



Commercial and Investment Strategy Strategy and Guide



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Introduction

Why do we need a Commercial and Investment Strategy?

Since 2010, Fenland District Council has undertaken massive organisational change in response to national austerity pressures. Major sources of funding, specifically Government Revenue Support Grant (RSG) and Business Rates (NNDR) have reduced by 68% (£7.721million). During this time, FDC will have delivered a total of £9.9million in savings.

We have been nationally recognised as one of the most efficient Councils in the country. This is due to our innovative ways of delivering savings through our previous Modernisation Programme and Comprehensive Spending Review (CSR1). Savings have been delivered whilst continuing to protect frontline services and freezing Council Tax for 5 (out of 9) years.

Whilst we have met the savings challenge to date, our journey isn't over. We believe that at least £1.6million of further savings will need to be delivered by 2023/24. A number of significant risk areas¹ could increase this target even further.

Some efficiencies can be delivered through 'business as usual' activities. However, we must take further actions to meet current challenges whilst ensuring our organisation is sustainable for the future. This strategy outlines the types of investment opportunities that are available to us and the benefits they could bring; not just to our organisation, but to the wider district and its residents.

About our strategy

The term 'investment' can have different meanings in different contexts. Our Investment Strategy aims to provide the basis for informed decisions to be made on investing in property assets. It is split into three sections:

- **Part One** discusses and outlines our approach to commercialisation. It takes a broad view to include all aspects of service reviews, transformation, digitalisation, shared services, new income generation opportunities, pricing and the selling of services.
- **Part Two** discusses the purchase of an asset (and its disposal) to secure returns to contribute to the Council's sustainability. It sets out the processes and decisions needed to undertake investment in order to achieve a net income stream over the medium to long term.
- **Part Three** discusses the Council spending its own funds to support its strategic priorities within regeneration and place shaping. This may not deliver a financial return as described in Part Two, but could increase the GVA (Gross Value Added) and potentially deliver a number of indirect benefits through new jobs, inward investment, Business Rates and Council Tax.

Context

Local authorities have always owned property as part of their operational assets, strategic and regeneration projects. During the past decade, government austerity measures have put significant pressure on local government budgets. This, along with increased autonomy, has led an increasing number of authorities to become commercially minded and to

¹ These include, but are not limited to: the Government Spending review, Fair Funding review, 75% Business Rates retention, New Homes Bonus, changes to income (locally and nationally) and capital spending and funding.

subsequently invest into commercial property as a way to improve sustainability, reduce reliance upon central government grants and to protect services within communities. Historically low levels of interest rates from the Public Works Loans Board (PWLB) have also supported development to take place.

All Fenland District Council owned land and property is held as a corporate resource. Our Asset Management Plan outlines our agreed strategy and operation policy for developing, disposing and acquiring land and property. This strategy focuses on the acquisition of property as an investment and sits within the wider Asset Management Plan. All property is (or will be) held for a clearly defined purpose; whether that is to support services, provide revenue or to enhance our strategic role as a place shaper.

Exemptions

This strategy does not cover the Council's management of its cash-flow and surplus funds through short term investments or deposits in approved financial institutions or investment in Property Funds² which would be a policy decision within the Council's approved Treasury Management Strategy or Policy.

² Approved Property Funds are 'pooled funds' that invest in commercial property for rental income and through appreciation in values. They are available to the Council to invest its surplus funds it will not need within the next 5 to 10 years as a minimum. After fees and charges, net proceeds are distributed to investors within the Fund.

1. Part One – Commercialisation

Commercialisation

1.1 'Commercialisation' is an increasingly important concept in local government driven by the need to manage financial challenges. There is no single approach to this, and local factors influence each authority on how best to take the concept forward. These include political buy-in, the financial climate, capacity, risk appetite, opportunities, skills and capability.

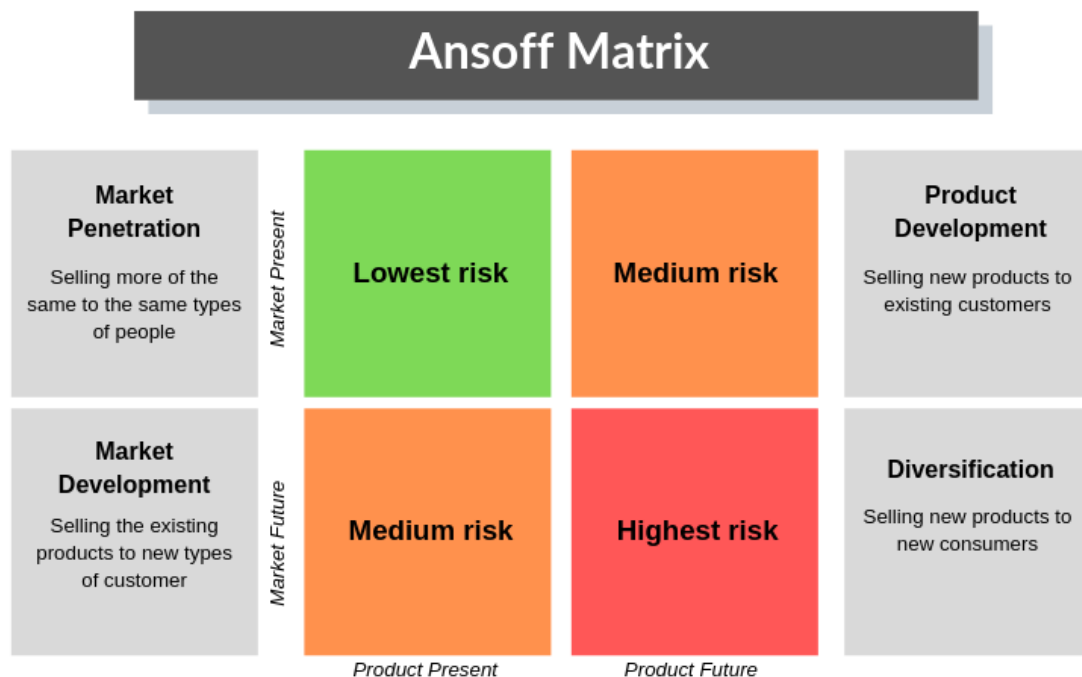
1.1.1 When building our strength as a commercial council, we must question:

- Have all options to maximise use of revenue and assets been explored?
- Do we understand our strengths and weaknesses?
- How do our services compare on net income and cost recovery?
- Have adequate processes been established to identify and select new opportunities?
- Is it clear how generating income will deliver a financial and social return?
- Are we aware of all and emerging financing available to fund proposals?
- Are governance proposals robust enough to scrutinise business cases?
- Do we understand the pros and cons of alternative development models?

Pursuing new opportunities

1.2 When considering new opportunities, we must fully understand the type of commercial opportunity. This will determine the level of risk and whether the venture is appropriate for the Council.

1.2.1 The commercially recognised 'Ansoff Matrix' diagram below categorises the best types of opportunities that are open to us in commercial trading in products (or most likely for us, services):



- 1.2.2 Using this type of categorisation will support us to balance the level of reward against potential risk. Examples of current 'products or services' to pilot include CCTV and new housing development.

Alternative service delivery models

- 1.3 There are a number of different delivery models that can be explored within this strategy. These are designed to protect and maximise our potential to undertake commercial ventures. Examples include:

- Company Limited by Shares
- Limited Liability Partnership
- Joint Venture
- Private Company Limited by Guarantee
- Community Interest Company
- Shared Services with Partners (e.g. SLAs)

Each model has specific features and legal connotations which will impact appropriate use. The completion of a business case will support the appropriate and careful consideration of the opportunity.

Governance arrangements

- 1.4 The appropriate arrangements of this activity are already in place. The Council has already engaged in commercial activity. Examples include Trade Waste, CCTV and Building Control.

2. Part Two – Commercial Property Investment

Background

- 2.1 Part two of this strategy aims to provide a viable and sustainable framework for the acquisition of property investments for pure financial benefit. It sets out:
- Our objectives for acquiring property investments
 - Criteria for investment acquisition
 - Risks to the Council
 - The acquisition and disposal process (governance arrangements)
- 2.1.1 The Local Government Act 1972 gives the Council powers to acquire any property or rights which facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 2.1.2 This strategy provides the Council with the framework to exploit commercial property acquisition opportunities. This is with a view to generating long term rental income streams to support the future delivery of Council services. This would be by either by proactively seeking suitable property in the market or being approached by property agents.

Objectives

- 2.2 Our key objectives are to:
- a) Acquire properties that provide long term investment in accordance with our corporate and financial objectives
 - b) Maximise return whilst minimising risk
 - c) Prioritise properties yielding optimal rental growth and stable income
 - d) Protect capital invested in acquired properties
 - e) Operate a governance framework enabling to move in a decisive and timely manner in line with market opportunities
 - f) Build a balanced investment property portfolio

Investment Property Portfolio Structure

- 2.3 An investment property portfolio must be managed separately to the Council's operational buildings. In line with best practice, it must be balanced and diverse to spread the risk. This means acquiring a mix of asset types, locational spread and tenant types whilst meeting assessment criteria.
- 2.3.1 To provide security, the portfolio should include a combination of lease types. This will ensure there is a minimum income to cover the cost of outstanding debt used to acquire the portfolio.
- 2.3.2 A portfolio of property assets will be diversified on individual assets by sector (industrial, offices and retail), location and risk. A direct investment 'Core' and 'Core Plus' approach is advised, as shown in Table 1.

Table 1: A comparison of ‘Core’ and ‘Core Plus’ Properties

	Description	Returns	Rental yield (% financial return on capital investment)
‘Core Property’	The best property for the sector in an ideal location. Offers long term income with high quality tenants.	Yields equal to or slightly above prime for the sector	Lower than the general market. However, capital and rental growth should be steady. Medium term risk of void periods and tenant default reduced.
‘Core Plus Property’	Similar to Core. However, locations are slightly less favourable, perhaps with shorter leases and lesser tenant covenants.	Returns appropriate to the sector and risk	Higher than Core, due to the increase in risk.

2.3.3 Specialist sector investments³ should not form part of the Core and Core Plus criteria approach. They will only be considered by exception, and with robust proposals.

2.3.4 Given their limited correlation to commercial property, residential properties provide a good income diversifier. Despite the need for careful tenant and property management considerations, returns tend to be stable over the long term. This is discussed in greater detail in Part 3 of our strategy.

2.3.5 Value add (vacant or short leases), re-development opportunities or distressed property can reap high capital and yield returns, but are high risk. Due to differing reasons and motive for consideration, these do not form part of our strategy.

Investment Property Portfolio Principles and Decision Making

2.4 Investment in property should account for the ethical aspects or a property's purpose, and existing/future use under our ethical standards.

2.4.1 Although explored in greater detail in Appendix 1, there are many factors to consider when assessing an opportunity for property acquisition. These include:

- Location
- Lease length
- Covenant
- Tenure
- Lot size
- Repair obligations

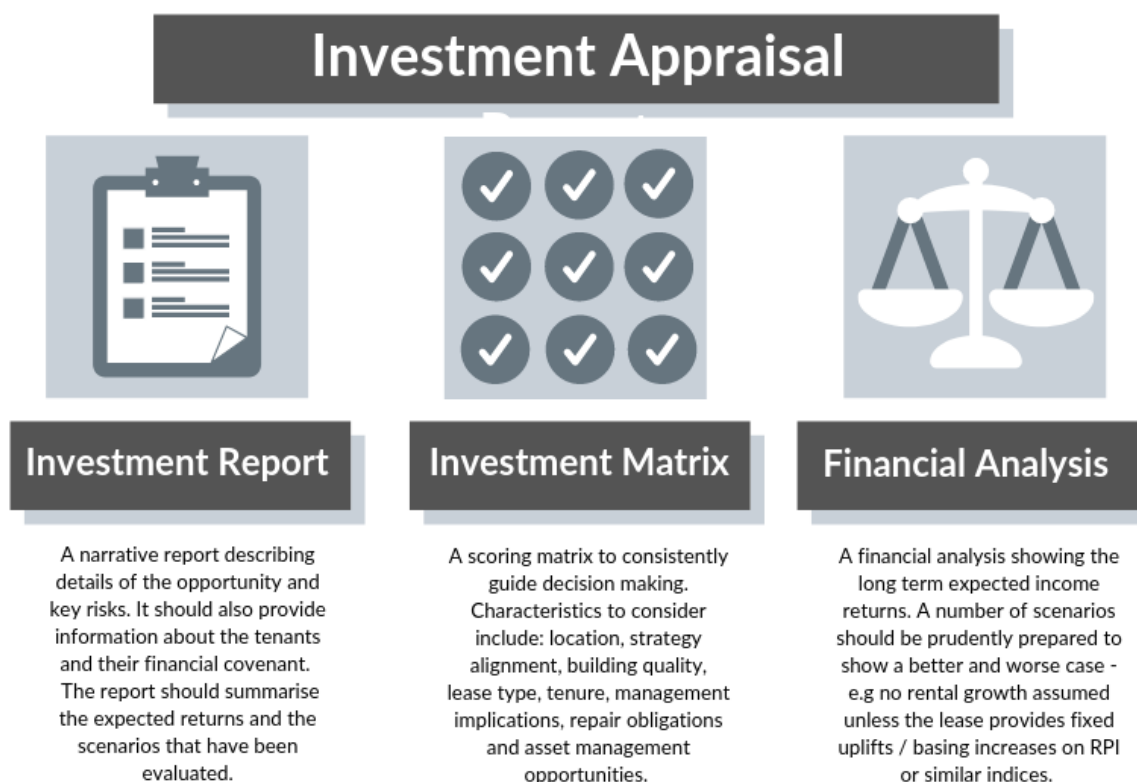
All investment under this part of the strategy must provide income (yield) at a positive net rate of return. This is determined by the cost of borrowing and the Council's Internal Rate of Return (IRR). A set of agreed criteria would need to be agreed by Cabinet and Full Council and a minimum net yield would be set before further due diligence would be considered.

³ Such as hotels, public houses, student accommodation and health care facilities

Governance

- 2.5 It is recognised that in order for the Council to maximise its ability to operate effectively in responding to opportunities for investment in the short term, delegations need to be put in place which enable decisions to be taken expediently within an increasingly competitive market. It is envisaged that this could be achieved through the creation of an “Investment Board” which, as a minimum, would include the Leader of the Council and two further Cabinet Members appointed by the Leader supported in an advisory capacity by the Chief Executive and the Monitoring Officer. The Section 151 Officer would also be in attendance.
- 2.5.1 The Board would be delegated to make decisions on each potential acquisition up to a monetary limit. This amount would be agreed by Full Council as part of the budget approval process. The Board would have delegation to spend up to this amount following appropriate and agreed due diligence (see Figure 1)
- 2.5.2 For each acquisition, the following reports would be presented to the Investment Board:

Figure 1: Reports forming part of the Investment Appraisal



- 2.5.3 Following approval from the Investment Board, the actual process for acquiring and selling property is shown in Appendix 2.

3 Part Three – Regeneration and Place Shaping Investment

Strategy where the Council is considering ‘investment’ for regeneration and place shaping

3.1 The Council has specific powers and responsibilities in respect of economic regeneration. As a strategic and planning authority, our remit includes ensuring the supply of housing and employment land through its Local Plan. See Appendix 3 for further detail.

Economic regeneration

3.2 Economic regeneration can be defined as “*the broad process of reversing physical, economic and social decline in an area where market forces will not do this without intervention.*”⁴

3.2.1 Economic regeneration focuses on business growth and the actions and policies that can be deployed to create growth. The success of economic regeneration can be assessed using measures of income, poverty and employment – both within specific areas and in comparison to other more successful areas.

3.2.2 In Cambridgeshire, the remit for economic growth mainly falls within the Cambridgeshire and Peterborough Combined Authority (CPCA); specifically through the CPCA’s Business Board.

3.2.3 The CPCA commissioned an independent report title ‘Cambridgeshire and Peterborough Independent Economic Review’⁵ (CPIER Final Report September 2018). It identified there are three distinct economic areas within the CPCA area. These are the greater Cambridge area, the greater Peterborough area and the Fens. Geographically, Fenland District Council predominantly covers the Fens.

3.2.4 The CPIER report sets out recommendations and actions for the CPCA to ensure the economic prosperity and wellbeing of its area. Actions are long-term, spanning between 10-25 years, and are aligned to national economic and growth policies.

3.2.5 A key recommendation is for the CPCA to develop a Local Industrial Strategy (LIS) to address the strengths and weaknesses of its three economic areas. A LIS is being developed in conjunction with Government and is expected to be adopted by autumn 2019.

3.2.6 Our economic regeneration strategy, policies and actions therefore need to be closely aligned to the CPCA strategies. When the Council applies for funding streams, it must have a clear and evidenced view on what will be delivered in line with local strategy and national policy requirements.

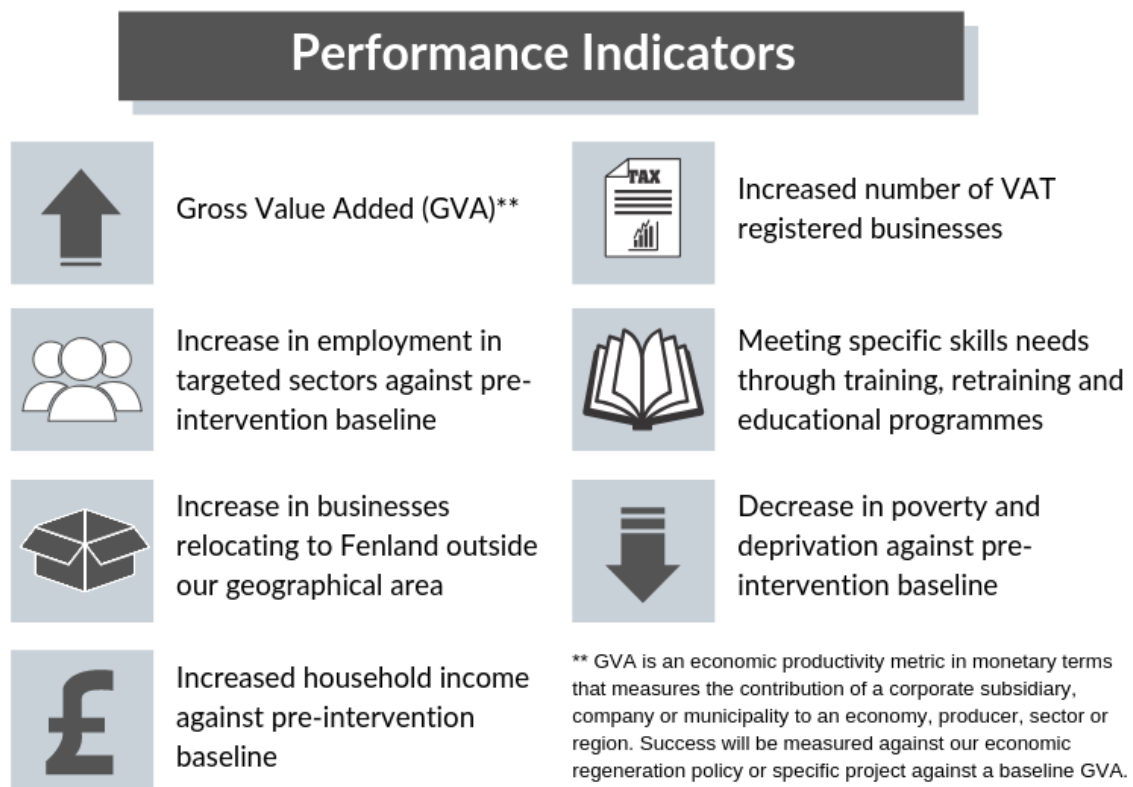
3.2.7 The economic regeneration discussed so far is normally interventionist in nature by dealing with issues where the market fails to do so. As such, we will engage with a broad range of national and local stakeholders with varying levels of involvement.

⁴ HM Treasury, Department for Business, Enterprise and Regulatory Reform and Department for Communities and Local Government, ‘*Review of sub national economic development and regeneration*’, July 2007, para 1.13. The text quoted is from Igloo; Env 213, para 4.1

⁵ The Economic Review is a product of the Cambridgeshire and Peterborough Independent Economic Commission. It was established by the CPCA in June 2017.

- 3.2.8 With this in mind, we recognise that allocating and spending our own funds on economic regeneration is not ‘investment’ in the strictest sense (for example, compared to purchasing a property purely for financial returns).
- 3.2.9 In most cases, spending on economic regeneration will not result in direct income to the Council as it would from an investment property. However, it can deliver indirect income through an increase in business rates and council tax income (where there is new housing) and generally through increased fees and charges from greater use of Council facilities.
- 3.3 The new Business Rates Retention system that is due to be implemented from April 2021 increases the importance of economic growth and inward investment policies to ensure the long term sustainability of the Council.
- 3.3.1 The Council will have a range of measures to identify the success of its economic regeneration policies. These must be meaningful and quantifiable to determine and inform future actions. As a minimum, they will include one or more of the following:

Figure 2 – Indicators to determine extent of economic regeneration success



Housing provision

- 3.4 Fenland District Council does not own its own housing stock but still has responsibilities as a strategic housing authority. In 2017, we transferred our council housing to Roddons (now Clarion). This means there is no council housing any more in Fenland.
- 3.4.1 Local authorities are engaging in the provision of housing through a variety of different means. These include:

- House building through companies
- Building through the Housing Revenue Account (HRA)
- Building directly under the general fund
- Building through Joint Ventures with developers
- Providing land for housing
- Giving loans to others to build housing or bring it back into use
- Building for social needs (i.e. extra care housing or homelessness)

- 3.4.2 There is a growing appetite and capacity in local authorities to return to or increase their roles in providing housing as a core function, partly to address local and national housing need. Councils have started to tackle a housing problem, leading to an increase in confidence and capacity to deal with more issues. Some authorities have returned to providing housing, even though they previously transferred their stock.
- 3.4.3 Local authorities have tried to make Government policies work by increasing the number of planning permissions. This has led Councillors to make difficult and sometimes unpopular decisions.
- 3.4.4 Further frustrations can occur when the permitted homes are not built or when renegotiations seek to remove the development contributions, infrastructure or affordable housing initially agreed. The main obligation of developers and land agents are to their shareholders – not to build any housing with planning permission.
- 3.4.5 These frustrations and inactivity have prompted some local authorities to begin building their own homes – often more rapidly than the private sector. Whilst based on a variety of motivations, the most important is to meet local housing needs and to effectively deal with homelessness.
- 3.4.6 Where local authorities are seeking income from housing or property portfolios through their own companies, they are doing so to ensure they have secure and long-term income to deliver their other essential services. This is described as ‘profit for purpose’.
- 3.4.7 It is often assumed that the 5 year land supply in the Local Plan is for private sector development, rather than all types of housing need. There is a disconnect in plans for different market housing needs and alternative tenures. Some authorities are stepping into the breach to provide housing that is not being supplied by the market.
- 3.4.8 Since the mid-1980’s, government policy has mainly focused on housing delivery by the private sector. It has also provided a range of incentives for developers and local authorities to provide new homes, including the New Homes Bonus and Help to Buy. Due to changes in government funding from 2020 (with the removal of the Revenue Support Grant), the New Homes Bonus provides a significant proportion of the Council’s income. However, it could be removed at any time.
- 3.4.9 The Government focus on the private sector has also been represented through Local Plan housing supply approaches. This focuses on the total supply of housing required rather than tenure, need-based locations, or housing related to income. There seems to be an unspoken assumption that land identified for housing is mainly for private house builders. However, private sector developers’ main obligation is to their shareholders, so local authorities cannot rely on them to increase housing supply. They do not have to build any homes at all, despite any planning permissions they hold.

3.5 Local authorities are being required to identify more housing land based on potential mortgageability; this not the same for the private sector. Most debate surrounding housing supply has focused on new build dwellings, with developer preference for greenfield sites which usually yield higher profits. However, there are other approaches being used by councils. These include selling or developing local authority land in partnership, often through wholly owned housing companies.

3.5.1 There are a number of reasons for local authorities in engaging directly in the provision of housing. These include:

- Meeting local housing requirements
- Estate and place regeneration
- Improving quality of design
- Generating income to replace the Revenue Support Grant (RSG)
- Frustration at unimplemented planning permissions
- Bridging gap that housing associations can't fill
- Tackling homelessness
- Private sector build out rates too slow
- Tackling 'problem' sites

3.5.2 Equally, there are reasons why local authorities may not consider direct housing provision. These include:

- Lack of funding
- Lack of expertise
- Unaware of statutory powers available
- No retained housing stock; believing option to provide housing directly not available
- Lack of market
- Lack of political will

Full business case(s) will need to be undertaken with external expert support to determine this right option for the Council. It is advised that the Council's external auditor should be consulted on early in any progress to understand upfront costs and to mitigate and minimise any issues arising during the annual audit of the accounts.

Conclusion

3.6 Part 3 of our Strategy has discussed how local authorities are using the powers available to them to:

- further their strategic regeneration and place making priorities; and
- directly provide housing of different tenure to meet local requirements and address failure within the housing market

3.6.1 Following expert legal and financial advice, the Council must decide the exact mix of methods, legal powers and funding it uses to achieve these priorities.

Governance

3.7 A governance process is already in place for this investment, with examples being Number 11/12 and 24 High Street in Wisbech although other considerations including the potential Investment Board (Point 2.5 above) and the setting up of a Local Authority Trading Company (LATCo) (See Appendix 4) could be utilised in delivering projects.

3.7.1 It is expected that committing capital finding will attract other external funding opportunities from bodies such as the HLF, CPCA and Homes England.

3.7.2 It is recommended that a budget amount would be agreed by Full Council as part of the budget approval process. Following this, individual projects would be brought to the relevant forum as full business cases following the procedure outlined in this strategy.

Appendix 1: Assessment Criteria – Commercial Property Investment: Risk and Return Matrix

Criteria	Excellent	Very Good	Good	Acceptable	Marginal	Notes
Location	Major Prime	Macro Prime	Major Secondary	Macro Secondary	Tertiary	Preference would be given to locations either within or close to Fenland.
	Core and Core Plus approach					
Covenant	Single Tenant, Strong Financial Strength and Covenant	Single Tenant, Good Financial Strength and Covenant	Multiple Tenants, Strong Financial Covenant	Multiple Tenants, Good Financial Covenant	Tenant(s), Average Financial Covenant	The covenant of the tenant(s) is considered in terms of (audited) financial strength and risk of failure.
Lease Length	>10 years	7 – 10 years	4 – 7 years	2 – 4 years	<2 years	Length of lease will determine the fixed term of guaranteed rental income. In most cases, longer leases are more secure although break clauses need careful consideration.
Tenure	Freehold	Long Leasehold 125 years minimum	Leasehold >75 years <125 years	Leasehold <75 years	Leasehold <50 years	Freehold possession is best. Liquidity and marketability of properties are key considerations for leasehold.
Repair Obligations	Full Repairing and Insuring (FRI)	Internal Repairing 100% Recoverable	Internal Repairing Partially Recoverable	Internal Repairing Non Recoverable	Landlord Repairs	There are various levels of repair obligations; impacting structural, external and internal repairs to the property
Net Yield	+8%	5% - 8%	3.5% - 5%	2% - 3.5%	<2%	All investment opportunities must initially provide income (yield) at a positive rate of return after borrowing costs. Acquisition costs may include Stamp Duty Land Tax, agents' fees, legal fees and conveyancing costs.

Given the varied sector dynamics, the criteria for each asset will vary. However, the following core principles should apply in each case:

1. All investments considered must initially provide income (yield) equal to or above the Council's rate of return. This is defined by the cost of capital borrowing for purchase.
2. Individual properties and opportunities will be fully financially and physically appraised using industry standard techniques and the risk/return matrix.
3. To minimise management and risk, preference is for single occupancy investments.
4. Location will be dictated by opportunity to acquire investments that meet the strategy. However, location within the Fenland District or its impact on the economy within the Fenland District will be a deciding factor when all other attributes are equal.
5. Only investments with full repairing and insuring (FRI) terms or FRI by service charge will be considered.
6. Whilst determined by market forces, the aim is to maximise lease length.
7. Market rent should be equal to or above passing rent.
8. Preference will be for market sectors and locations with rental growth and good letting prospects
9. Further performance measures, portfolio analysis and valuation will take place as required during the holding period to allow for buy/sell/hold decision making.

2. Holding Period

It is normal to define a 'holding period' before sale at the time of purchase. This is to counter any significant depreciation eroding value or before the need for redevelopment arises. The holding period will be determined for each individual property at the appraisal stage.

3. Value Add

Value add (vacant or short leases), re-development opportunities or distressed property can reap high capital and yield returns. Whilst such properties can be appraised with the above principles and criteria, they will have different and higher levels of risk. The reasons for considering them must be fully evaluated and understood.

4. Issues not to be overlooked: risks and their management

Market Forces

To limit risk the principles, criteria and full due diligence will be undertaken for all transactions. Changes in demand and supply within the market and wider economy may see the value of investment and income rise and fall. The price of property is not the sole factor that should be considered for making a good investment in the long run.

Liquidity







Acquiring and disposing of commercial property can be complex. The process can result in transactional delay and uncertainty which carries risk from market shift, abortive transactional costs and speed of realising a capital receipt.

Active Portfolio Management and Opportunities

Performance of an investment property should be continually monitored as part of an active portfolio management strategy. Qualified in-house or third party auditors should keep up with market trends, manage asset plans, deal with day-to-day issues, examine lease structuring initiatives and protect against loss of income to ensure the investment yield is maximised.

The role of the property professional is to seek out as many opportunities as possible (often in a limited and highly competitive market), build relationships and communicate to the market the Council's requirements and ability to perform.

Appendix 2: Portfolio Acquisition and Disposal Flow Chart

Acquisition (Buying)	Flow	Disposal (Selling)
<ul style="list-style-type: none"> Appraise property Offers and counter offers Agree Heads of Terms Secure source of funds 	<p>Offer to market – Heads of Terms</p> 	<ul style="list-style-type: none"> Instruct advisors; formulate asking terms and marketing strategy Review property information; anticipate information and devise strategy Procure energy performance certificate
<ul style="list-style-type: none"> Instruct legal team Investigate title Undertake or commission surveys and reports Negotiate contract 	<p>Pre-contract</p> 	<ul style="list-style-type: none"> Consider carrying out and providing searches Make available pre-contract legal pack and access to data Negotiate contract
<ul style="list-style-type: none"> Pay deposit 	<p>Exchange contract</p> 	
Parties committed to acquisition		
<ul style="list-style-type: none"> Pre completion searches Finalise mechanics for drawdown/transfer of funds for completion 	<p>Pre-completion</p> 	<ul style="list-style-type: none"> Continue to manage property (in accordance with contract) Preparation of completion statement Prepare requisitions on title
<ul style="list-style-type: none"> Pay completion monies Assume liability for property 	<p>Completion</p> 	<ul style="list-style-type: none"> Discharge borrowing liability
<ul style="list-style-type: none"> SDLT/Land Registry tasks to be completed Collation of property information Portfolio management 	<p>Post-completion</p> 	

Appendix 3: Exercise of Council's powers

Part 1 of the Localism Act 2011 applies a general power of competence to local authorities in England. Section 1 (1) of the Act provides that *“a local authority has the power to do anything that individuals generally may do.”* The power does not permit local authorities to do anything that is prohibited in legislation, raise taxes or alter its political management structure.

Under Section 3, commercial activities may be undertaken (in line with powers under Sections 93 and 95 of the Local Government Act 2003), but only through a company. Authorities can't trade in services that they already have a statutory requirement to provide.

Appendix 4: Local Authority Companies

Under the Local Government Act 2003, s95, local authorities can set up companies to make a profit in any area of their competencies. In the Localism Act 2011, S1-7, powers for local authorities to establish companies were extended into a General Power of Competence. This allows them to do anything that a company or individual may do, unless prohibited.

These powers have prompted many local authorities to establish a range of companies to undertake a range of services, to undertake developments and/or to hold assets. These companies are wholly owned by the local authority and are supported through the General Funds in the local authority.

A report by Mark Baigent (2016)⁶ sets out the variety of approaches that are available to local authorities to operate companies to provide housing.

Local authority housing companies are set up with the local authority owning 100% of the shares. They can receive loans for development from the local authority, including when funding has been obtained from the Public Works Loans Board. The local authority housing company would pay a premium for the use of this funding, thus giving a net benefit to the local authority. Housing companies also have set level agreements with local authority service providers (i.e. in legal, finance and planning) where the company pays for the use of the local authority officers' time.

These companies can be set up as tax efficiently as any private company or housing association. The way any development is funded may depend on the methods that provide the most income, as that is needed the most by local authorities to bridge their funding gap. Possible funding methods include:

- Public Works Loans Board
- Council's own resource: finance
- Converting office buildings to residential
- Bonds
- Hedge fund(s)
- Homes England
- S.106 payments
- Building on Council land
- Council's own resource: buildings or land
- Loans from other local authorities
- Commercial loans
- European Investment Bank
- LEP/Devolution and City Deals
- From Joint Venture partners

The structures and governance of companies, joint ventures and partnership arrangements can be complex. The Council will procure expert legal and financial advice before entering into such arrangements.

⁶ Mark Baigent (2016), How to Set Up A Local Housing Company, Mark Baigent Consulting: <http://bit.ly/mb-setup-hc>