

Invitation to Tender: Project Monitoring of Gedling Colliery

1. Confidentiality

N/A.

2. Objectives

Homes England is seeking to appoint an Independent Project Monitoring Surveyor Firm (“MS”) from its national Multidisciplinary Panel. The appointed MS’s role will include providing an Initial Report and ongoing Monthly Monitoring Reports for the Gedling Colliery development in Nottingham. The Reports are for lending security purposes in relation to a proposed recoverable investment facility from the Home Building Fund and will be used by Homes England as part of their initial and on-going Due Diligence. All work will be instructed under the standard terms of Homes England’s 2014-18 Multidisciplinary Panel.

3. Background

The Home Building Fund is a £3bn Homes England investment programme created to support the UK residential market. The aim of the fund is to unlock and accelerate delivery of new housing, in particular focusing on large sites, institutional PRS, and SMEs.

4. Scope

The Homes England Investment Transaction and Portfolio Management teams require the services of an Independent Project Monitoring Surveyor Firm to provide an Initial Report and on-going Monthly Monitoring Reports to support the successful delivery of a recoverable investment transaction. The scope of reporting requirements includes:

- An **initial report** on Phase 1 of the scheme by **12th October 2018** before signing of the Homes England facility; and
- Thereafter **monthly monitoring reports** until Homes England loan repayment.

These reports should be in line with the attached ‘Scope of Services’, which includes details of the Initial Report and on-going Monitoring requirements. The Scope also includes a recommended reporting format.

5. Detail of Transaction

The successful MS Firm will be provided with extensive detail by the Borrower to assist them in their reports including cashflow models, site plans etc. This information will be available on the confirmation of instructions.

a) Scheme Overview

Gedling Colliery is a predominantly brownfield site and was used as a colliery up until 1991 when it officially closed. The 125 acre site is located 5 miles to the north east of Nottingham town centre. Planning has been approved for up to 1,050 new homes, retail units, a health centre and a new primary school.

The land is in the ownership of Homes England with Keepmoat Homes being the appointed developer and proposed Borrower. As the developer, Keepmoat are obligated to provide a fixed

level of contributions towards a new access road (“Gedling Access Road”) which forms part of the planning conditions before the full site can be developed.

Phase 1 is already underway (up to 315 homes) without Homes England funding and for the purposes of this instruction therefore, whilst it will not directly form part of the diligence we anticipate that confirmed costings from Phase 1 will be entirely relevant to the initial report.

b) Homes England funding

It is proposed that Homes England provides a recoverable loan facility to assist with funding the infrastructure and the contributions to the Gedling Access Road.

Funding is expected to be fully drawn by September 2019 and fully repaid by 31st March 2025.

c) Costs

The current budget forecasts for Homes England funded works are as follows:

Cost	Comments	Amount
Deferred land payments		£3.9374m
Infrastructure Costs	Includes CIL and GAR payments	£20.330m
Construction Costs		£66.467m
S.106		£3.159m
Sales and Professional Fees		£2.195m
Finance		£4.351m
Other costs		£5.695m
Total		£106.134m

d) Unit Mix – excludes Phase 1

Tenure	Unit Numbers	2 Bed Flat	2 Bed House	3 Bed Flat	3 Bed House	4 Bed House	5 Bed House
Open market units	603	68	63	18	267	176	11
Affordable Rent	20	0	11	0	7	2	0
Shared Ownership	47	6	26	0	15	0	0
	670	74	100	18	289	178	11

e) Other Debt, Security and Repayment

Homes England will benefit from being the freeholder of the site and it is anticipated that Homes England will have a parent company guarantee from Keepmoat Limited.

Homes England repayment will be from capital receipts following sales of properties at the site.

6. Submission of quotes

Quotes should include the following information:

- 1. CVs and a structure chart for the key personnel who will be responsible for the commission and who will deliver this commission;**
- 2. Relevant Experience (limited to three sides of A4);**

3. Conflicts of interest acknowledgements;
4. Fixed fee proposals for completing:
 - A) the Initial Report;
 - B) each subsequent Monthly Monitoring Report;
5. Confirmation of your level of PI cover.

Submissions are to be made through ProContract no later than 14:00 on **18th September, 2018**.

7. Scoring

Quotes will be assigned weighted scores based on a 50% weighting for Quality and a 50% weighting for Price and the appointment will be subject to Borrower approval (as costs will be to the Borrower's account).

8. Queries

General or technical queries regarding this invitation should be directed to Homes England through ProContract.

9. Appendices

- a. Scope of services
- b. Site Plan