

# Investment Partner Qualification: guidance for applicants

Homes for Londoners: Affordable Homes Programmes

October 2022

## **INTRODUCTION**

Organisations delivering programmes through the *Mayor's Homes for Londoners: Affordable Homes Programmes* (AHP) must have "Investment Partner Status".

This document sets out the arrangements for the GLA's Investment Partner qualification (IPQ) process. It includes guidance for both existing GLA Investment Partners and for organisations that wish to submit an application to become an Investment Partner.

## **QUALIFICATION – AN OVERVIEW**

All organisations delivering affordable homes through AHP 2021 to 2026 must achieve "Investment Partner status" before the GLA makes a payment under the grant agreement. When assessing applications for Investment Partner Status, the GLA considers applicant's financial and technical capacity to undertake an agreed programme of new housing supply and the organisation's good financial standing.

Organisations can apply for Investment Partner status by completing the GLA's IPQ questionnaire. The questionnaire is available to download from the GLA [website](#).

Organisations may submit applications for Investment Partner status at any time. The GLA aims to review applications as quickly as possible. Typically, this process can take around eight weeks following receipt of all required information in satisfactory form. The GLA encourages applicants to complete their application for Investment Partner status as soon as possible after securing an allocation of funding.

Prospective applicants are advised to contact the GLA prior to submitting the IPQ questionnaire. The GLA considers any applications to become an Investment Partner that are not linked with a bid through the *Mayor's Homes for Londoners: Affordable Homes Programmes* to be unsolicited. The GLA will not review unsolicited applications to become an Investment Partner and/or in cases where the applicant has not identified one or more sites on which to deliver new housing.

Unregistered Bodies must become a Registered Provider (RP) if they intend to be the landlord of low-cost rental accommodation (including London Affordable Rent and London Living Rent homes) in receipt of GLA grant. The GLA will typically wait for the outcome of any application to become an RP before it reviews an application for Investment Partner status.

Applying to become a Registered Provider is a separate process to becoming an Investment Partner with the GLA. The Regulator of Social Housing is responsible for registering and regulating providers of social housing in England. Details about how to register as an RP are available here:

<https://www.gov.uk/register-and-de-register-as-a-provider-of-social-housing>

## THE PROCESS: EXISTING INVESTMENT PARTNERS

When it launched the *Mayor's Homes for Londoners: Affordable Homes Programmes*, the GLA did not require existing Investment Partners to submit a new IPQ application.

The GLA does, however, review the Investment Partner status for all partners annually through its Continuing Partner Qualification (CPQ) process. To facilitate this process, it requires Investment Partners to reconfirm a Statement of Good Standing. The GLA may also require Unregistered Bodies to provide additional information, such as audited accounts and management accounts.

In some circumstances, the GLA may revoke or restrict an organisation's Investment Partner status. Examples of when the GLA may take these actions include if an Investment Partner:

- Is unable to provide an adequate re-Statement of Good Standing;
- Performs poorly during a compliance audit;
- Is significantly downgraded in its regulatory judgements by the Regulator of Social Housing (RPs);
- Has members of its directing body that are impeding proper management of the organisation; and/or
- Provides audited annual accounts and/or management that indicate, in the GLA's opinion, there are concerns about the financial health of the organisation (Unregistered Bodies).

Existing GLA Investment Partners should notify their GLA area manager of any changes or proposed changes to existing partnerships for the *Mayor's Homes for Londoners: Affordable Homes Programmes* (for example, membership changes to consortia). Investment Partners may identify new members at both the initial offer stage, and during the course of the programme period.

The GLA will deal with partnership changes on a case-by-case basis and, depending on the nature of the change, may require the Investment Partner to reapply for Investment Partner status.

Investment Partners that receive notice of lapsed IPQ status will need to apply for qualification for the *Mayor's Homes for Londoners: Affordable Homes Programmes* for and should follow the process for new partners (see below).

## THE PROCESS: NEW PARTNERS

Any organisation may bid for funding through the *Mayor's Homes for Londoners: Affordable Homes Programmes*. However, those organisations that are successful will have to become a GLA Investment Partner before the GLA will make a payment under a funding agreement.

Organisations that are not already qualified as a GLA Investment Partner are required to apply. The GLA encourages such organisations to complete their application for Investment Partner status at the same time as or submitting bids for funding. They should also have identified a site or sites on which they will deliver new housing and should have firm plans to secure a legal interest this site(s).

Organisations seeking to qualify for Investment Partner status should complete all four sections of the questionnaire:

Section 1 – Organisational Information

Section 2 – Statement of Good Standing

Section 3 – Financial Information

Section 4 – Managing Development

The GLA will ensure its assessment process is proportionate to the scale of funding sought to improve access to funding.

Applications for Investment Partner status may be as a single entity or a consortium of organisations, a Special Purpose Vehicle ("SPV") (including Local Authority-led Special Purpose Vehicles) or a joint venture company ("JV") constituted as a single entity.

A "consortium" means a group of companies or separate legal entities identifiable at the point of application formally acting together for the purpose of bidding for grant under *Mayor's Homes for Londoners: Affordable Homes Programmes*.

For consortium applications, a lead organisation must be identified. The GLA will expect the lead organisation to be its main point of contact, to work closely with other consortium members throughout the contract period to deliver new housing and to be responsible for collating and providing information from consortium members to the GLA as required in GLA funding agreements.

The GLA will acknowledge receipt of all applications for Investment Partner status. It aims to review applications as quickly as possible. Typically, this process can take around eight weeks following receipt of all required information in satisfactory form.

Where it reviews applications for Investment Partner status, the GLA will write to applicants to inform them whether their application was successful.

In some cases, the GLA may agree to grant an organisation "restricted" Investment Partner status, whereby a partner will only have Investment Partner status for a specified project/s. The GLA will clearly set out the conditions of any restrictions to Investment Partner status when it writes to organisations notifying them about the outcome of their application.

## **GUIDANCE ON COMPLETING THE QUESTIONNAIRE**

### **General**

Applicants completing the IPQ questionnaire should answer all questions in it as accurately and concisely as possible. Where a question is not relevant to the respondent organisation, this should be indicated on the questionnaire along with an explanation.

Supporting information should be presented in the same order as, and should be referenced to,

the relevant question.

For Section 3, where an applicant has already submitted the supporting information to the GLA, this should be clearly indicated on the questionnaire (it need not be submitted again). The information will need to have been submitted in precisely the form specified in the questionnaire and there must have been no changes since the previous submission. Applicants should specify when they previously submitted information to the GLA and to which GLA officer.

In Section 4, questions 4.5 (development experience), 4.6 (management experience) and 4.7 (risk management) will be scored. A minimum score of 11 points must be achieved for each question and minimum of 33 overall by an applicant in order to receive Investment Partner status. The criteria used to evaluate an IPQ application is detailed in Annex 1.

Responses in the questionnaire may relate to the applicant solely or for Consortium/SPV/JV applications, the information may relate to the relevant participating organisation(s). If a contractor or managing agent is to be appointed, and the response draws on their experience, any decision to award Investment Partner status will be conditional on the appointment of the contractor/managing agent.

The GLA may award a “restricted” Investment Partner status to an organisation. A “restricted” status means an organisation only has Investment Partner status for a particular project (or projects) that are specified by the GLA. Organisations with a “restricted” status will need to reapply for Investment Partner status should they wish bring forward additional projects.

All case studies referenced in an IPQ questionnaire should have been completed successfully (i.e. on time, within budget and without claims or latent defects). The GLA reserves the right to request additional information in relation to an application for Investment Partner status.

By submitting an application for Investment Partner status, Registered Providers will be giving their consent that relevant financial information provided to the Regulator of Social Housing may be shared with the GLA on a confidential basis.

To complete the questionnaire, respondent organisations will need software which is compatible with Microsoft Word.

Respondent organisations must complete the electronic form of the questionnaire and submit one complete copy of the questionnaire and supporting documents – including the signed, scanned letter(s) of good standing – by email to [affordablehomes@london.gov.uk](mailto:affordablehomes@london.gov.uk)

No unauthorised alteration or additions (save for the inclusion of the relevant information) should be made to this questionnaire. Questionnaires must not be accompanied by any covering letter or any statement that could be construed as rendering the questionnaire equivocal and/or placing it on a different footing from other submitted questionnaires.

## **Applications from single entities**

An organisation applying as a single entity must complete all of the Sections (excluding Section 1.2) fully and provide all the necessary supplementary information requested.

## **Consortium applications**

Applications on behalf of a consortium must be co-ordinated by a designated Consortium Leader. In the case of consortium applications, “respondent organisation” means the Consortium Leader of a consortium application.

The Consortium Leader is responsible for:

- Ensuring the information supplied in the questionnaire is accurate;
- Completing all sections of the questionnaire; and
- Providing all the necessary supplementary information from participating organisations (where applicable).

Please note that different sections of the questionnaire may require information for all participating organisations, some participating organisations or from the Consortium Leader only. This is indicated on the questionnaire.

It should also be noted that the Statement of Good Standing requested in Section 2 is required separately from ALL consortium members.

## **SPV and JV Applications**

Any response on behalf of an SPV or JV must be co-ordinated by the principal SPV/JV shareholder or member (actual or designated).

In the case of SPV and JV applications, “respondent organisation” means the principal shareholder or the member who will take a lead in negotiations with the GLA on behalf of the SPV or JV.

The principal SPV/JV shareholder or member is responsible for:

- Ensuring the information supplied in the questionnaire is accurate;
- Completing all sections of the questionnaire; and
- Providing all the necessary supplementary information from participating organisations (where applicable).

Please note that different sections of the questionnaire may require information for all participating organisations, some participating organisations or from the respondent organisation only. This is indicated on the questionnaire.

It should also be noted that the Statement of Good Standing requested in Section 2 is required separately from ALL members of an SPV or JV.

## Re-Evaluation

In the event that there is:

- A change in the membership of a Consortium, SPV or JV from the date of submission of the Questionnaire to the award of any agreement between the Consortium/SPV/JV and the GLA; and/or
- A change in information supplied by a respondent organisation or any of the participating organisations at Sections 1 to 4 of the Questionnaire,

the GLA reserves the right to re-evaluate the application of the Consortium/SPV/JV on the basis of the new member/ shareholder or the new information and act in accordance with the results of such re-evaluation.

## Undertaking

All respondent organisations should note that any false information included in any of the responses will result in exclusion from the subsequent stages of the *Mayor's Homes for Londoners: Affordable Homes Programmes*.

All respondent organisations shall ensure that they do not and, where appropriate, all other participating organisations in the Consortium/SPV/JV do not:

- Give or offer any gift or consideration whatsoever as an inducement or reward to any servant of a public body. Any such action will entitle the GLA to cancel any agreements concluded with the respondent organisation and will result in exclusion from the *Mayor's Homes for Londoners: Affordable Homes Programmes* and, at the GLA's discretion, any of its future funding programmes.
- Communicate to any organisation other than the GLA or its own advisers (from whom they shall have secured all necessary guarantees of confidentiality beforehand) the details contained within the IPQ questionnaire or within any subsequent submissions to the GLA in connection with the detailed bidding process for the *Mayor's Homes for Londoners: Affordable Homes Programmes*.
- Enter into any arrangement or agreement with any other person, the purpose or effect of which is that any party thereto shall:
  - a) Refrain from submitting the IPQ questionnaire or any documents relating to the detailed bidding process;
  - b) Limit, restrict, vary or adjust the content of the IPQ questionnaire or any other document by reference to any other applicant or any other party's application or bid; or
  - c) Directly canvass any member or official of the GLA concerning the acceptance of the IPQ questionnaire or any other document nor obtain nor attempt to obtain any information from any such member or official concerning any other application, bid or submission made by any other party.

## **Freedom of Information Act (2000)**

The Greater London Authority is a public authority under the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR).

As part of its duties under the FOIA/EIR, the GLA may disclose information to a person making a request unless the information is covered by an exemption under FOIA/EIR.

For certain exemptions, the GLA is required to determine whether the public interest in maintaining the exemption outweighs the public interest in disclosing it.

## **Communications**

For queries about the IPQ application process, please contact: [affordablehomes@london.gov.uk](mailto:affordablehomes@london.gov.uk)

If the GLA considers any question or request for clarification to be of material significance, both the query and response will be considered in its review of the application for Investment Partner status.



## **ANNEX 1 - Criteria used to evaluate Investment Partner Qualification applications**

### **Section 1            Respondent Organisation Information**

Applicants are required to supply information about the applicant organisation and, for consortiums/SPV/JVs, the organisations forming part of the application.

This section is not assessed and is for information purposes only.

### **Section 2            Statement of Good Standing**

Applicants should provide a Statement of Good Standing for the respondent organisation and ALL relevant participating organisations.

This section is assessed on a pass/fail/follow-up query basis.

### **Section 3            Financial and Commercial standing**

All applicants are required to provide their latest audited accounts and management accounts.

Unregistered Bodies are required to provide additional information as detailed in section 3.4 of the IPQ questionnaire.

If your organisation is unable to provide some of the information required in Section 3, contact your GLA area manager.

This section is assessed on a pass/fail/follow-up query basis.

### **Section 4            Managing Development**

Applicants are required to supply details of the delivery arrangements including information about the developing organisation(s) involved in the delivery of the allocation.

The GLA scores this section against the methodology detailed below. The total score is then assessed against a minimum score threshold on a pass/fail/follow-up query basis. A minimum score of 11 points must be achieved for each question and minimum of 33 points overall by an applicant in order to pass this section.

**Question 4.5 (Development Experience)**

<b>Marks</b>	<b>Scoring Methodology</b>
0	No response provided.
1-5	<p>Poor overall response.</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Little detail provided to demonstrate the capability of the developing organisation and no explanation of how experience gained to date, if any, will be used to deliver the proposed allocation.</li> <li>• History and case-study examples either not provided or predominantly not relevant to the delivery of affordable housing or a comparable project.</li> <li>• No certification/accreditation in place.</li> <li>• Little detail provided as to how case study examples have or would have complied with the London Design Standards Framework.</li> </ul>
6-10	<p>Unclear, incomplete or inconsistent overall response.</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Little detail provided to demonstrate the capability of the developing organisation and weak explanation of how experience gained to date will be used to deliver the proposed allocation.</li> <li>• History and case-study examples provided only partially support delivery of affordable housing or a comparable project.</li> <li>• No industry standard or equivalent certification/accreditation in place.</li> <li>• Little detail provided as to how case study examples have or would have complied with the London Design Standards Framework.</li> </ul>

11-15	<p>Generally good overall response</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Tangible detail provided about how experience gained will be used to deliver the allocation.</li> <li>• History and case-study examples support and are relevant to delivery of affordable housing or a comparable project.</li> <li>• Base industry standard or equivalent certification/accreditation in place.</li> <li>• Response includes how the case study examples have or would have complied with the London Design Standards Framework.</li> </ul>
16-20	<p>Excellent overall response</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Comprehensively demonstrates capability to deliver proposed allocation.</li> <li>• History and case-study examples are thorough, detailed and strongly support – and are relevant to – delivery of affordable housing or a comparable project. They should include evidence of design quality being embedded and championed in projects and the use of Modern methods of Construction (or equivalent innovative processes) and Building Information modelling.</li> <li>• Base industry standard or equivalent certification/accreditation in place as well as a Quality Assurance and/or Quality Management System as applied to construction and property services, incorporating Safety, Quality and Environment in place.</li> <li>• Comprehensive response as to how the case study examples have or would have complied with the London Design Standards Framework.</li> </ul>

**Question 4.6 (Development Management Experience)**

Marks	Scoring Methodology
0	No response provided.
1-5	<p>Poor overall response.</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Little detail provided to demonstrate managerial arrangements are in place which will be used to deliver the proposed allocation.</li> <li>• Little information about managerial staff involved, their roles and responsibilities and any contract-management arrangements in place.</li> <li>• No Quality Assurance and or Quality Management System in place and no plans to establish a Quality Assurance and or Quality Management System.</li> </ul>
6-10	<p>Unclear, incomplete or inconsistent overall response.</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Little detail provided to demonstrate managerial arrangements are in place which will be used to deliver the proposed allocation.</li> <li>• Little information about managerial staff involved and their roles and responsibilities and contract- management arrangements in place.</li> <li>• No Quality Assurance and or Quality Management System in place and no plans to establish a Quality Assurance and or Quality Management System.</li> </ul>

11-15	<p>Generally good overall response</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Tangible detail provided to demonstrate managerial arrangements are in place which will be used to deliver the proposed allocation.</li> <li>• Detailed information about managerial staff involved, roles and responsibilities and information on contract-management arrangements in place.</li> <li>• Quality Assurance and or Quality Management System in place.</li> </ul>
16-20	<p>Excellent overall response</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Comprehensively demonstrates managerial arrangements are in place which will be used to deliver the proposed allocation.</li> <li>• Very detailed information about managerial staff involved and roles and responsibilities.</li> <li>• Clear contract- management arrangements in place. Quality Assurance and or Quality Management System in place.</li> </ul>

**Question 4.7 (Risk Management)**

<b>Marks</b>	<b>Scoring Methodology</b>
0	No response provided.
1-5	<p>Poor overall response.</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Little detail provided to demonstrate approach to risk management and monitoring and no risk management strategy in place or in the process of being established.</li> <li>• No detail provided on identified risks and actions to mitigate these for the proposed funding allocation.</li> <li>• History and case-study examples either not provided or predominantly not relevant to the management of risk for delivery of affordable housing or a comparable project.</li> </ul>
6-10	<p>Unclear, incomplete or inconsistent overall response.</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Little detail provided to demonstrate approach to risk management and monitoring and no risk management strategy in place or in the process of being established.</li> <li>• Some detail provided on identified risks and actions to mitigate these for the proposed funding allocation.</li> <li>• History and case-study examples not relevant to the management of risk for delivery of affordable housing or a comparable project.</li> </ul>

11-15	<p>Generally good overall response.</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Tangible detail provided to demonstrate clear approach to risk management and monitoring. Risk management strategy is in place or in the process of being established.</li> <li>• Detailed response provided on identified risks and actions how to mitigate these for the proposed funding allocation.</li> <li>• History and case-study examples support and are relevant to the management of risk for delivery of affordable housing or a comparable project.</li> </ul>
16-20	<p>Excellent overall response</p> <p>Features of response:</p> <ul style="list-style-type: none"> <li>• Comprehensively demonstrates approach to risk management and monitoring. Risk management strategy in place.</li> <li>• Comprehensive and detailed presentation of identified risks and actions to mitigate these for this allocation.</li> <li>• History and case-study examples are relevant, detailed thoroughly and strongly support the management of risk for delivery of affordable housing or a comparable project.</li> </ul>