GREATER**LONDON**AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2424

The Land Fund: Mount Anvil Development Programme

Executive Summary:

In November 2018, the Mayor secured £486 million from the Government's Land Assembly, Small Sites and Accelerated Construction Funds to help deliver 8,000 housing completions by 2030.

Mayoral Decision 2396 approving this funding, provides a standing delegation to the Executive Director of Housing and Land to approve its expenditure in pursuit of the Mayor's housing ambitions.

This decision requests approval of a £50 million loan facility to Mount Anvil Group Limited to accelerate and increase the number of homes it starts and completes by 31 March 2028, via an interest-bearing loan of up to £50 million to GLA Land and Property Limited.

Decision:

That the Executive Director of Housing and Land in accordance with the delegation provided by MD2396 approves:

A £50 million loan facility to Mount Anvil Group Limited to accelerate and increase the number of homes it starts and completes by 31 March 2028, to be funded via an interest-bearing loan of up to £50 million to GLA Land and Property Limited (GLAP) from the GLA.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Rickardo Hyatt

Position: Interim Deputy Executive Director of Housing and Land

Signature:

Date:

17 March 2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

The Land Fund

1.1. On 27 November 2018, the Mayor's Decision (MD) 2396 approved £486 million of funding from the Ministry of Housing, Communities and Local Government (MHCLG) to help unlock and accelerate housing delivery in London through land assembly, infrastructure investment and provision of gap funding. The Memorandum of Understanding (MoU) between the MHCLG and the GLA for this funding is aimed at unlocking sites capable of delivering 8,000 housing completions in London by 2030.

1.2. MD 2396 provides a standing delegation to the Executive Director of Housing and Land to approve, via Director Decisions Forms, the allocation of this funding in accordance with the terms associated with the programmes and in pursuit of the Mayor's housing ambitions.

1.3. The Mayor's Decision (MD) 2207 established the governance arrangements for the £250m commercial strand of the Land Fund including an Investment Committee. Where funding under MD2396 is to be deployed through GLAP, the Land Fund Investment Committee governance structure is also used to provide oversight and consistency. The Land Fund Investment Committee currently applies an integrated Land Fund Investment Strategy covering both funding under MD2207 and MD2396 (see MD2515).

1.4. In the Land Fund Investment Strategy, funding under MD2396 is available to inject financial support towards the cost of land and infrastructure for schemes where additional affordable housing may be possible or where acceleration of delivery of that affordable housing may be achieved. The allocation of the funding seeks to prioritise investments that are recoverable, to support the principle of a revolving fund.

1.5. The evaluation methodology for the use of the funding in accordance with the Land Fund Investment Strategy is based on Benefit Cost Ratio (BCR) metrics as set out in Part 2.

1.6. On 24 October 2019, the GLA's Land Fund Investment Committee considered this proposal, noted the overall vision and commended the added value of the intervention. In accordance with the Land Fund Investment Strategy, it endorsed the loan facility subject to detailed due diligence, external legal advice on the security position, the Interest Rate Setting Board's (IRSB) final determination of the interest rate, and a Director's Decision.

Mount Anvil

1.7. Mount Anvil is a privately-owned development company, established in 1991, and is the parent company of the group of connected Mount Anvil companies, which have delivered almost 6,000 homes in London, at a rate of 200-250 homes a year to date. It designs, builds and operates as the development manager on all the projects in which it invests. Mount Anvil's business model relies on fees for development management and construction services and is less dependent on sales margin, so it can adopt a counter-cyclical delivery model subject to the size of its internal equity pool.

1.8. Its housing development programme, which has over 4,000 new homes, including 1,387 affordable homes (c.35%) of conventional tenures (social rent, London affordable rent, intermediate rent and shared ownership), is contracted and being developed by the Mount Anvil group through joint ventures with several housing associations.

1.9. Mount Anvil does have a contingent liability in respect of one specific land transaction with the GLA at the Royal Docks Excel site. The proposed GLAP loan facility would not be available for that project to ensure that GLA resources are most effectively spread across the contracted pipeline projects. Otherwise, the GLA has no other investments with Mount Anvil.

Proposed corporate loan facility

1.10. As this is a commercial transaction, the proposal is for GLAP to provide a loan facility (as set out in Part 2) to Mount Anvil to help accelerate and enhance the speed of delivery of its housing development programme, and to increase the amount of affordable housing it can viably provide.

1.11. As with any other similar developer, the ability to deliver housing is constrained by a) land availability, b) physical capacity for delivery and c) financial capacity to cashflow schemes – particularly multiple schemes at the same time. Mount Anvil has a strong contracted pipeline, addressing point a), and has a growing in-house design, construction and delivery capacity which addresses point b).

1.12. The loan facility would address the remaining key development constraint caused by insufficient free-cash equity being available to support an accelerated programme of delivery for which Mount Anvil has the construction and development management capacity to implement, when other deteriorating market conditions could affect delivery timescales.

1.13. Typically, 30% to 35% of total project costs are required to be funded by equity to comply with standard senior-debt covenants. This requirement may increase if senior-debt providers tighten lending criteria if the property market continues to deteriorate. The speed at which a development programme (and level of affordable housing) can be delivered is a direct function of the availability of enough free-cash equity – this is the fundamental finance constraint affecting the speed of housing delivery.

1.14. Previous downturns in the housing market, have shown[1] that delivery (and in particular new site starts) decreases significantly, as developers become more risk averse (increasing their margin requirements, building greater contingencies into appraisals, deferring starts etc.), while at the same time lenders restrict the availability of debt and reduce their loan to cost (LTC) and loan to value (LTV) criteria, which in turn increases developers' equity requirements. GLA officers have seen initial evidence of this taking place with several high-profile developers and affordable housing providers.

1.15. The proposed funding arrangement is therefore most like a corporate facility. This type of facility is provided to a holding company within a group and the lender benefits from corporate security such as a debenture over the assets of the holding company or the group as a whole. As the security captures consolidated value within the relevant subsidiaries, recourse is not always directly to the physical assets. Lenders will typically use financial covenants and undertakings placed upon the borrower to effectively manage their risk exposure. Where the underlying assets are not leveraged with third party debt, a lender may also seek security over the underlying assets or properties (gaining the best of both worlds), which may result in cheaper pricing. In complex group structures, where the underlying assets have differing ownership structures and third-party leverage as is the case with Mount Anvil, this option is not often feasible.

1.16. The facility would thus be available to Mount Anvil at the corporate level to inject into specific contracted projects within the development pipeline already approved by the GLAP as set out in paragraph 2.1, and future projects which pass the GLAP's individual due diligence requirements. The tranches of funding allocated to these projects would be invested alongside or in place of Mount Anvil's equity, stretching its equity capacity to accelerate the housing development programme, and alongside the equity of the housing association and other development partners and the senior-debt project finance of its third-party lenders.

1.17. The facility would support Mount Anvil completing 2,021new homes by 31 March 2028 on existing contracted joint-venture projects with the named housing associations as set out in paragraph 2.1 below, including 679 affordable homes (42% by habitable rooms) of conventional tenures. It would

[1] GLA Economics (2008): 'Credit Crunch and the Property Market'

also enable 136 and 504 net additional starts on site of new homes by 31 March 2022 and 2025 respectively, against the committed contracted programme when deteriorating market conditions could otherwise affect delivery timescales.

1.18. This would be achieved principally by accelerating the delivery of specific phases of the contracted programme, with the balance being achieved through optimising the existing residential planning permissions from 1,945 to 2,021 new homes (including 49 additional affordable homes). Mount Anvil has also committed to use its reasonable endeavours to secure the delivery of a further 120 new homes at Friary Park phases 1 and 3 (including 60 affordable homes), with a view to these being started before 31 March 2025.

1.19. The contracted joint-venture projects at Gillender, Whitechapel and Friary Park are pre-approved by GLAP, and the funding for these developments will be made available on request following completion of the facility agreement, subject to meeting the BCR metric and to planning permission being granted for the proposed optimisation as above.

1.20. The new projects to be approved through the due diligence requirements of the facility agreement would have to be developed to meet the BCR metric and achieve a minimum aggregate of 50% affordable housing (of any tenure-mix based on habitable rooms) on a portfolio basis with the target of delivering 700 starts on site of additional new affordable homes by 31 March 2025.

1.21. These requirements would be the overriding purpose of the loan facility and the principles that will govern the delivery of these outcomes and ensure that it is used to bring forward the existing and new projects in a timely and appropriate manner, are being developed between GLA Planning and Housing and Land officers for incorporation in the proposed facility agreement.

1.22. The facility would start to be drawn in April 2020 and repaid on a project by project basis following sales completion, as forecast in the phasing profile appended to Part 2. The precise timing and value of each loan drawdown will be regulated through the facility agreement and any approval processes specified within that agreement.

1.23. Mount Anvil would be allowed to draw the agreed tranches under the facility and redraw previously repaid amounts for new approved projects until 31 March 2025, subject to extension on review of a further three years. A target repayment date will be agreed for each loan drawn down under the facility, but no later than 31 March 2025 unless otherwise extended by GLAP as above.

2. Objectives and expected outcomes

Project Objectives: Increase financial capacity to accelerate and increase affordable housing provision.

2.1 The proposed facility will be for Mount Anvil to complete the following quanta of new housing by 31 March 2028, which would mean it had started at least 1,231 new affordable homes by 31 March 2025.

Contracted Named Projects and Housing Associations

Gillender Project Quantum - Peabody				
Tenure	Homes	% Homes	Habitable. rooms	% Habitable. rooms
Social Rent	68	37.6%	255	50%
Shared Ownership	55		155	
Market	204	62.4%	414	50%
Totals	**327**	**100%**	**824**	**100%**

Whitechapel Project Quantum – L&Q				
Tenure	**Homes**	**% Homes**	**Habitable. rooms**	**% Habitable rooms**
Social Rent	110	26.1%	422	35%
Shared Ownership	74		183	
Market	520	73.9%	1,126	65%
Totals	**704**	**100%**	**1,731**	**100%**

Friary Park Phase 1 and 2 Quantum - Catalyst				
Tenure	**Homes**	**% Homes**	**Habitable. rooms**	**% Habitable. rooms**
Social Rent	224	38.2%	672	48%
Shared Ownership	0		0	
Market	362	61.8%	736	52%
Totals	**586**	**100%**	**1,408**	**100%**

Total quantum by 31 March 2025:
1,617 Homes. 531 affordable homes – 32.8% by unit/43% by habitable rooms.

Friary Park Phase 3 Quantum - Catalyst				
Tenure	**Homes**	**% Homes**	**Habitable rooms**	**% Habitable rooms**
Social Rent	41	36.6%	156	42%
Shared Ownership	107		267	
Market	256	63.4%	581	58%
Totals	**404**	**100%**	**1,004**	**100%**

Cumulative quantum by 31 March 2028:
2,021 Homes. 679 affordable homes – 33.6% by unit/43% by habitable rooms.

New Projects

700 starts on site of additional affordable homes (tenure to be agreed)
Each new project at least 40% affordable by habitable rooms
Aggregate of all new projects at least 50% by habitable rooms

2.2 The additionality from the proposed facility would allow Mount Anvil's housing programme to be enhanced as follows:

Accelerated/increased home starts on the contracted programme.	It will enable Mount Anvil to increase the speed of new housing supply, making the most efficient use of its contracted development pipeline, delivering high-quality new homes at the optimum density as above. This additionality will be achieved principally by accelerating delivery of specific phases of the contracted projects, with the balance being

	achieved through optimising existing planning permissions (subject to approval). The loan facility will provide the funding necessary for Mount Anvil to commit to starting additional homes in this time period (subject to all appropriate consents).
Level of affordable housing.	It will enable Mount Anvil to maximise the amount of affordable housing which can viably be provided on its contracted pipeline sites. Mount Anvil commits to provide a miniumum aggregate of 40% affordable housing (by habitable room) on all currently contracted pipeline projects, with a minimum aggregate of at least 50% affordable housing on all future non-contracted pipeline projects directly funded by the GLAP loan facility (by habitable room) – the affordable housing criteria. The amount of affordable housing on all other future Mount Anvil projects which are privately funded (i.e. not directly funded by the GLAP loan facility) will be determined through the planning system in the usual way. All affordable housing units provided on future non-contracted pipeline projects will be provided without grant unless otherwise agreed with GLA officers on a case-by-case basis to maximise the amount of additional affordable housing delivered in such projects.
Land acquisitions.	It will enable Mount Anvil to further accelerate the growth of its housing output by freeing up cash to acquire new sites in partnership with housing associations (and potentially the GLA), delivering additional affordable and private homes. Mount Anvil is currently working with a number of housing associations to optimise the density of its pipeline projects.
Value for money	Providing GLAP finance alongside Mount Anvil equity in joint ventures helps to accelerate the return of equity invested by its housing association partners, thus enabling them to invest in additional development opportunities elsewhere in London. This is a key consideration in the wider programme, allowing more responsiveness in the market when there is a downturn.

3. Equality comments

3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

3.2. The 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.

3.3. The housing shortage in London disproportionately affects people with certain protected characteristics. Increasing the supply of housing, and in particular affordable housing, will help to achieve positive impacts in line with the 'three needs' outlined above.

3.4. The delivery of new and additional homes will help to implement the Objectives of the Mayor's Equality Diversity and Inclusion Strategy "Inclusive London" (May 2018). This includes working with housing associations, councils, developers, investors and government to help increase the supply of homes that are genuinely affordable to buy or rent. This will help to tackle the inequalities experienced by certain groups of Londoners most affected by the city's shortage of affordable homes.

3.5. The allocation of the funding is from the Land Fund, which is aimed at implementing the Mayor's policies set out in the London Housing Strategy. In September 2017, the GLA published an impact assessment, including an equalities impact assessment, of that strategy. Policies related to increasing housing supply and delivering affordable housing, to which this programme will contribute, were also covered by the Integrated Impact Assessment (IIA) for the Draft London Plan, published in November 2017.

3.6. The IIA concluded that the cumulative impact of these policies combined with policies for flexible housing mix, inclusive design and accessible housing would contribute to creating inclusive communities, relieve housing pressures that disproportionately affect lower-income groups and ensure the needs of diverse groups are considered in housing delivery and design.

3.7. The facility agreement is expected to contain a new model clause including a general requirement for loan recipients to comply with equality and diversity legislation and to promote equality of opportunity in respect of access to dwellings, and a specific requirement to have a Diversity and Inclusion Policy, supported by a Diversity Action Plan for its business, so that the GLA can monitor and secure compliance with the general requirements under the terms of the agreement.

4. Other considerations

Links to Mayoral strategies and priorities

4.1. The London Housing Strategy sets out the policy rationale for the GLA to take a more interventionist approach in London's land market, with the aims of: building more social rented and other genuinely affordable homes; accelerating the speed of building; and capturing value uplift for public benefit.

4.2. A failure over recent decades to build the number and type of homes London needs has resulted in a housing crisis characterised by increasing affordability pressures and rising housing need. To address this, the intend to publish draft New London Plan sets a target of 52,000 new homes a year over the next 10 years, with a strategic target for 50% of these to be genuinely affordable. In the shorter term, the Mayor has committed to start 116,000 genuinely affordable homes by March 2022.

Key risks and issues

4.3. Housing delivery and property development is an intrinsically risky exercise. A general risk to property development is that significant changes to demand factors in the housing market could negatively impact on Mount Anvil's ability to deliver new affordable and private homes. Price falls could render schemes financially unviable and price increases could move homes out of reach of the target customer. In mitigation, each housing association partner has entered into a 'Golden Brick' purchase and funding arrangement for the pre-sale of affordable housing: these arrangements could be extended to convert homes to affordable housing if expected private sales do not materialise.

4.4. There has been significant construction-price inflation in recent years. Further cost inflation and uncertainties in the availability of construction labour in London (especially on leaving the European Union) could exacerbate build price rises further. However, Mount Anvil's construction and supply chain expertise mitigates that risk. In this case, the residual risk of cost overruns is borne by the common equity owners of each project specific joint venture.

4.5. Sensitivity analysis has been carried out to identify the potential impact of house price falls and/or build costs rises on Mount Anvil's ability to repay the proposed loan. In summary, Mount Anvil's contracted pipeline projects are predicted to make a profit in 80% of scenarios tested and would only make a loss in very extreme market conditions, e.g. private sales values reducing by 20%. Mount Anvil has sufficient net assets to fund its share of those losses alongside repaying the GLAP loan, even in the worst-case scenario tested. This will be comprehensively tested periodically through the financial covenant requirements of the facility agreement referred to in Part 2.

4.6. By providing finance to Mount Anvil at the corporate level, GLAP has recourse to a balanced and diversified portfolio of developments of varying types and in various locations across London. The risk of loss is therefore materially reduced as repayment is not reliant on a single project, but on Mount Anvil's whole portfolio.

4.7. As a corporate financing facility, security documentation and repayment arrangements will be put in place as part of GLAP's funding and due diligence requirements to ensure that sufficient value from development projects remain in the Group and to protect against the risk that a development incurs a loss upon completion. GLAP will be able to retain control over the allocation of funding advanced through the pre-approval process and conditions precedent in the documentation.

Project Delivery – Roles and Responsibilities

4.8. Mount Anvil will only be permitted to draw down funds from the loan facility to invest in the contracted pipeline projects which are pre-approved by the GLAP as above, and new projects providing additional homes which pass through an appropriate GLAP due diligence and approval process. This will need to be a sufficiently quick process to allow Mount Anvil to react to opportunities that arise, with certainty of funding.

4.9. A designated officer from the GLA's Housing and Land Directorate North-East Area Team, in partnership with loan management resource through the Transaction Team, will manage the relationship with Mount Anvil, with oversight by the Housing and Land Directorate Management Team.

4.10. Mount Anvil will only use this corporate loan facility to support appropriate GLA policy objectives and agreed projects. The facility agreement will therefore include restrictions on which new sites/projects the loan can be used for, including only:

- sites in London;
- projects delivered through a joint venture with housing associations, local authorities and/or the GLA; and
- projects providing at least 40% affordable housing on an individual basis, and an aggregate 50% affordable housing on a portfolio basis (by habitable rooms).

4.11. The principle of having an affordable housing criteria of a minimum of 40% affordable housing on a site-by-site basis and 50% across the new project investment portfolio, is something the GLA's planning team has indicated it would support, providing the contracted facility supports these objectives in a way that does not fetter its decision-making powers. The overall delivery of 50% affordable housing across the portfolio of sites should, however, be a material consideration in the determination of any individual planning application for any new scheme.

4.12. The corporate loan facility will also include reporting obligations on Mount Anvil, through which GLA officers will monitor progress against project milestones as in 4.9 above. The key components of the information which Mount Anvil will provide for each project in pre-agreed forms include: the latest business plan presented by Mount Anvil to the relevant JV; the latest scheme profit & loss reviewed by the Mount Anvil board; the latest construction dashboard reviewed by the Mount Anvil board; and an affordable housing output summary against the affordable housing criteria.

4.13. GLA officers will establish an appropriate project management and performance monitoring system, including the following additional measures:

- a Facility Monitor will be appointed on GLAP's behalf to monitor and report on the facility, its covenants and security, projects, programme and financial performance against agreed metrics including forecast and actual outputs, expenditure and income;
- quarterly programme reports with running assessment and risk rating of delivery of contracted pipeline projects against a programme forecast model; and
- updated business planning as below to inform whether to continue to retain, expand, reduce or withdraw the un-drawn balance of the corporate loan facility.

4.14. GLA officers as part of the performance and contract management of the loan facility will undertake performance and business plan reviews annually. On or before the 2nd anniversary of the facility being entered, at its sole discretion GLAP will consider whether it is appropriate to extend the availability period beyond 31 March 2025. There will be a drawstop on funding on each review date from 28 February 2023, triggered only by a failure by Mount Anvil to deliver the overriding purposes of the loan facility, or if a forward-looking test confirms that it is not possible to achieve those purposes. If it is triggered, GLAP will not be obliged to provide further funding and the availability period will be deemed to have elapsed. However, Mount Anvil will not be bound to repay the loans then drawn on approved JV projects until the agreed target repayment date (provided there is no default on that loan).

4.15. Mount Anvil's proposals for acceleration, optimisation and additional affordable housing on contracted-pipeline sites require approval from its housing association and other joint-venture partners, and as required from the local planning authority.

Due Diligence

4.16. The "Know Your Customer' (KYC) due diligence process under the GLA's Anti-Money Laundering Policy has been completed against Mount Anvil, and those parties with an ultimate beneficial interest in it. As the transaction involves a group of entities within a complex company structure, involving non-UK companies, additional information was obtained, and no areas of concern have been highlighted through the KYC process. Accordingly, the GLA's Anti-Money Laundering Reporting Officer has confirmed that the transaction can proceed.

4.17. Mount Anvil has applied for Investment Partner status, in accordance with the Investment Partner Qualification process. It has qualified on a full basis, to be renewed annually. It is a condition of the facility agreement that the Investment Partner status is retained.

4.18. The GLA has engaged with Mount Anvil in relation to this proposal which is the subject of this report. It is not considered necessary or appropriate to consult any other persons or bodies including those specified in section 32(1) of the Greater London Authority Act 1999 for the purposes of this Decision.

4.19. There are risks relating to this proposal, but as an innovative way of meeting housing need in London in accordance with the Mayor's priorities, it is felt that these risks have been appropriately addressed as part of the due diligence process, as summarised in this part and in Part 2.

4.20. The facility agreement for the loan will be bespoke to the proposal following external legal and commercial advice.

Declarations of Interest

4.21. 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 Director's Decision.

5. Financial comments

5.1. This decision requests approval for a £50 million loan facility to Mount Anvil Group Limited to accelerate and increase the number of affordable homes. The loan facility will increase the delivery of homes by 76 and accelerate the start on site of a further 504 homes by 2025 on currently contracted sites.

5.2. The loan will be repaid by March 2025, with a possible extension to March 2028. GLAP will undertake annual performance and business plan reviews, and on or before the 2nd anniversary of the facility agreement being entered, first consider whether to extend the loan beyond 2025.

5.3. The drawdown of the loan will start in April 2020 in tranches with the timing and value of each drawdown regulated through the facility agreement. The loan will be repaid from sales receipts. Repayments will be available for recycling into new projects, subject to approval by GLAP until March 2025.

5.4. The loan will be secured against the assets of the Mount Anvil Group.

6. Legal comments

6.1. Under section 30(1) of the Greater London Authority Act 1999 (as amended) ("GLA Act"), the GLA has the power to provide the loan funding for the project explained above, provided that doing so will further one or more of the GLA's principal purposes of: promoting economic development and wealth creation, social development, and the improvement of the environment in Greater London. The project will deliver housing, including affordable housing, and it is open to the GLA to take the view that funding it will promote both social and economic development, and is therefore within its power contained in section 30(1) of the GLA Act.

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. In addition to the above, where the GLA is proposing to use the power conferred in section 30(1) of the GLA Act, the GLA must consider consulting in accordance with section 32 of the GLA Act. As noted at paragraph 4.18 above, GLA officers have engaged with the proposed borrower in relation to the project which is the subject of this Director Decision. GLA officers have confirmed it is not considered necessary or appropriate for the GLA to consult with any other persons or bodies including those specified in section 32(2) of the GLA Act for the purposes of this Director Decision.

6.4. The provision of the loan facility at a market rate of interest is likely to constitute a specified activity, as defined under section 34A of the GLA Act and the Greater London Authority (Specified Activities) Order 2013/973. Accordingly, it will need to be provided by a subsidiary company of the GLA, as is proposed. GLA Land and Property Limited (GLAP) is a subsidiary of the GLA.

6.5. External lawyers are advising GLA officers in relation to the form of facility agreement and security documentation between the GLA and Mount Anvil and in relation to state aid compliance.

6.6. The arrangements are being structured to be state aid compliant on the basis that it will be provided on market terms with a market interest rate applied.

7. Planned delivery approach and next steps

7.1. The next step, subject to this decision, is to sign the facility agreement and the supporting documents. This would allow Mount Anvil to start drawing funds for the pre-approved projects.

7.2. The timetable is as follows:

Activity	Timeline
Signing the facility agreement and supporting documents	31 March 2020
Announcement	Post 7 May 2020
173 affordable homes started in pre-approved projects	By 31 March 2021
700 additional affordable homes started in new projects	By 31 March 2025
679 affordable homes completed in pre-approved projects (including the 173 starts above)	By 31 March 2028

Appendices and supporting papers:
Appendix to the Part 2 form as referenced in paragraph 1.22 above.

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 <u>or</u> on the defer date.
Part 1 - Deferral **Is the publication of Part 1 of this approval to be deferred? YES** If YES, for what reason: To maintain the confidentiality of the transaction until it is completed, and to allow the pre-election period to elapse before the decision is published. Until what date: 31 May 2020
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: <u>Peter Carney</u> has drafted this report in accordance with GLA procedures and confirms the following:	✓
Assistant Director/Head of Service: <u>Neil Hook</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.	✓
Financial and Legal advice: The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.	✓
Corporate Investment Board This decision was agreed by the Corporate Investment Board on the 16 March 2020	

EXECUTIVE DIRECTOR, RESOURCES: I confirm that financial and legal implications have been appropriately considered in the preparation of this report. **Signature** M. D. Lle **Date** 16.3.20