

<b>Model</b>	<b>Affordability</b>	<b>Risks</b>	<b>Simplicity/limits of model</b>	<b>Certainty of ownership</b>	<b>Contributes to master plan outcomes</b>
HRA borrows and builds	HRA is seeking borrowing ability from WG. This will be capped	Council manages the development and financing of it. Development delays could lead to cost increases. Do we have the skills to manage this?	HRA borrowing capacity is limited  Can only develop social rented units so this would limit the ability to change the tenure mix in the town, but it could form a part of the development say 20 units	Council owns at outset	HRA can only be used to build social housing and there is a goal to provide a broader tenure mix in the town centre
Council fund borrows and builds	Council fund has no limits on its ability to borrow s long as it is prudent, sustainable and affordable.	Council manages the development and financing of it. Development delays could lead to cost increases. Council would need to buy in development expertise to deliver the scheme and manage the key risks of development	Scheme is self financing	Council owns at outset	Housing of a range of tenures can be developed in the council fund
Long term lease	Scheme costs more overall as it is being paid for for 45 years	Development risk is not the councils Scheme costs are all agreed up front.	None	Council owns at end of lease	Affordable and market trent can be provided which can support some tenure diversification but

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	However rental income more than covers management costs and lease costs	The margin of affordability could come under pressure from changes in RPI/CPI rates that could not have been foreseen due to the length of the scheme			cannot provide social rent or affordable home ownership
Deferred purchase	Council needs to be in a position to buy the property developed in tranches from years 3 to 5	If the council cannot fund at that time the funder reserves the right to sell on to another purchaser but Flintshire continues to manage for up to 20 years.	Price for purchase is fixed at development stage. Overall costs are lower than leasing	It is not certain but possible	Provides affordable home ownership but not and affordable rent units
Joint venture model	Council needs to be able to purchase the property at any time from year 3 onwards	Council is only a small shareholder in the joint venture and the main partner has sufficient share to decide to sell their interest at a time which might not be appropriate for the council to purchase.  There is no control over price of properties agreed at the outset.	The model is very complex and involves entering at least 4 different leases.  This will add cost and time for the council in managing this relationship.	The council is not guaranteed ownership	

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Council sells site to private developer	<p>Capital receipt received by the council for all or part of the site</p> <p>No future investment funds achieved through new rental income (as after borrowing costs paid rents outweigh management costs)</p>	<p>Value of land low due to brown field nature</p> <p>Developer takes full risk on site success</p> <p>No developer interest at current time</p> <p>Development delayed considerably until housing market recovers</p> <p>Development finance could be difficult to access leading to delays</p> <p>Section 106 provision does not meet tenure mix requirements</p> <p>Could lead to loss of community confidence if development delayed</p>	Helps achieve tenure re-balance	The council would have no ownership apart from possibly some gifted units as part of S106 arrangements	Section 106 would be used to deliver affordable housing at up to 30% units. The tenure mix needed requires higher levels of affordable housing for rent and purchase

#### Some key facts/assumptions

- The scheme would be self funding
- Total development costs for 130 homes circa £12m
- Rents could increase by RPI plus or CPI plus. This can have an impact on affordability for the tenant.
- Quality standards and space standards can vary and would need to be set buy the council at the outset.
- In all models the council would have as a minimum a long term management role