

	Rely on the s106 regime	D and B Contract Procurement	Developer Agreement	Joint Venture	Wholly owned Development Company	Direct development in-house
Experience in CCC	Jane's Court; Homerton Completed • Clerk Maxwell Road; Histon Road Not on site yet	• Roman Court, Nuns Way and Wiles Close; Additional units at Ditchburn; Completed • Kingsway; Tedder and Kendal	• Virido and Keepmoat: Completed	• CIP • Programme in progress. 75 Completed; Exec Councillor (HSC) approval in place for a further 586	• CCHC • To date limited to purchasing completed units •	• In-house • One of four projects delivered
New Council Rented Units	80	26	255	661	0	2
Total New Units	80	26	316	1002	0	2
Securing sites and development opportunities	• Smaller sites • Limited opportunities for additional affordable	• Used for Council owned land small scale sites • Purchase of land at scale would require additional market expertise	• Used for Council owned land • An agreement could provide for developer-led land purchases • Development agreement must create a viable proposition for developer	• CIP has generated competitive bids for land • Private sector contacts have assisted sourcing land • Flexible risk / reward sharing has been converted into additional affordable housing	• Company could go beyond buying completed units • Would have to buy in skills and knowledge • Company must trade commercially	• Used for Council owned land • Purchase of land at scale would require additional market expertise
Achieve sustainability standards (Passivhaus)	• CCC has less influence over standards than with other options • Reliance on Planning and Building Regulations.	• Delivery was successful on small schemes • Limitations to integration of planning and construction stages, supply chain transparency and opportunities for team commitment and learning .	• CCC reliant on the framework of the agreement and quality of initial brief • Integration depends upon the consultants and contractor • Limited opportunities for learning	• CIP has created greater integration of design with construction stages • It has generated learning and technical solutions • Passivhaus will mean extending that through the supply chain	• CCC could incorporate standards into shareholder agreement • Company must trade commercially	• CCC could seek to deliver integration, team commitment and learning through the supply chain
Deliver at pace reducing delays	• Programme for delivery is dictated by market conditions • Not necessarily aligned with affordable housing	• Lack of integration and overlap of planning and detailed design lengthens process • Potential delays through multiple procurement processes in pre-contract stages	• Once brief and contract are successfully developed this could deliver at pace provided site issues can be managed	• Reduced lead in times through planning and detailed design • Ability to commence works far quicker due to the flexibility of the partnering arrangement.	• Procurement could be quicker than OJEU compliant procurement • Pace would depend upon working practices of the Development Company	• Track record suggests this is a slow route due to capacity constraints • Potentially multiple procurement issues for construction process elements due to limited internal capacity
Deliver open market housing for sale and investigate alternative tenures	• Not applicable	• More risk more profit- requires sales and marketing knowledge which can be procured • Flexibility and responsiveness to market could be a challenge	• Private sector partner would have open market delivery capacity • Less control over sales and marketing knowledge • Less risk less profit	• Private sector partner would have open market delivery capacity • Greater alignment of interests can be achieved through joint venture process and shared risk / reward.	• Development Company would have to buy in expertise	• More risk more profit- requires sales and marketing knowledge which can be procured • Flexibility and responsiveness to market could be a challenge
Council's in-house development capability	• Skills required include valuation and negotiation of agreements and monitoring of development • Very little contribution to improvement of Council skills	• Robust development management skills essential • Sales and marketing skills needed if not just Council rented housing • Could be achieved through recruitment and training building on development of HDA	• Robust skills in negotiating development agreements and development management essential • Could be achieved through recruitment and training building on development of HDA	• Opportunity for CCC to leverage pre-planning, development management and sales and marketing skills of a private sector partner • Opportunities for skills transfers through team working in addition to recruitment and training • Positive role in developing HDA	• Robust development management skills essential • Also requires commercial sales and marketing skills • Could be achieved through recruitment and training but not available at present	• Robust development management and construction skills essential • Experience was reliance on individuals rather than sustained organisational capacity • Could be achieved through recruitment and training but not available at present and in-house capacity focus is on maintenance priorities
Ensure build quality and effective after-care	• Limited control over build quality • Limited transparency of supply chain	Robust quality management skills essential - important to quality at Nuns Way and Wiles Close • Lack of continuity limits influence over contractor, development of shared solutions and team commitment • Limited transparency of supply chain and potential sub-contractor issues	• Potential for standard specifications which contractor is familiar with • Influence of Council could be limited once agreement is made • Lack of alignment of objectives once agreement is signed • Limited transparency of supply chain and potential contract/sub-contractor issues • Council has experience of these issues	• Potential for a standard specifications including learning and improvement • Contractor is familiar with all the specification and procedures. • Added benefits from early Contractor involvement working with CCC on design specification adapted to different sites.	• Quality control mechanisms would have to be determined by the Development Company	• Potential for standard specifications including learning and improvement • The Council is familiar with all the specification • Quality relies on continuous development of internal skills base and management processes
Value for Money	• Subsidy from market housing created by the planning obligation • Affordable housing will be competitively tendered by developers - other RPs may have greater potential to improve bids especially on larger sites	• Competitive tender • Need to balance price and quality • Exposed to rapidly changing market conditions • Lacks the benefits of standard specification with economies of scale and understanding of what is being priced. • Frameworks can address some of these issues	• Value determined through complex process of selecting Development Partner and coming to agreement • Local Authority may sacrifice land value in order to make scheme viable. • Opportunity for overage although this can be limited by transparency	• CCC shares in private sector commerciality (risk / reward) • Benefits from value engineering at design stage, reduced delays, supply chain loyal to a private sector partner, development of standard specification and economies of scale • Potter Raper assessment is that open book contracts are providing VFM • Risk management improved through avoiding contractor risk pricing and costs-savings offsets • Increased pace • Design-construction integration • Learning and improvement	• Further development of Company structures would be needed to deliver development • Value determined through processes adopted by Company • Approach to value of affordable housing must be commercial	• Low cost to completed project but management costs understated and costs to schemes not progressed • Future schemes would incur cost in setting up and running the internal departments. • Issue of scale and achievement of economies of scale • Value depends upon trade-off between these costs and risk/reward approach of other options
Risk	• Less planning risk • Delivery timescales dependent upon market factors • Low quality control and low influence over defects management	CCC carries Planning risk • Tender values exposed to rapidly changing market conditions • Potential for disputes and claims • Limited transparency of supply chain	• Planning risk negotiated in Development Agreement • Risks to outturn costs, timings and quality • Risks from lack of access to supply chain, high costs in management time to rectify problems and overall reputational damage•	• Shared risk and reward • Risk have been addressed through development of processes to achieve agreed objectives and to manage areas of potential conflicts of interest. • Cost risks addressed through independent professional advice and use of frameworks. Quality risks addressed through supervision. • Risk management improved through avoiding contractor risk pricing and costs-savings offsets	• As sole owner Council is ultimately liable for Company risks • Profit/surplus transfers back to can have tax implications	• Risk of capacity building being time consuming and dependent upon high level of resource which will not be matched for an extended period by economies of scale • Risk of defraction from focus on other priorities