. The objectives of the fund align with those of the RSAP programme:

¹ <https://www.cbre.co.uk/research-and-reports/UK-Residential-Investment-Property-Investment-Yields-Q3-2020>

² https://res.cloudinary.com/jll-global-olm-np/image/upload/v1574695786/resi/gb/cms/Research/PDFs/JLL_Forecasts_-_Living_with_2020_vision.pdf

³ [https://research.euro.savills.co.uk/united-kingdom/to-publish/pdfs/uk-housing-market-update-june-2020-\(1\).pdf](https://research.euro.savills.co.uk/united-kingdom/to-publish/pdfs/uk-housing-market-update-june-2020-(1).pdf)

- to provide homes to ensure that as few people as possible return to the streets from emergency accommodation put in place during COVID-19. As COVID-19 remains a risk, it is also essential that people, particularly those who are at increased risk of severe illness, are kept safe;
- to provide homes to those who remain or arrive on the streets who are at risk of COVID-19;
- to ensure longer-term accommodation and support solutions for those already in a rough sleeping pathway – enabling them to move on to independent living;
- to free up spaces in hostels so that supported accommodation is available for those that need it; and
- the units will be acquired by March 2021 and the fund will seek occupation by the same date.

2.4. Nacro's support methodology uses trauma informed strength-based interventions and aims to develop person-centred support plans to:

- identify individual needs and aspirations;
- support individuals to develop independent living skills and financial responsibility;
- celebrate distance travelled;
- overcome barriers to independent living and move-on; and
- safeguard clients.

2.5. Nacro's staffing proposal allows staff to have weekly client contact (face-to-face and telephone) as required. To ensure clients are supported to move-on, Nacro also includes an ongoing rent deposit scheme across the life of the contract to enable clients to access private rental options. Nacro staff will also maximise alternative housing routes through partnership working (i.e. with social landlords and housing associations).

Commercial return

2.6. The commercial return is not the primary aim of this investment; however, it is anticipated that the fund should provide a margin of 2.68% against the current PWLB base rate of 1.32% - which can be used as a benchmark risk-free rate for GLAP investments.

Wider social impacts

2.7. The Fund will have wider social impacts in line with the GLA's strategic role. The latest Resonance Homelessness Property Funds Report 2018-2019 provides key metrics for impacts of the existing funds, which the proposed fund would equally seek to contribute towards. The majority of Resonance tenants who are eligible for work are now in employment compared to previous reported years. 91% of the homes also include children meaning the benefits of a stable and secure home are extended to children which in turn provides better foundations for their physical and mental health as well as their educational attainment.

3. Equality comments

3.1. Under section 149 of the Equality Act 2010, as public authorities, the Mayor and GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (all except the last being "relevant" protected characteristics).

3.2. Of those seen rough sleeping in 2018/19:

- 51 per cent were non-UK nationals;
- 50 per cent had a mental health need;
- 16 per cent were women;
- most of those seen rough sleeping (56 per cent) were in the 26-45 age group;
- eight per cent were under 26 years old;
- 12 per cent were over 55; and
- five people were under 18.

3.3. Given the above, the proposals in this decision form are likely to have positive impacts on a number of groups with protected characteristics. As rough sleepers are over-represented among those with the protected characteristics of race and disability, the proposals are likely to have positive impacts on these groups.

4. Other considerations

a) Key risks and issues

House price and/or rental inflation slows or reverses – affecting the GLA's returns

- 4.1. While COVID-19 has negatively impacted rents in London⁴, property values have also increased during the period driven by the stamp duty relief and low interest rates⁵. It should be noted that the current period is prone to volatility in both rents and values as the economic impact of COVID-19 in London cannot be fully measured yet.
- 4.2. However, the house price and rental inflation assumptions built into the modelling are broadly in line with the medium-term London forecasts from property agencies, which are grounded in substantial imbalances between supply and demand. Moreover, the fund carries a 10-year term, which should see changes in cycles throughout the investment period.
- 4.3. For the fund to achieve the PWLB rate of return (i.e. no margin), rents would need to hold constant with no appreciation over 10 years, and capital values would need to increase by 0.1% per annum over the same term.

Resonance and/or Nacro do not perform

- 4.4. Resonance has a track record with the GLA and other investors across a number of property funds: to date all distributions have been made and it has acquired over 800 units, showing that they can perform on the financial returns and delivery of housing.
- 4.5. Nacro's performance risk is centred around its activities: to source tenants, and to let and manage the properties.

Sourcing tenants and voids risk

- 4.6. Sourcing tenants will be carried out via the Mayor's Clearing House service. Given the scale of the homelessness issue and lack of housing options for those affected, it is unlikely that properties would be void for a long period.

⁴ <https://www.zoopla.co.uk/press/releases/rental-growth-in-london-tumbles-in-response-to-covid19-while-zoopla-expects-rental-growth-outside-london-to-halve-to-1-by-the-en/>

⁵ <https://www.rightmove.co.uk/news/house-price-index/>

Lettings and housing management

- 4.7. Nacro is an experienced landlord which reduces lettings and management risks for the GLA. It has a track record of lettings and housing management with over 3,400 individuals housed across its housing portfolio and its Homes Agency offer. As a regulated social landlord, it is obliged to comply with the applicable regulatory landlord duties (e.g. fire alarm checks, and compliance with gas and electricity checks). Its services also extend to carrying out full checks on tenants, monthly health and safety inspections on every property, providing tenants with support in managing their monthly housing costs (e.g. utility bills and council tax) and property maintenance.
- 4.8. It is anticipated that tenants will be on Housing Benefit, rather than Local Housing Allowance, meaning rents will be collectable by Nacro directly. Should exempt accommodation status not be granted for a given tenant, Nacro and Resonance have confirmed that rents will be set at or below Local Housing Allowance to ensure they remain affordable to the given resident.
- 4.9. If Nacro defaulted on its contractual obligations, the fund could seek an alternative partner to take over the leases.

Nacro is unable to move households on from these properties

- 4.10. It is anticipated that the homes provided by the fund will provide good quality, stable housing, which may deter tenants from entering the private rental market. This is an issue which is at the heart of the support element of the project. To ensure as smooth a transition as possible for tenants, Nacro provides an ongoing rent deposit scheme across the life of the contract to enable clients to access private rental options. Nacro staff also work in partnership with housing associations to find suitable options for existing tenants at the end of their tenancy.
- 4.11. Beyond financial support, Nacro's work focuses on building resilience for its tenants, by connecting them to local Recovery colleges and Employment Academies and community resources (e.g. substance misuse and mental health services) as well as face to face weekly contact. 73% of Nacro's tenants moved on to stable accommodation after leaving their services.⁶

REILP purchases properties that are affordable to first-time buyers

- 4.12. It may be argued that REILP will purchase properties which may otherwise have been affordable to first-time buyers. Whilst possible, the fund will address a strategic housing need which is not sufficiently addressed in the property market, thereby addressing a market failure. The fund will also operate at a scale which is unlikely to materially affect first-time buyers.

b) Links to Mayoral strategies and priorities

- 4.13. Since 2016, the Mayor has coordinated efforts through his Life off the Streets taskforce to identify, implement, lobby for, and monitor the effectiveness of interventions to tackle rough sleeping. In his London Housing Strategy, the Mayor set out his aim that there should be a sustainable route off the streets for every rough sleeper in London. In June 2018, he published his Rough Sleeping Plan of Action which outlines the steps that need to be taken by City Hall, the Government, and others to achieve this.
- 4.14. Since taking office, the Mayor has been expanding the pan-London rough sleeping services the GLA funds and commissions. These services collectively form his Life off the Streets programme. They are services for rough sleepers, or initiatives to tackle rough sleeping, that cannot or would not be provided at a London borough level, as they are pan-London or multi-borough in their remit.

⁶ <https://3bx16p38bchl32s0e12di03h-wpengine.netdna-ssl.com/wp-content/uploads/2019/10/Nacro-Annual-Report-2018-19.pdf>

- 4.15. The objectives of this proposal are in line with the Mayor's London Housing Strategy policy 7.2C: 'The Mayor will work with councils and others to improve the provision of accommodation for rough sleepers.'

c) Impact assessments and consultations

- 4.16. As it does for other funds, including those which the GLA has invested in, Resonance will produce an annual social impact report covering its contributions towards the objectives of the RSAP programme.
- 4.17. The London Housing Strategy sets the strategic framework underpinning the Rough Sleeping Accommodation Programme and was subject to public consultation and equalities impact assessments in 2017-2018. GLA officers also discussed aspects of the Rough Sleeping Accommodation Programme with some G15 and local authority representatives to agree and clarify its scope. GLA officers do not consider it necessary or appropriate to consult any other bodies or persons in respect of the proposals set out in this decision form.
- 4.18. The Rough Sleeping Plan of Action was developed with the support of the Mayor's Life off the Streets taskforce.

Declarations of interest

- 4.19. The officers involved in the drafting or clearance of this form do not have an interest to declare in accordance with the GLA's policy on registering interests which might, or might be seen to, conflict with this Mayoral Decision.

5. Financial comments

- 5.1. This decision requests approval for:
- a loan of £5m from the GLA to GLAP; and
 - an equity investment by GLAP of the £5m into Resonance Everyone In Limited Partnership, a fund which invests in property rented to people who are homeless.
- 5.2. The £5m loan from the GLA to GLAP is funded from the GLA's Rough Sleeping Accommodation Programme capital allocation from the Government.
- 5.3. The investment by GLAP is anticipated to be for a period of ten years. The rate of return on the investment is forecast to be 4%. The return is funded from receipt of rents. There is also the potential for a capital gain at the end of the investment when the properties are sold.
- 5.4. The terms of the interest on the loan from the GLA to GLAP have yet to be confirmed, but the rate is proposed to be 2.5%. This will generate a commercial return for the GLA and should be a lower cost than the return within GLAP (forecast to be 4%).
- 5.5. GLAP will be subject to corporation tax on its share of the income and gains of REILP whether these are distributed or not. Provision should be made in the REILP agreement for GLAP to receive the tax information it needs to comply with its tax obligations.
- 5.6. There are tax provisions which could deny or limit the tax deductibility of interest payable by GLAP. A deduction for interest paid could be denied to the extent that the interest rate and/or the total amount loans to GLAP exceed an arm's length amount. The corporate interest restriction rules limit a deduction for interest to a percentage of earnings before tax, interest, and depreciation. GLAP has recently been made subject to these rules.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor fall within the statutory powers of the GLA to promote and/or to do anything which is facilitative of or conducive or incidental to the promotion of social development in Greater London and in formulating the proposals in respect of which a decision is sought officers have set out above how they have complied with the GLA's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - (c) consult with appropriate bodies.
- 6.2. In exercising the power in section 30(1), the GLA must have regard to the matters set out in section 30(4-6A) of the GLA Act, and also the Public Sector Equality Duty in section 149 of the Equality Act 2010. Reference should be made to section 3 above in this respect.
- 6.3. It appears that the proposed limited partnership would be carrying on specified activities, as defined under section 34A of the GLA Act and the Greater London Authority (Specified Activities) Order 2013/973. Accordingly, the GLA will need to participate in the limited partnership through a subsidiary company of the GLA, as is proposed. GLA Land and Property Limited (GLALP) is a subsidiary of the GLA.
- 6.4. The balance of the legal comments relating to the requested decision are in Part 2 of this Decision Form.

7. Planned delivery approach and next steps

- 7.1. The key hurdle for the project is the requirement to acquire 50 properties by the end of the financial year 2020/21, the length of the approval process and legal negotiations could compress this timeframe hence the intention to replicate the Real Lettings legal structure and documentation as much as possible.
- 7.2. The fund will also need to seek additional third-party funding, albeit limited to £2.5m to achieve the 50-unit end goal. Resonance is in discussions with other investors to achieve this.

Activity	Timeline
Appointing external solicitors	w/c 9 November 2020
Legal Completion and First Close	w/c 7 December 2020
REILP Property Acquisitions	Dec 2020 - March 2021
REILP Sources additional £2.5m from third party investors	Dec 2020 - June 2021

Appendices and supporting papers:

Appendix 1 – Fund Cashflow

Appendix 2 – GLAP Cashflow

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Until what date: N/A

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Marc Jacquemond has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Rickardo Hyatt has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Tom Copley has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 7 December 2020.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

D. Gane

Date

11 December 2020

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

7 December 2020

