

		Option 1	Option 2	Option 3	Option 4	Option 5	Option 6						
		Base Case	Disposal of Individual Sites	Outsource Asset Management & Services	Council Vehicle	Site Specific or Focus Vehicles	Overarching Vehicle						
		Council continues with current approach i.e. takes forward and develops out sites themselves, including undertaking the asset management of the investment portfolio on an ad hoc basis	Council takes forward sites (subject to available resources, financial resources and grant funding) and then sells the sites into the market. Sites are sold on a phased basis over time through development agreements or through straight disposals	Council outsources the management of the entire portfolio, including the commercial portfolio and the large estate renewal sites, to a third party who provides services on behalf of the Council	Council establishes its own vehicle i.e. wholly owned by the Council to take forward sites, subject to funding, resources and expertise	Council establishes an overarching vehicle with a strategic private sector partner e.g. a strategic funding investment partner	Council establishes an overarching vehicle with a strategic private sector partner. Sites or sub portfolios of sites are taken forward through the delivery vehicle by way of individual delivery mechanisms. Income from the investment assets could be put into the delivery vehicle to provide cross funding for projects						
Evaluation Criteria	Weight	Comment	Comment	Comment	Comment	Comment	Comment						
		Score: 1 to 5	Score: 1 to 5	Score: 1 to 5	Score: 1 to 5	Score: 1 to 5	Score: 1 to 5						
		1.50	1.83	1.67	2.83	4.00							
OBJECTIVES	100%												
Deliver growth through new and improved housing, town centre development, and enhanced use of the Council's property portfolio	20%	Sites will only be progressed when the Council has the required funds or when sites are sold to the market. It is likely the most commercially viable sites / assets will come forward first which will not necessarily facilitate town centre regeneration or the delivery of new / improved housing unless conditions of sale are imposed. The Council will also need to determine whether they are prepared to undertake speculative development. To date many of the proposed projects have stalled due to viability issues, scale and complexity. This is significantly impacting upon delivery timescales.	1	Delivery of sites would be subject to market demand, for which there may be limited appetite, particularly for the estate renewal sites, due to 'gap' funding issues. However, this would involve the loss of a considerable element of control and single site sales to different developers would challenge the comprehensive regeneration aspirations for the Borough.	2	Although the provider will be driven by returns and will need to maximise efficiency from the portfolio, this is likely to be achieved through maximising commercial opportunities rather than progressing the more complex and challenging sites such as those requiring estate renewal and tenure change	1	Sites will only be progressed when the Council has the required funds to take sites forward. It is therefore still likely that the most straight forward sites will come forward first which will not necessarily deliver the growth and housing in line with the Council's objectives. The Council will be challenged, from both resource and financial perspectives, to deliver opportunities without additional external support.	2	It is likely the vehicles established will be for priority projects e.g. estate renewal and town centres. It is likely these projects will therefore be delivered sooner as a result of enhanced development management expertise and availability of funding. However, there could be conflict between the vehicles and competition between schemes.	3	One of the main purposes of the OV will be to bring forward key sites for the Council. It will enable a more strategic approach to deliver the step change required in the Borough. It is also likely projects will be delivered sooner due to enhanced development management expertise and availability of funding	4
Achieve and retain a long term stake and control in development of the Council's land, maintaining a long term financial return	20%	If the Council develops the sites themselves they will be able to retain control and therefore could retain a long term financial return (if this is achieved). The benefit from sites would not need to be shared with a partner so the Council would retain all development profits which would allow for cross funding of sites to occur. However, progression of sites will still be subject to the availability of funding and the commercial viability of the proposed developments.	2	This would need to be imposed as a condition of sale (i.e. overage and clawback provisions), but will impact on the land value obtained for sites. Developers will be looking to maximise commercial return which will not necessarily reflect Council objectives. Loss of control would challenge the achievement of supporting housing delivery / tenure change and town centre regeneration.	1	Under this option, the Council would lose control of the portfolio when it is outsourced to a third party provider. The Council will be limited to planning control only. However, efficiencies in estate management could lead to improved income generation.	2	As the owner of the vehicle, the Council will retain control and influence over the development of sites. Similarly retaining control over the type and quality of outputs and returns. Estate renewal opportunities will need significant additional public sector funding support, particularly in the early stages, in order to make their delivery financially viable.	3	As a partner in each vehicle, the Council will be able to retain control and influence over the development of sites. The Council could also retain control over the type and quality of outputs being delivered, and will participate in profits from the vehicles. Cross subsidy between the vehicles, to unlock more financially challenging estate renewal opportunities, will be more challenging due to potential State aid issues.	4	As a partner the Council will be able to retain control over the development of sites with the ability to influence development type and delivery. Cross subsidy between projects, within a State aid compliant framework, will be more deliverable enabling profitable projects to support the early phases of development of estate renewal schemes.	4
In partnership with the private sector, to catalyse delivery of financially challenging schemes	15%	Under this approach there would be limited engagement with the private sector, and funding will need to come from the Council, of which there is currently a reduction in the availability of grant funding to take sites forward. The Council will be exposed to property market, tenant, financial and delivery risk, and there will be a reputational risk if projects are not delivered/successful. Limited catalytic impact	1	Risk of sites being "land banked" unless sold with conditions for immediate/short term development. This option also provides limited opportunity for bringing in private sector knowledge / skills or leveraging in of investment until after sites are sold and the Council has limited influence / control, albeit the costs of development are transferred to the development partners. Limited catalytic impact	2	The provider will be driven by returns, and therefore need to deliver on the portfolio as soon as possible, although this is likely to be on 'quick win' sites rather than the more challenging estate renewal projects, albeit the provider will drive efficiencies from the portfolio.	2	The vehicle will be wholly owned by the Council, therefore the Council will not be working in partnership with the private sector except where it brings in design and contractor services (via OJEU). Limited catalytic impact. Limited opportunity to introduce additional public sector financial support due to the absence of working in partnership with the private sector.	1	It is likely each vehicle will be established with private sector partners and will therefore be able to leverage in private sector funds. Each vehicle will be established with a focus on delivery i.e. should be established to 'hit the ground running' to accelerate delivery and catalyse investment. Difficult to take forward commercially unviable schemes in isolation without State aid compliant grant funding. Working in formal partnership with the private sector will provide greater confidence to public sector funding bodies (Treasury and GLA in particular) when considering financial support packages that will help unlock more challenging estate renewal projects.	4	The OV will have a focus on delivery i.e. will be established to 'hit the ground running'. The ability to apply different delivery mechanisms to different sites means the OV will be able to take forward several sites at once. One of the key benefits of the OV lies in its potential capacity to accelerate development delivery by leveraging in private sector investment, skills and knowledge. The partner will be incentivised to bring forward development. Potential to cross subsidise commercially unviable schemes by retaining profits within the OV within a State aid compliant manner. Working in formal partnership with the private sector will provide greater confidence to public sector funding bodies (Treasury and GLA in particular) when considering financial support packages that will help unlock more challenging estate renewal projects.	5
Achieve estate renewal by intensification of land use and establishment of a range of mixed tenures, together with tenure change across the borough where appropriate	20%	There is limited opportunity for this to be achieved under this option unless the Council has the available funds to take forward regeneration of the sites and the ability to implement and reproduce a range of tenure mixes.	1	By selling off miscellaneous assets within the portfolio, the Council will be able to focus / prioritise on the assets which are core to the objectives of the Council i.e. estate renewal, town centre development	3	Improved income generation could be used to cross fund other projects, such as estate renewal. The provider will also be seeking to "sweat" the portfolio and maximise value by varying tenure where possible.	3	The ability of the vehicle to achieve this would be dependent on the quantum of sites transferred into / developed through the vehicle and the funding available to the vehicle to take forward sites. Challenging financially due to the upfront cost burden of estate renewal projects.	2	Individual vehicles could lack the critical mass and high profile nature of an overarching delivery vehicle, to influence change / reputation across the Borough as a whole.	2	The OV will have the flexibility to apply specific delivery mechanisms to sites (or portfolios of sites) in order to ensure the most appropriate delivery route is applied to fulfill the objectives of the Council. Specific skills required for estate renewal can be introduced to supplement more traditional property development and management skills	4
Secure wider social and economic benefits in areas affected, including community facilities, skills and training, health improvement or crime reduction	15%	Funding for social benefits will need to come from the Council and/or be incorporated as part of developments of sites. To date many of the proposed projects have stalled often due to viability issues partly related to the required reversion of social and affordable housing and social benefit objectives.	2	The Council will receive capital receipts which can then be used elsewhere within the portfolio, for example to secure relevant social dividend	2	Under this option, the Council is unlikely to meet its Corporate Plan objectives. The Council can direct surplus profit to further the delivery of social benefits	1	The Council may be able to commit funding to the vehicle to cross fund sites (which could include the delivery of social dividend), albeit this will need to avoid the risk of State aid challenge from competing third party schemes	3	The Council will be able to include income, derived from either the commercial portfolio or profitable development activity, into estate renewal vehicles, albeit this would be more challenging from a State aid perspective.	2	Flexibility to cross fund projects through the OV e.g. income from the commercial portfolio and site disposals could be used to fund other projects e.g. estate renewal, social dividend within one over-arching funding strategy	3
Incorporate land belonging to other stakeholders, both public and private sector, into development	10%	This would require either a collaborative approach, which would be restricted if the Council were to take forward sites themselves, or would require the Council to purchase sites from other stakeholders to create more comprehensive development opportunities. However, this would be subject to the availability of Council funds.	2	The Council risks losing control of sites as they are taken forward. Therefore limited opportunity for incorporating land from other stakeholders, unless imposed through conditions of sale.	1	The provider will be seeking to maximise returns from the portfolio, which is unlikely to include third party land unless this is commercially viable.	1	Limited flexibility to incorporate other land unless this was negotiated as sites were transferred into the vehicle and would require the Council to purchase sites from other stakeholders either through private treaty or use of CPO powers, subject to available funding in the vehicle	2	Ability to incorporate third party land ownerships, but likely to be limited to immediate geography of each vehicle.	2	The structure provides the flexibility to incorporate other stakeholders at a sub vehicle level without affecting the overarching governance between the Council and the OV partner. Further sites will be able to be added into the OV in the future. Due to the broad geographic influence of the OV within the borough, ability to introduce a range of sites in the future	4