The Seven-step Delivery Model

Bankers without Boundaries (BwB)

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Funded by

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In partnership with

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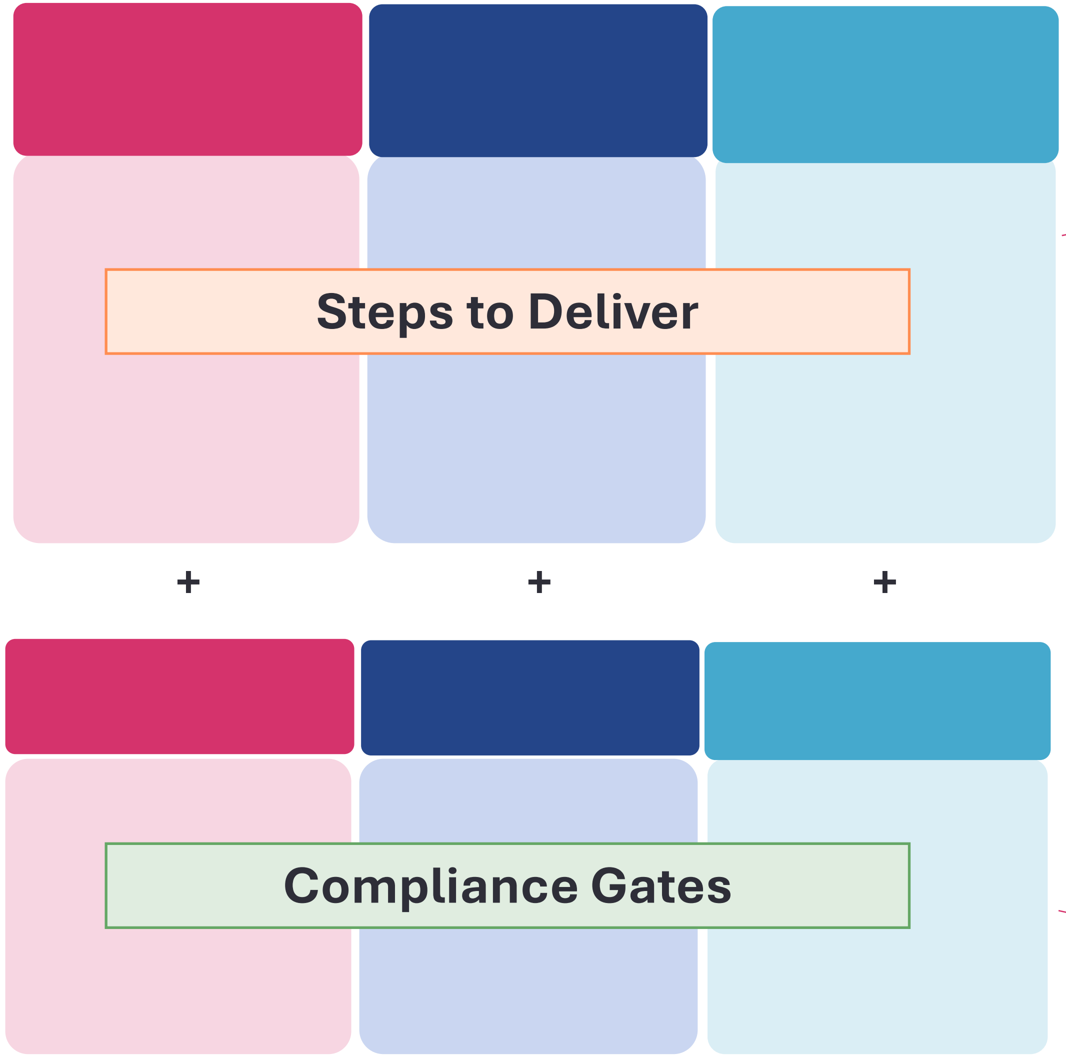
Fit4Finance

User Guide



These are the active tasks the Project Team must **execute**. Each step answers the question: *"What do we need to do next?"*

Points to Note

1. **Maintain Sequential Integrity:** Each step should be considered in parallel with its corresponding compliance gate. These gates are mandatory decision points, and progressing to the next step before clearing a gate is not recommended.
2. **Gates Have Binary Outcomes:** A gate is either 'Pass' or 'Fail'. A 'Fail' indicates there are issues that must be addressed before moving forward to the next step.

These are crtitical decision points where work stops for **review**. Each gate answers the question: *"Should we move forward to the next stage?"*

Syndication: The Seven-step Delivery Model and Compliance Gates

Step 1: Borrowing Requirement and Scope Definition

Local Authority (LA) confirms the capital requirement, tenor, and repayment profile, ensuring borrowing aligns with capital purposes and affordability limits.

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Gate 0: Borrowing Powers and Affordability Check

Confirm compliance with statutory borrowing powers and prudential affordability indicators.

Pass evidence: Affordability assessment and statutory purpose confirmed.

Step 2: Governance and Internal Approval

Delegated authorities, approval routes, and signatories are established. An internal mandate is secured to approach the lending market.

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Gate 1: Authority to Go to Market

Confirm formal internal approval to appoint advisers and launch syndication.

Pass evidence: Committee approval and delegated authority documented.

Step 3: Mandate Arranger and Define Structure

A Mandated Lead Arranger is appointed. LA determines whether the syndication will be structured as a club, best-efforts, or underwritten facility.

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Gate 2: Procurement and Appointment Compliance

Confirm adviser appointment complies with procurement rules and internal governance.

Pass evidence: Compliant appointment record confirmed and engagement letter executed.

Step 4: Market Sounding and Lender Syndication

The facility is presented to lenders. Information memoranda and financial data are shared under confidentiality protocols.

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Gate 3: Lender Onboarding and AML Clearance

Confirm lenders complete due diligence, anti-money laundering (AML), and sanctions checks prior to commitment.

Pass evidence: 'Know your customer' completed and commitments received.

Step 5: Documentation and Credit Approval

Facility agreement, fee letters, and intercreditor terms (if applicable) are finalised. Conditions precedent are compiled.

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Gate 4: Conditions Precedent Sign-off

Confirm legal documentation, opinions, and compliance checks are complete before drawdown.

Pass evidence: Conditions precedent checklist satisfied and legal opinion delivered.

Step 6: Financial Close and Drawdown

Funds are drawn under the agreed mechanics. Interest calculation and repayment schedules commence under agent administration.

Step 7: Monitoring and Lifecycle Management

LA manages covenant reporting, lender communications, and any amendments or refinancings until maturity.

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Gate 5: Ongoing Prudential Review

(Ongoing) Confirm borrowing remains affordable and compliant with reporting obligations.

Pass evidence: Annual prudential review completed and covenant compliance confirmed.

Sources: CIPFA – The Prudential Code for Capital Finance in Local Authorities, The Public Contracts Regulations, The Local Governments Act, The Procurement Act

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