**Large sITES INFRASTRUCTURE FUND**

**2014**

**DUE DILIGENCE**

**DD2 – Questionnaire/Business Plan**

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| **Section 1: Project Delivery Team and Structure** |
| 1.1 | Please provide the contact details for the project lead | Name:      Position:      Organisation:      Tel. (landline):      Tel. (mobile):      Email:      Address:       |
| 1.2 | Please confirm who will be the contracting party or parties? (add as appropriate) | Organisation:      Co. Registration No:       |
| 1.3 | If more than one contracting party, please summarise responsibilities – including which party is proposed to receive the funding, take responsibility for delivery of the infrastructure, take responsibility for delivery of the wider project and be responsible for repayment. |       |
| 1.4 | Please provide the name and contact details of the contracting party’s legal advisers:*(Please note separate enquiries, for example, with respect to certificate of title will be made directly to the contracting party’s legal advisers.)* |
|  | Name:      Position:      Organisation:      Tel. (landline):      Tel. (mobile):      Email:      Address:       |
| 1.5 | Who are the other main parties on the infrastructure project – RP / Contractor, Architect, Remediation/ Grounds worker, Employers Agent/ Cost Consultant etc. Provide a summary of roles and responsibilities. |       |
| 1.6 | If one or more third parties are to deliver the wider project, what is the status of the third party (eg is there a preferred partner, have they been signed up etc) |       |
| **Section 2: Project Details**  |
| 2.1 | Please provide a short description of the overall project  |       |
| 2.2 | Please confirm that the project remains unchanged from the Expression of Interest (funding / outputs/ viability etc)  |  |
| **Section 3: Infrastructure project** |
| 3.1 | Please provide drawings of the infrastructure project and plans showing how it links into the wider project. These should be at an appropriate scale and capable of being printed on A4. | Submitted:Yes / No  |
| 3.2 | Please confirm the ownership of the land where the infrastructure is being provided.Please also provide a draft certificate of title. | Submitted:Yes / No  |
| 3.3 | Please confirm if the planning status of the infrastructure works has changed since the submission of the Expressions of Interest. If yes, please provide a reference number and state when the consent was granted.  |   |
| 3.4 | In the event that detailed planning consent for the infrastructure works has yet to be obtained, please provide details of the current status of the planning approval process, including an expected date for a planning committee decision if known. |  |
| 3.5 | Please list any conditions not yet discharged or Agreements (e.g. S106, S278 agreements) not yet signed for the infrastructure works. Please include the anticipated dates for achievement / signing. Please provide draft/ final copies of such documents if available. |   |
| 3.6 | Please set out dates when key milestones are expected to be achieved for the infrastructure works. Please include additional milestones where relevant. |

|  |  |
| --- | --- |
|  | **Date** |
| Detailed planning permission gained |  |
| Contractor Appointed |  |
| Site preparation work started  |  |
| Site preparation work completed |  |
| Infrastructure works started |  |
| Infrastructure works completed  |  |
| *Other*       |       |
| *Other*       |       |

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| 3.7 | Please provide a legible Gantt chart for the delivery programme for the infrastructure works. | Submitted?Yes / No  |
| 3.8 | Provide a breakdown of the costs of the infrastructure works that are to be financed by LSIF. | Submitted?Yes / No  |
| 3.9 | Has the contractor been appointed, if not what is the process for appointment? |  |
| 3.10 | What is the total cost of the infrastructure works and how is it to be funded. If other public funding is contributing to the cost set out where it is being funded from and how much, by funding type? |

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| --- | --- | --- |
|  | £’000 | Status (eg approved) |
| Total cost |       |  |
| LSIF |       |       |
| Other public sector       |       |       |
| Other public sector      |       |       |
| Other public sector      |       |       |
| Bidder |       |       |
| Bank |       |       |
| Other      |       |       |
| Total funding |       |  |

 |
| 3.11 | Confirm you understand that infrastructure cost overruns cannot be met by LSIF.Please also confirm what other funding is available to the bidder to cover any such overruns (such as group company facilities, or other assets) |  |
| **Section 4 – Wider Project**  |
| 4.1 | Provide a red line plan of the wider project | Submitted:Yes / No  |
| 4.2 | How many homes are being directly unlocked by the Infrastructure Investment?  |  |
| 4.3 | What proportion is expected to be affordable and what is the basis of this assumption?  |  |
| 4.4 | Please provide details of the assumed annual build completion rate over the lifetime of the project and over how many years if the LSIF bid is successful? |  |
| 4.5 | What other uses (if any) are being provided, such as school(s), commercial, office, industrial, open space etc. |

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| --- | --- |
| **Type** | **Sq m (or ha for open space)** |
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| 4.6 | Provide details of any further development on other sites that will be indirectly unlocked as a result of the LSIF investment in infrastructure. |   |
| 4.7 | Please explain what would happen to the delivery of the project in the absence of the LSIF funding? This should include:- when the wider project would commence in the absence of LSIF funding,- build out rates in the absence of this investment;- total homes delivered in the absence of this investment;- whether alternative finance would be available to fund this infrastructure.  |   |
| 4.8 | Please provide a Market Report detailing the justification for forecast sales rates and property and land values, including comparable evidence where available. This should include * a breakdown of unit types (including houses, flats and number of bedrooms) and tenure
* sales values broken down by the above
* income from affordable housing
* assumed land value on any land to be sold for third party development
 | Submitted:Yes / No  |
| 4.9 | In the event that there are any pre-sale/pre-letting arrangements in place for sale or letting of land or properties on the project, please provide details of the main terms of these arrangements. | Submitted?Yes / No  |
| 4.10 | Please provide details of assumptions for base residential construction costs, including comparable/ tendered information where available (see cashflow guidance for detail).  | Submitted?Yes / No  |
| 4.11 | Please provide a breakdown of abnormal costs to support the total abnormal costs included in the cashflow (if applicable) | Submitted?Yes / No  |
| 4.12 | Please provide a breakdown of overheads to support the overhead cost included in the cashflow | Submitted?Yes / No  |
| 4.13 | Please provide a breakdown of professional fees to support the professional fees included in the cashflow | Submitted?Yes / No  |
| 4.14 | Please provide a breakdown of the contingency sum to support the contingency included in the cashflow (if applicable) | Submitted?Yes / No  |
| 4.15 | Please provide a breakdown of S106 costs to support the S106 total cost included in the cashflow | Submitted?Yes / No  |
| 4.16 | Please set out dates when key milestones are expected to be achieved on the wider project. Please include additional milestones where relevant. Note: milestones relating to infrastructure that is to be financed using LSIF should be included in Section 3.6 |

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|  | **Date** |
| Detailed planning permission gained |  |
| Contractor Appointed |  |
| Site preparation work started  |  |
| Site preparation work completed |  |
| Non-LSIF infrastructure works started |  |
| Non-LSIF infrastructure works completed  |  |
| Housing Construction Works started |  |
| Marketing starts |  |
| First units completed |  |
| Final units completed |  |
| First unit(s) Sold/ Let |  |
| Last unit(s) Sold/ Let  |  |
| Scheme Fully Built Complete |  |
| HCA Repayment start |  |
| *Other*       |       |
| *Other*       |       |

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| **Section 5: Cashflow** |
| 5.1 | Please submit a development appraisal and cashflow forecast for the whole project using the HCA standard cashflow provided as part of the due diligence pack | Submitted?Yes / No  |
| **Section 6: HCA Repayment** |
| 6.1 | What is the assumed basis for repayment of HCA’s investment? What are the proposed events to trigger repayment? |       |
| 6.2 | Explain the inter-relationship between repayment of HCA’s LSIF investment and the wider project |       |
| **Section 7: Project finance** |
| 7.1 | Provide a project finance plan (including any other public funding agreed for the scheme) for the delivery of the infrastructure that is the subject of the LSIF bid. Indicate any conditions attached to award or draw down of any funding. | Submitted?Yes / No  |
| 7.2 | Please provide the following information in respect of proposed bank funding for both the infrastructure and wider project that is the subject of the LSIF bid: * details of the bank(s) that will be providing development finance for the proposed LSIF project (including name, address and contact details for bank relationship manager(s));
* confirmation of whether the proposed project is to be financed by a corporate facility or through a project specific facility;
* details of the current balance and headroom on the facilities to be used to fund the scheme;
* a copy of the bank facility agreement covering finance for the proposed LSIF project, including details of the main terms and conditions. In the event that a bank facility agreement is not yet in place, bidders should provide a draft facility agreement/Heads of Terms together with details of any outstanding conditions/requirements that need to be satisfied before bank funding will be available and the expected timetable for bank funding to be in place.
* a summary of the key terms and condition of the facilities to be used to fund this scheme including security (fixed / floating charge), covenant requirement, interest rate, fees and repayment terms
* a copy of the most recent covenant compliance report provided to your existing lenders; and
* in the event that funding is to be provided through a corporate facility provided by a syndicate of banks, please confirm whether you have contacted the banking syndicate about LSIF and, if so, whether the banking syndicate has raised any issues about the basis on which LSIF funding is intended to be made available.
 | Submitted?Yes / No  |
| 7.3 | Please provide evidence to support the availability of equity/funding to be introduced by the bidder into the delivery of infrastructure. Evidence could include (but is not limited to) confirmation of sunk costs, most recent management accounts, copies of bank statements or letter of support from a parent/another related company. | Submitted:Yes / No / NA |
| 7.4 | Please provide details of the proposed funding strategy in the event that funding requirement for the infrastructure increases over the course of the proposed development (e.g. if costs increase and/or land sales are delayed): | Submitted:Yes / No / NA |
| 7.5 | In the event that either you or your ultimate parent company is subject to credit rating by a recognised credit rating agency (e.g. Moody’s, Standard & Poors, Fitch), please provide details of the most recent credit rating, together with details of any changes in rating over the last two years (to the extent available): | Submitted:Yes / No / NA |
| 7.6 | If one or more of the contracting parties is delivering the wider project, is finance in place for the wider project – please explain current status |       |
| 7.7 | Is there any public funding going into the wider project? If yes please set out how much and from which sources (including historic investment which has not been repaid). |       |
| 7.8 | Please provide your latest accounts and management accounts. (Not applicable if this information has been provided to HCA under a separate recoverable investment programme in the last 12 months. Please confirm if this is the case) | Submitted:Yes / No / NA |
| **Section 8: Security** |
| 8.1 | What form of security is being offered? (1st Charge, Joint 1st Charge, 2nd Charge, Parent Company Guarantee, Personal Guarantee etc?) |       |
| 8.2 | For sites offered as security, please provide details of any existing charges granted (fixed/ floating) or to be granted over the sites concerned. | Submitted:Yes / No  |
| 8.3 | Please provide a draft certificate of title for **any** land being offered as security  | Submitted:Yes / No / NA |
| 8.4 | Please supply valuation evidence to support the book value of the site & security site (if different) including details of when valuation(s) were undertaken and by whom (Please note HCA may request a Red Book Valuation for secured lending purposes at a later date) | Submitted?Yes / No  |
| **Section 9: Risk Register and Management Plan** |
| 9.1 | Please submit a project risk register and risk management plan (including planning, development, financial, commercial and market risks) | Submitted?Yes / No  |
| **Section 10: Contract** |
| 10.1 | Confirm acceptance of Heads of Terms.  |       |