



DELIVERY MODEL PART ONE

**Research, Assumptions and Initial
Recommendations**

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1 EXECUTIVE SUMMARY

The Extra Care Programme Board has established that the supply of Extra Care housing units could be increased to meet projected demand through NCC exerting more control of this work. This delivery model is a key component of making this development programme work and attract the very best developers to Norfolk.

Preliminary discussion with the entire EC Programme Board and specific Board members on an individual basis identified and initially evaluated the most appropriate delivery method by which NCC can achieve this objective. This was done through research and further evaluation will be completed using the Treasury 5 Case model. An initial recommendation was provided on this basis alongside more detail regarding the recommended method to inform the next stages of the programme.

Potential Delivery Methods

A long-list of delivery methods which NCC could potentially employ were researched and shared with the Bard as above, which varied in terms of the control NCC has over it, the risk involved, and the potential for financial return.

Delivery Methods Evaluation

The NCC position against a number of factors such as its attitude to risk, commitment of resources, and its position on elements relating to the ownership, management and operation of Extra Care units were captured in a set of assumptions or parameters, which were tested and validated as outlined above. These parameters will be used to inform the development of a set of metrics, which will be reflected the Treasury 5 Cases model.

This long-list was evaluated by taking into consideration the NCC position as defined by the parameters.

Short-listed delivery method

Following this evaluation, a developer-provider framework was identified as the most appropriate delivery method for NCC. The key reasons for this are:

1. This method provides the best fit in relation to a number of NCCs key parameters regarding delivering Extra Care, particularly that it does not wish to undertake the development itself, nor retain the ownership and management of completed facilities.
2. NCC does not have the appetite for, nor the assets (land) required to commit to forming a separate entity via which development can occur, and a framework can be used to deliver schemes on land either owned by NCC, or controlled NCC or its public sector partners
3. This framework can be delivered more effectively and efficiently than other methods using the resources (staff, skills and experience) available

Considerations

Whilst the EC Programme Board may accept the developer-provider framework is the most appropriate delivery model for NCC, consideration needs to be given to:

- The nominations protocol to be used on schemes delivered through the framework

- The use of capital grant funding for schemes delivered through this framework.
- Will there be any additional services that can be procured from the framework?
- What will be the number of framework partners to be appointed, and who can use it?
- A procurement process being used for the framework to be confirmed following the completion of a soft market testing exercise.
- In the short-term developer-providers must be procured on a one-off basis on schemes under NCC control until a bespoke framework is established.
- The role of NCC needs to be understood – if the council is putting in resources such as land or finance of some form it will take a partnership/operational type role whereas if it is not putting anything in to the development pot then it will act in a strategic advisory role

2 INTRODUCTION

The NCC Delivery Model

Norfolk County Council (NCC) Extra Care Programme seeks to develop a coherent delivery plan to meet the current and ongoing annual growth in demand for supported housing (Extra Care). A range of options by which NCC could stimulate the market has been considered to ensure that the current deficit in Extra Care (EC) Housing can be met. As part of this the Extra Care Programme Board (ECPB) is in the process of establishing the case for increasing the supply of EC housing through stimulating development of the delivery of extra care units.

There are a number of delivery approaches available to NCC by which this stimulation can be exercised ranging from direct development by NCC through to various forms of partnering with a private sector provider. This document sets out the research and evaluation of these approaches and make recommendations regarding the appropriate delivery model and accompanying procurement routes by which NCC can stimulate the development of EC housing.

This Report

This report presents an overview of the range of delivery methods available to NCC which could be used to stimulate the delivery of EC housing, and provides a comparison of these methods in terms of their relative advantages and disadvantages, and how where applicable they vary in terms of associated risks, rate of delivery, timescale for establishment, impact upon resources, as well as case study examples.

Stage 1 - Research

This report presents part of Stage 1 of the work on the delivery model, and represents the output of research including:

- Desk-based review of existing delivery approaches either completed, in procurement, or in development
- Stakeholder engagement with known and other organisations to identify best practice in the market regarding delivery approaches and procurement methods, to include:
 - Other public sector organisations ('commissioners')
 - Providers of Extra Care housing including RSLs, developers, and housing / charitable trusts ('providers')
 - Other organisations with experience and involvement in Extra Care delivery models, including legal, commercial and property, finance & tax advisers ('enablers')

These parameters or assumptions made in producing the long list of potential delivery models and the recommended model have been the subject of a 'peer review' by specific members of the Programme Board with specialist skills, namely:

- Property
- Planning
- Finance
- Procurement

- Commissioning
- Adult Social Care

The aim of doing this was to ensure the assumptions made were sound, verified and supported by these key areas so that the Programme Board is confident that the full range of delivery methods have been considered.

Stage 2 – Evaluation

The knowledge gathered through the research stage fed into Stage 2 of the work, which is an evaluation of the potential delivery methods against a number of metrics which reflect the Treasury 5 Case Model.

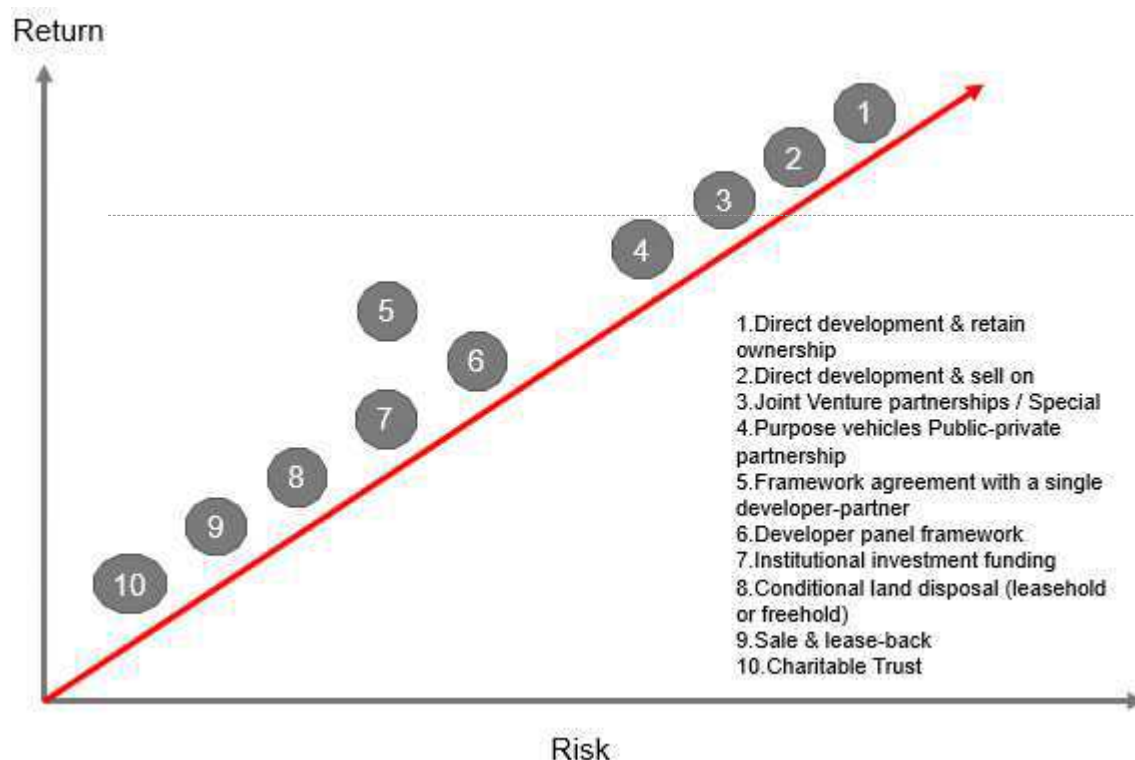
3 POTENTIAL DELIVERY METHODS

Delivery approaches considered

A long-list of delivery approaches have been identified, which vary in the amount of control the local authority can have, in the risk they are likely to encounter and the return they may receive. These include:

- Direct development, either to sell the development on or retain ownership of development.
- Joint venture partnerships, including variants on this model such as special purpose vehicles or local asset backed vehicles.
- Various forms of public-private partnerships, via a developer agreement or contract rather than forming a separate entity.
- Framework agreements with a single partner.
- Framework agreements with multiple partners.
- Institutional investment funding
- Conditional land sales (freehold or leasehold)
- Charitable or social Trusts
- Sale and lease-back
- Social investment models

To help understand how these methods vary, and help determine their suitability in the Norfolk context, the figure below places them on axis relating to control, risk and return.



An overview of each of these delivery methods is provided below, with a more detailed comparison included in Appendix A.

Direct Development

Councils set up their own team or separate body and invest money to enable local house building or development. The Council funds and builds the scheme and may retain or appoint the development management element. The local authority can then decide to either sell on to get a capital receipt or to retain the freehold or leasehold to allow revenue receipts.

This method allows the local authority to take a more entrepreneurial role and potentially make returns on development. However significant skills and expertise are required in commercial activities which may traditionally not lie within local authorities.

This form of direct development differs from the local authority managing the development process, by which it manages other partners / contractors for various stages of the development process, as opposed to undertaking these stages within the organisation.

Joint Venture Partnerships

Joint ventures or special purpose vehicles generally involve the formation of a separate entity to the local authority, with the local authority partnering with an organisation from the private sector. The local authority would generally provide a local asset such as land, transferred at nil or low cost in order to stimulate development, with terms and conditions set on who will provide funding for elements involved in development e.g. care, housing.

This approach shares risk and therefore reward and allows the local authority to gain external expertise from a private sector partner. The set-up costs and resources can be considerable with often complex legal and organisational structures required.

Public-Private Partnerships

There are various forms of public-private partnership, by which the Council partners with a private organisation via a contract agreement in order to deliver an agreed development. Both parties bring different skills, roles and / or assets to the partnership. Both parties could invest money and / or land into the project and share risks associated with the project.

This development agreement or public-private partnership can be utilised in similar circumstances to those where a formal joint venture or special purpose vehicle is formed, but without forming as a separate entity. Roles, responsibilities, liabilities and requirements can be set in the agreement, as well as setting financial parameters between parties.

Framework Agreements (single partner)

A clear framework agreement is outlined between the council and a chosen investor for some single or multiple developments. This is a fixed agreement to enable development through an understanding of outcomes, with each party clear on individual responsibilities linked to the project.

Framework Agreements (multiple partner)

A development panel framework is a panel of prequalified developers used to reduce timescales when there are multiple commissions over a period of time. The panel can be used to procure a developer for a range of services relating to housing led development from obtaining planning permission through design and construction, marketing and sales.

Using framework agreements can reduce timescales and reduce risks. Clear conditions can be set out in the framework to ensure quality standards and expectations regarding a range of factors can be met on and agreed in advance of each individual project. A qualification process for developers can ensure providers prove their experience and track record prior to the letting of any individual project.

Institutional Investment

A fund set up specifically to provide finance to invest in extra-care building schemes and granted to providers to subsidise the cost of development. Finance can be provided from a range of sources including pension funds and allows a greater level of capital to enter the market to enable a faster rate of development.

Conditional Land Disposal

A conditional land sale is made through having a particular set of conditions/regulations and agreements that must be met before land is transferred, usually at nil value or sold at a fixed rate for a particular development project. For example, land is given under the provision that it is used only for affordable or extra-care housing, with other requirements that may be built into the scheme to meet local need. The agreement stipulates various conditions that must be met in order for the contract to be binding on the parties

Sale & Lease-back

A long-term land lease is provided / sold to investors and / or developers, who undertake the development and lease the units back to the local authority at a level which permits affordable rent levels, with a separate agreement for the management and maintenance of the development and provision of care. The local authority provides assurances regarding back to back tenancies and rent including arrangements to cover void periods. This gives long term securities over income to investors. Often the ownership of the units reverts back to the local authority at the end of the agreed long-lease period.

Social investment model / charitable trusts

A charitable trust dedicated to achieving a socially beneficial outcome is set up to achieve the delivery of extra care housing, generally across a number of sites. This is lead under a not-for-profit model and focused on providing a service and housing without generating high levels of income; this is a unique model that may incorporate volunteers as part of the provision to save costs.

Conditions can be attached to any development deal such as low-rate repayment loans that enable the project completion but is profit-led whilst balancing social investment.

A significant factor in identifying the most suitable delivery model for Norfolk is the ownership of the land that will be brought forward for development and the route that will be followed. This is summarised in the diagram below:

Land ownership	Source	Partnership	NCC involvement	Short term delivery method	Medium term delivery method
Public	One Estate Programme	NCC / Developer-provider	Nominations,	OJEU procurement & land transaction	Developer-provider framework
	Site from District / other public sector (inc. S108)	DC/ Developer-provider	Nominations	OJEU procurement / S108 negotiation	Developer-provider framework / S108
Private	Developer-provider scheme - viable	Developer-provider	Nominations	n/a	n/a
	Developer-provider scheme – not viable	Developer-provider	Nominations	Grant funding / S108 negotiation	Grant funding / Developer-provider framework / S108

It is most likely that the land for EC developments will come from public ownership but the possibility of land in private ownership cannot be ignored in which case the 2 possible routes to development are shown above.

4 NCC PARAMETERS FOR DELIVERY

CURRENT PARAMETERS

In order to identify appropriate delivery methods, it is important to understand the NCC position on a number of factors relating to Extra Care housing delivery. These factors will provide a number of assumptions or parameters to frame the selection of the delivery methods and feed into the evaluation process

The 'parameters' identified for NCC are presented below. These have been tested and endorsed by members of the Extra Care Programme Board but require ultimate sign off by the Programme Board

- The delivery approaches to be considered must comply with the NCC Extra Care programme objectives
- NCC is open to considering a range of delivery models which will contribute to meeting the NCC EC programme objectives
- NCC is open to considering using more than one delivery approach to deliver the programme, with potentially more than one delivery partner
- The delivery programme will be expected to meet projected demand
- The development being delivered must be aligned with the NCC definition of EC
- NCC will ensure sufficient internal resources (staff etc.) are available in order to facilitate the delivery of the programme including project management and governance arrangements
- Non-private units must be provided at social and/or affordable rent, depending on the elements of the individual scheme (ensuring housing benefit would cover rent & service charge)
- NCC (subject to a business case) are willing to pursue a range of sources of capital finance to fund the delivery of EC including private finance, institutional investment, public sector funding/borrowing and grants
- NCC may have a limited amount of land assets available to commit to the EC programme during its lifetime
- NCC do not want to retain ownership of any land committed to the EC delivery programme, unless there was a strong commercial justification to do so
- The scheme should be capable of being used to deliver schemes on land either owned by NCC or controlled by NCC
- NCC do not want to retain the operational / maintenance elements of completed schemes
- NCC does not wish to undertake the development itself, nor retain the ownership and management of completed EC facilities
- NCC does not have the appetite for, nor the assets (land) required to commit to forming a separate entity via which development can occur
- Development will be managed by a third party outside of NCC where appropriate
- Norse will be treated like any other care provider
- NCC are willing to encounter a limited amount of risk in relation to planning & design
- NCC are willing to encounter a moderate amount of financial risk
- NCC are willing to commit a substantial / meaningful amount of capital finance to the delivery of the programme

- NCC are willing to commit a meaningful amount of revenue funding to the delivery of the programme
- NCC requires a reasonable return on its investment, through either revenue or capital receipts.

These parameters will be further developed into a set of metrics to be used in an evaluation of the options presented earlier in this document.

5 DELIVERY METHOD OPTIONS EVALUATION

A detailed options evaluation will be undertaken for the range of delivery methods identified for Extra Care. This is intended to provide a robust and fit-for-purpose justification for the appropriate delivery method(s) chosen.

Evaluation metrics

In order to evaluate the various delivery methods, a number of metrics will be identified to reflect the Treasury 5 case model. These 5 cases represent the different dimensions of a project and can be described as:

- Strategic fit – Does the method provide a fit with local and regional policies and plans
- Economic case – Does the method represent best public value
- Commercial case – Is the method attractive to the market, is it commercially viable
- Financial case - Is the proposed method affordable
- Management case - Is the method achievable

The metrics to be identified within each of these 5 cases must be based on the parameters described above which establish NCCs position on various factors relating to the Extra Care programme. The suggested metrics are:

Strategic Case

- SC1 Does the method meet the NCC Extra Care programme objectives (that have been aligned to corporate objectives)
- SC2 Can it deliver the projected demand
- SC3 Does the method not impede delivery in the short term
- SC4 Does the method not preclude a particular approach to care provision (eg. Block contracts or direct payments)

Economic Case

- EC1 Does the method offer NCC a potential for a return on capital and revenue investment
- EC2 Does the method require encountering risk in relation to planning & design
- EC3 Does the method require encountering financial risk
- EC4 Does the method require retaining the ownership of the completed development
- EC5 Does the method require retaining the operation & maintenance of the development

Commercial Case

- CC1 Does the method require NCC land assets
- CC2 Is there a mature market for this method
- CC3 Does the scale of the programme support the delivery method

Financial Case

FC1 Does the scale of revenue funding required for this method meet NCCs parameters

FC2 Does the scale of capital funding required for this method meet NCCs parameters

Management Case

MC1 Is the level of Internal resources required for management and governance realistic and achievable

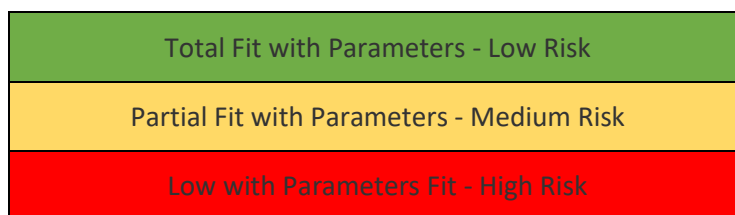
MC2 Are the skills and experience required for management and governance available

MC3 Are NCC required to retain ownership of completed development

MC4 Are NCC required to retain the operation & maintenance of development

MC5 Is the complexity of delivery in terms of development management realistic and sustainable

The above is what will form the detail of the next element of the Delivery Model. Each of the delivery methods will be assessed against these metrics using a traffic light-based system, shown below.



6 DEVELOPER FRAMEWORKS

As a result of the options evaluation process developer frameworks have been identified as a preferred delivery method for Extra Care, along with establishing public-private partnerships which do not require establishing a separate entity to enable this.

There are a number of developer frameworks that exist and have been established by public sector organisations to enable the delivery of a range of capital projects, across a number of services.

Existing developer frameworks

Using an existing framework could enable developer-partnerships in the short term prior to procuring a bespoke framework for Extra Care.

From the research done so far, a framework suitable of meeting NCCs requirements to be able to procure developer-providers to deliver Extra Care units on public sector land in the medium term (up to 1-2 years) will require the development of a bespoke framework. This conclusion follows the research of existing frameworks, which resulted in the following conclusions from those frameworks researched:

- That the majority of frameworks do not specify Extra Care housing within the scope of services or development types that can be procured
- Further to this, the care element of Extra Care was not specified in the scope of these frameworks, suggesting that developer-providers could not be procured from these frameworks
- The frameworks researched were limited in the number and range of partners available with a track record in delivering and operating Extra Care or other social infrastructure.
- The frameworks researched were generally limited in their geographical scope, and so not aimed at providing services for Norfolk.

Given these conclusions, it is recommended that prior to establishing a bespoke framework for procuring developer-providers in Norfolk, other methods are used to identify suitable partners for delivering Extra Care development. This would be done via individual procurement exercises, along with conditional land sales for sites in public sector ownership.

7 APPENDIX A DELIVERY APPROACH – DETAIL

Delivery Approach	Advantages	Disadvantages	Risks	Scale of development	Timescale	LA resource requirement	Examples
Direct development	<p>LA takes a more entrepreneurial role and enables staff to acquire skills & experience of development. Could allow increased supply to alleviate pressures on other services leading to long-term savings whilst creating income for councils</p> <p>Council can make a return on completion through the sale of the site or via rent returns.</p>	<p>Significant time and resources needed to implement and resource the service; skills needed to support a commercial activity.</p> <p>Need a detailed business case and existing experience.</p> <p>High investment required for the initial development.</p>	<p>High risk involved with costs and investment in resources.</p> <p>Finding a buyer for the development and securing a sale value that provides a return has risks attached.</p>	<p>Can enable rapid expansion of housing stock if market conditions are right.</p> <p>Allows NCC to be in control of delivery, therefore can ensure the delivery of the development on time.</p>	<p>Considered a strategic solution to delivery as requires time to establish the service and deliver development.</p>	<p>Requires specialised and experienced staff resources and corporate support in order to establish and maintain the service.</p>	<p>Sheffield Housing Company; plans to build 2300 homes over 15-year period.</p> <p>Ashford Borough Council owned housing company.</p> <p>Southwark Council Extra Care Housing.</p>
Joint venture partnerships / SPVs	<p>The council gains external expertise and some of the risk is reduced as the investor also puts capital into the project.</p> <p>Suitable for councils with limited resources to acquire an onsite team; can be more cost-efficient</p>	<p>Complexity – needs agreement of key decision-makers and different departments within NCC eg. finance, property and legal teams.</p> <p>Time and money required to</p>	<p>Complexity of contractual arrangements, often a large volume of contracts. Council has to uncover the most desirable partner that can deliver on project. Need to have clear objectives</p>	<p>Depends on interest in investing in the project but tends to be larger due</p> <p>Can have a significant impact on stimulating development if the asset is set at the right level to enable</p>	<p>Considered a strategic solution as involves a significant amount of time for procurement process and negotiation with one or more potential partners.</p>	<p>Requires support and advice from a range of departments.</p> <p>May require external advice from commercial, legal and financial advisers.</p>	<p>Wakefield and Oxford Barton;</p> <p>Warwickshire County Council Partnership with Housing.</p> <p>Gateshead partnership with Evolution Gateshead.</p>

Delivery Approach	Advantages	Disadvantages	Risks	Scale of development	Timescale	LA resource requirement	Examples
	<p>and suitable for commissioning authorities.</p> <p>Under the joint venture model surpluses (effectively profit) are shared with all costs and values being provided on an open book basis.</p> <p>The developer is positively incentivised to maximise profit and the Council has strong control and oversight of costs and values through its ownership and directorship in the JV company</p> <p>Can provide significant levels of development depending on scale of interest and local asset involved in the project.</p> <p>Benefit of a LABV approach would be to package up the land and secure planning consents</p>	<p>establish the JV / SPV. Legal and commercial advice and resources needed.</p> <p>This approach needs corporate approach and professional s involved across the council.</p>	<p>threaded throughout the project procurement.</p> <p>A governance structure that represents all stakeholders needs to be set up effectively for this to work. The asset such as land needs to have market appeal.</p>	<p>interest by developers.</p> <p>Due to significant set up costs in terms of time & resources more suitable to delivering at scale.</p>			

Delivery Approach	Advantages	Disadvantages	Risks	Scale of development	Timescale	LA resource requirement	Examples
Public-private partnerships	<p>Tight specifications and contracts can deliver outcomes and reduce risks.</p> <p>Can provide a structured relationship with a developer-partner without the complexity of a separate legal entity.</p> <p>Establishing clear protocols and delivery expectations help establish understanding and expectations between parties as project progresses and relationships mature.</p>	<p>May require external support and advice on commercial, legal and financial aspects of the development agreement.</p> <p>Possibility of missing out on return if market performance is above expectations and provision for this not in agreement regarding profit-levels.</p> <p>'Overage' agreements used to capture value can be difficult to agree.</p>	A robust specification and agreement required at the outset to ensure control and objectives / outcomes are met.	Can be applied to a range of development sites and so can be used for smaller as well as larger scale of delivery,	Subject to complexity of development agreement can be a more straightforward procurement and negotiation process and avoids the need for a separate legal entity.	External support and advice from commercial, legal and financial sectors may be required.	<p>Barking and Dagenham.</p> <p>Hampshire.</p> <p>Rushcliffe Borough Council.</p>
Framework agreements (single partner)	A clear strategy attracts developers and creates market certainty in investing in a project with understanding of clear financial returns and the required investments,	Framework agreement with one partner does not create competition through the timescale of the framework, possibly affecting	The strategy needs to be robust at outset to be effective in the longer term.	Would need to be able to provide sufficient opportunities to be attractive to the market.	Framework requires procurement process. Possibility of using existing frameworks to allow delivery in the short / medium term while bespoke	Requires support from service commissioners and procurement. May require external advice from commercial, legal and	Eastleigh borough council.

Delivery Approach	Advantages	Disadvantages	Risks	Scale of development	Timescale	LA resource requirement	Examples
	demands and future projections.	quality of outcomes. Outcomes could miss out on advances or quality elsewhere in the market.			framework is established.	financial sectors.	
Framework agreements (multiple partner)	A clear framework and partners are outlined and therefore should help to speed the delivery, set quality standards and ensure that the project delivery occurs in a co-ordinated way with preferred providers. Can act as a means of quality assurance as preferred developers are already outlined and will have experience in delivering similar projects	Takes time to set up, need a robust framework and engagement with preferred developers to get stakeholder s on board and overall framework approval. Need personnel in the council with existing skills around framework construction and delivery into the final product	Not being able to get a clear framework approved with interest from prequalified housing developers; seeking interest from the market may slow the initial delivery process.	Sufficient opportunities for development must exist to attract market interest.	Framework requires procurement process. Possibility of using existing frameworks to allow delivery in the short / medium term while bespoke framework is established.	Requires support from service commissioners and procurement. May require external advice from commercial, legal and financial sectors.	Hampshire CC
Institutional investment model	Allows greater level of capital to ensure a faster delivery of the extra-care model These models can be delivered	Need people with expertise within the council to understand and engage with	Need clarification around the long-term nature of the project and lease conditions.	Can deliver sizeable projects. Likely to invest in larger projects where there is a clear	Can take time to identify a suitable partner and is subject to market conditions and other forms of	Requires a partnership approach with fund, developer and provider.	

Delivery Approach	Advantages	Disadvantages	Risks	Scale of development	Timescale	LA resource requirement	Examples
	<p>without reliance on HCA grants, are usually willing to invest in social good schemes and work with councils.</p> <p>Rent levels are set at affordable and in line with local housing allowance/eligible rents. and focus on efficiency by linking new property close to properties already managed</p>	<p>stakeholders</p>	<p>Limited risk to council as the risk is borne by the Fund, which takes on 100% of the risk in terms of development, construction, refurbishment and financing as required.</p>	<p>understanding of the strategy in place.</p>	<p>investment which funds can consider.</p>		
Conditional land disposal	<p>Removes uncertainty as clear conditions are attached to the land and can therefore bring forward willing developers in line with the requirements of the land and development scheme</p>	<p>If the conditions on the land disposal are too restrictive this may limit development and deter investors from coming forward to develop the land.</p> <p>This could prohibit the scale of development and interest in land and therefore conditions attached should not</p>	<p>Conditions attached to the land are too restrictive and no development takes place; slows pace of development and cost of development increases over time reducing viability and in the long-term being an inefficient approach to developing the land</p>	<p>Suitable to development at a range of scales, largely dependent on market interest and conditions rather than scale.</p>	<p>Can enable delivery in short term subject to planning and development timescales.</p>	<p>Land sales often achievable with existing skills and structures.</p>	

Delivery Approach	Advantages	Disadvantages	Risks	Scale of development	Timescale	LA resource requirement	Examples
		<p>be too stringent to reduce market interest.</p> <p>An element of profitability still needs to be considered in drawing up conditions, these need to be made clear to be realised by investors</p>					
Sale and leaseback	Council potentially receives a capital receipt.	Often requires guarantees over voids or tenancies to ensure development viability.	<p>Assurances need to be provided regarding voids, with LA liable to ensure rental income.</p> <p>Asset often reverts back to LA at end of long-lease.</p>	Suitable to development at a range of scales, largely dependent on market interest and conditions rather than scale.	Subject to available models in the market.	Can be delivered with existing skills and resources.	
Social investment models / charitable trusts	Delivers a socially beneficial outcome.	Requires identification of suitable partner and / or corporate commitment to a unique delivery method.	Requires commitment and assurances over demand / rent over longer term.	Can deliver sizeable projects. Likely to invest in larger projects where there is a clear understanding of the strategy in place.	Can take time to identify a suitable partner and is subject to market conditions and other forms of investment which funds can consider.	Requires a partnership approach.	

8 APPENDIX C - BARRIERS

Domain	Barrier	Significance C, H, M, L	Frequency H, M, L	Consequence
Strategy	Lack of high level plans and estate strategies which then can be knitted together to create an integrated approach to what is needed	High	Medium	Lack of cohesive planning
Strategy	There is no clear direction from the Council of what is needed for older people's housing i.e. numbers of houses required, location etc. and exacerbated by the public-sector cuts since 2010, and changes in administration	Critical	High	Ad hoc development ensues which may not be fit for purpose
Strategy/ Planning	CLARITY of what NCC wants and where it is wanted: <ul style="list-style-type: none"> • a clear plan so there is no ad hoc development • back up from NCC when a planning app goes in with required data and a clear route of how schemes are filled with a plan supported by data which is in the public domain 	Critical	High	Either ad hoc development takes place or none at all as developers look elsewhere
Strategy	No decision making in NCC and so many competing priorities – no clarity about what their priority is and therefore what to do with the assets	Critical	High	Opportunities for development are missed and potential for mixed messages about EC being issued
Strategy	NCC has not been prepared to act as a partner and share risk	High	Low	Developers will look for other opportunities outside of Norfolk so limited if any progress on building new schemes
Strategy	No consistency of approach and engagement	High	High	Developers will look for other opportunities outside of Norfolk where

				engagement is easier so limited if any progress on building new schemes
Strategy	Developers/Housing Associations struggle to get information out of the County on data so difficult to either put a strategic plan together to develop schemes or contact people direct to advertise the vacancies that Broadlands have	Critical	High	Developers will look for other opportunities outside of Norfolk where information is more forthcoming so limited if any progress on building new schemes
Strategy	The approach seems to be crisis management – people take what’s available rather than it being the right option – very reactive rather than proactive stance.	Critical	High	Vulnerable people end up in long term residential care which is not right for them and results in extra expenditure for NCC which could be avoided
Strategy	People obsessed with the Care Act and what it means and their rights – can we help people make the right choice rather than it being left to the client all the time	Low	Medium	A lack of understanding around what EC is and what it can provide will potentially adversely affect void levels
Strategy	County tend to think about dementia wings rather than involving a mixed economy	Low	Medium	Potential for inappropriate development to meet future demand
Strategy/external coms	GPs never mention EC/HwC when considering care solutions for their patients – it’s not on their radar	Medium	High	Marketing campaign - raise awareness
Strategy	Risk share - NCC seem unprepared to make any form of commitment in terms of a guarantee of onward revenue and risk sharing. NCC want the developer to carry all the risk but to have total control over the lets and have no Void Guarantee in place.	High	High	This is not an attractive proposition for people looking to invest in the county and so developers tend to take their business elsewhere.

Strategy/Demand	There is a clear need to know early on what to build and where to build it	High	Medium	Developers get frustrated and look for easier pickings
Governance				
Governance	Need to get all the key players round the table which is a fundamental requirement to sustainability. No joined up thinking	High	High	Decisions either take too long or don't get made at all and opportunities are missed
Governance/ Leadership	Leadership – there is a clear need for someone in authority who can make things happen and say what is required	Critical	High	Decisions don't get made, no direction or strategy is formulated and actioned
Governance/ Leadership	Historical legacy of lack of definitive action	High	Medium	Decisions don't get made, no direction or strategy is formulated and actioned leading to frustration by all parties
Governance	No agency singularly responsible for HWC	Critical	High	Difficult to make decisions and co-ordinate the overall process
Governance	NCC wanted to control development of EC rather than enable it resulting in very cumbersome processes	High	High	Process is difficult to understand so doesn't get used and service users end up in residential care rather than EC
Governance	The relationship between NCC with Local Authorities and Housing Associations varies considerably	Medium	High	Makes the process of developing EC that much more complicated than it needs to be and a possible inconsistent approach to EC across the county with all the attendant issues that will bring
Governance	Relationship between NCC and Norse – SLAs in place but more token than real and not measured.	High	High	Any development would have to exclude Norse or be on a totally different basis –

				need real SLA with KPI and monitoring mechanism
Governance	Engaging with NCC is not very easy:- Difficult to find right person to make decision – very bureaucratic and risk averse and unable to make decisions quickly Skills of elected Members making decisions on EC questionable – Overlap between needs of Adult Social Care and Housing with Care and Health – no joined up thinking	Critical	High	Leads to a very complex care landscape and a confused approach to EC characterised by duplication and missed opportunity, slow decision making, long lead times, unnecessary expenditure.
Governance	NCC has experienced quite a lot of market interest in developing supported housing in the past but couldn't capitalise on this because the Council "couldn't get their ducks in a row"	High	Medium	Loss of opportunity and reputational damage
Commercial				
Finance	When thinking about future HwC schemes there is a clear division between people who can afford to pay for a home and those who can't and this needs to be factored into any business/financial modelling at the outset and when considering the tenure mix.	High	Low	Lack of robust financial modelling
Finance	Last year revenue going into supported housing was cut by £5.2m	High	Low	Services are expected to do more for less and this will only be possible with a robust model of EC
Finance	Confusion about revenue funding i.e. how it works, levels etc and how much capital could be made available by NCC	High	Low	Lack of robust financial modelling

Commercial	Nominations – For Developers/Housing Associations to be attracted to Norfolk, as with any county, there needs to be some form of guarantee in place to ensure once a place is built, it is filled	High/Critical	Medium	Developers will look to provide other forms of housing, e.g. general needs where voids aren't an issue
Commercial	High void rates due largely to a very slow and protracted nominations process	Critical	High	Has the potential to make new schemes uneconomic and thus prompt developers to look elsewhere to develop EC housing or build other types of accommodation
Commercial	Councils don't take into account the correlation between grant, rental allowed and income and affordability. Investors are looking at a 6% return which is commensurate with the associated risk margin/profit margin necessary for a robust investment model.	High/Critical	Medium	Lack of robust financial modelling
Commercial	Lack of commercial awareness by NCC on how to turn strategy into actual developments and that Housing Associations are businesses and have to make money	High	Medium	Missed development opportunities for new schemes, high void rates when new developments are not filled
Commercial	Seems to be no understanding of the urgency that Housing Associations face and the need for them to make money as they are a commercial enterprise. Urgency only comes when there is a crisis.	Medium	Medium	Fails to promote a good working relationship and ultimately results in increased expenditure which could be avoided
Commercial	Viability is also a challenge = need a suitable site which was cheap or gifted land and find a local builder who could build at a good rate plus grant from Homes England	High	Medium	Where this cannot be achieved, Developers/Housing Associations will look elsewhere
Commercial	Build costs have continued to climb	High	High	This has to be factored into any financial modelling
Commercial	Rent Cap – the rent cap exists which prevents Housing Associations raising rents above certain limits.	Critical	High	The changes that may come into effect with the rent cap are not yet fully known

				but there effect is not likely to be positive for EC
Planning				
Planning	Developers and Housing Associations need a clear route through the planning process and support from NCC to bring schemes to a fruition in as short a time as possible.	High	Medium	The lack of a clear route will at best prolong development lead times and at worst prompt Developers/Housing Associations to look outside the county. NCC need to find suitable sites and making it easy for developers to acquire these sites and the required planning permission to develop new HwC schemes.
Land/Property	One Public Estate Agenda is a source of public land – but not enough of it to develop schemes of a size which would be economically viable.	High	Low	Has significant implications for the delivery model
Land/Property	Land is always going to be an issue, especially in North Norfolk as the sea curtails further development northwards, so have to move south. Land with planning permission for housing is extremely high in value	High	Medium	Has significant implications for the delivery model
Planning	The 7 District Council planning functions to work as separate entities whereas they need to work together	High	Low	A lack of coordinated planning leads to an uncoordinated approach to planning and a lack of uniformity across the county
Planning	ASC never been asked if any more care homes were needed when thinking about planning and development.	High	Low	The key is good market intelligence, knowledge of land in areas to develop, good prevalence modelling
Product and Process				

Process	NCC has no formal process or business model for engaging with Developers/Housing Associations/the market	Critical	High	Makes it extremely difficult for developers to engage with the county and all adds to the time and cost required to get a scheme off the ground
Process	No internal support/team/resource to assist Developers/Housing Associations with the NCC internal “process stuff” required to get a scheme moving,	High	High	Makes it extremely difficult for developers to engage with the county and all adds to the time and cost required to get a scheme off the ground
Process	Lack of clarity on how HwC schemes operate and are utilised – the definition has been abused – dysfunctional commissioning function but borne out of necessity because NCC want to get best value out of the 15-year contract with Norse	Critical	High	Lack of clarity adds to the duplication of effort, missed opportunities and general increase in time frames and costs. Also, reputational damage to NCC
Process	Relationship with Norse is dysfunctional and strained – investors and developers don’t want to get involved in the politics and complications caused by the nature of the relationship	High	Medium	Developers/Housing Associations will look elsewhere to a more stable climate in which to work
Process	Voids – Target is on average 2 to 3 weeks but can be anything up to 10 to 12 weeks.	High	Medium	No guarantees provided so Housing Associations prefer to put their cash where it’s safer – not prepared to shoulder all the risk themselves.
Process	Difficult to get workforce to do home support, especially in North of county so limits the potential for development of schemes in north of county	Medium	Medium	Can result in lots of travelling which is not effective and expensive for NCC
Process	Social workers are focussed on helping people and although they are becoming more commercially aware, their time is limited and so need to focus on the care side. Not enough of them to do all the assessments required	High	Medium	A significant programme of change management will be required to bring about the required changes in developing a commercial attitude as well as a caring one.

Process	Nominations Process – on average the nominations process for special needs/ housing for older people takes 100 days and more. Because the process is complicated it takes a long time and so staff will also avoid using it	Critical	High	The impact of this is a high void rate which makes developers and HA unwilling to invest in Norfolk
Product	The person who might use the service and the families don't know what EC is.	High	Medium	Because people don't know what it is they don't use it so older people potentially end up in the wrong facility for their needs. A marketing campaign is required.
Process	Practitioners work at a pace and therefore the process needs to be simple and it's not	High	High	A complex process will either be ignored, or local work arounds developed which increase the cost of running a service
Process/awareness	Because it's a very complex thing to sort out social workers shy away from it – it needs to be easy for social works to get people in housing with care at an early stage so its a positive choice for the client	High	High	A complex process will either be ignored, or local work arounds developed which increase the cost of running a service
Process	Process Management - NCC processes and the way they are managed do not enable quick and fleet of foot decisions to be made which are frequently required when an investment opportunity exists.	High	High	Poor processes and poor management lead to slow decision making and missed opportunities
Data/joined up thinking	NCC struggles with information and data i.e. don't know where data is and how you can pull it all together to make decisions – no joined up thinking – people struggle to provide evidence to support any recommendations	High	High	Slow decision making and missed opportunities
Product and Proces	Culture – There is a fundamental misunderstanding by NCC that HAs need to make money. The council also fails to realise it has to complete for the resources of Has	High	High	NCC staff need to have more of an understanding of commercial reality

