

Project Information	
Programme/Project/Service Redesign Name	Moulsecoomb Housing Project
Directorate/Service	Economy, Environment & Culture + Housing, Neighbourhood & Communities
Full Business Case Author	Laura Webster – Estate Regeneration Project Manager
Date Full Business Case drafted	18/02/2020
Senior Responsible Owner/ Project Executive	Sam Smith – Lead Regeneration Programme Manager
Programme or Project Manager	Laura Webster– Estate Regeneration Project Manager

Executive Summary & Recommendations

Provide a summary of key points of the Business Case and recommendations for the governance group to consider

Following initial proposals for the development of a neighbourhood hub in Moulsecoomb and Bevendean, a request was made by the Administration to extend the scope of the project to maximise the potential for new affordable housing in the area. The revised project scope would release the following sites for housing:

- Moulsecoomb Hub North & South
- 67 Centre and adjacent Multi Use Games Areas
- Hillview Contact Centre

This would release approximately 1.85 hectares of land for development, equating to approximately 232 new homes – a mixture of 1, 2, 3 and 4-bed units in purpose builds. The new homes would be developed by the council's New Homes for Neighbourhoods (NHFN) programme, maximising opportunities presented by the removal of the borrowing cap for the HRA.

A separate 'sister' business case outlining the options and viability of the community hub, as well as new sports provision, has also been developed by the Workstyles programme and will be presented through equivalent governance. The community hub may provide new facilities such as, GP, Pharmacy, Library, Community Café and community space.

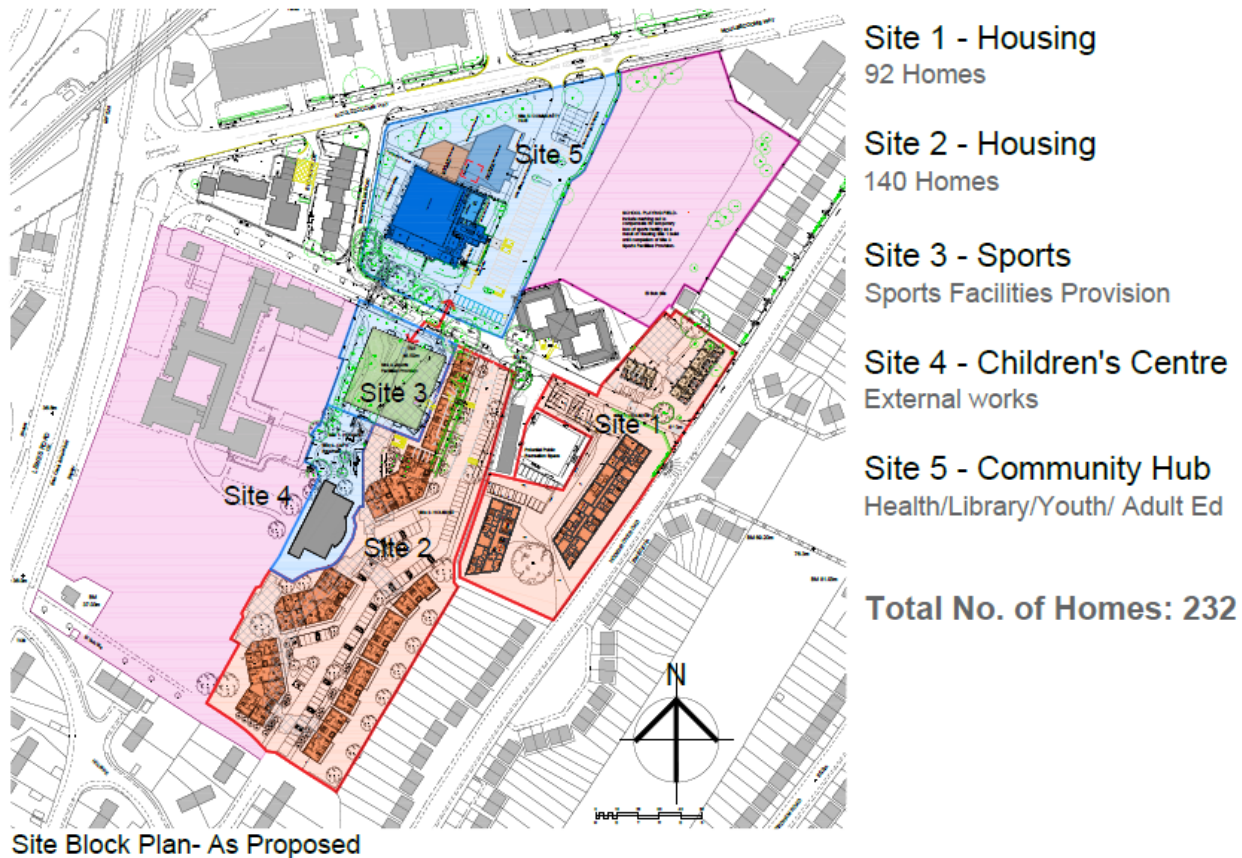
It is proposed the housing development is split into two separate phases as sites are gradually released and existing services are relocated. The indicative breakdown is as follows:

Table 1 – Masterplan numbers

Moulsecoomb Masterplan Housing Numbers								TOTAL
				1 bed Flat	2 bed flat	3bed flat	4 bed house	
Site 1	(Hillview/67)			33	36	14	9	92
Site 2	(former social services)			58	64	18	0	140
								232

Sites 1 and 2 on the plan below (totalling 232 homes) can be delivered by 2023 with the number of homes still indicative at this stage.

Table 2 – Masterplan layout current proposals



Due to the size and complexity of the project, this business case will act as an overarching strategy for development focusing on key themes. These themes will serve as the thread running throughout this business case and management of the project going forward. As each construction phase progresses a subsequent detailed report for approval will be brought forward as appropriate through Housing Committee on the below indicative dates:

Phase 1 – 16th September 2020

Phase 2 – 18th November 2020

The general themes to be explored in this business case are as follows:

- Governance arrangements for the delivery of this scheme
- Planning for real and communications
- Sustainability and carbon neutral city
- Grant opportunities
- Planning approach
- Procurement

Several options have been tested for their financial viability, costings and associated risks and benefits. This business case considers these options and subsequent variants of these approaches to assess their suitability. The aim is to deliver 100% affordable housing across all sites and there are several approaches that could be taken to achieve this. An option to deliver a mixed tenure scheme is also included to provide a comparison.

The latest housing needs register (as of December 2019) highlights the need for a mixture of affordable accommodation across the city:

Table 3 – Housing register data

1-bed	5170
2-bed	3070
3-bed	1307
4-bed	172
5-bed	113
6-bed	32
	9,864

This business case recommends that Housing Supply Members Board:

- Approve the preferred option 3 as described in section 4 of this report
- Agree the value and appropriation of identified sites by the HRA to support the development of affordable housing, subject to committee approval

Objectives

What will the programme or project achieve/what changes will it bring about?

In addition, the development of the new housing alongside a community hub will contribute to the following areas of the Corporate Plan 2020-2023:

Minimum of 800 additional council homes

Become a carbon neutral city by 2030

Create and improve public open spaces

Promote and protect biodiversity

Improve access to good quality housing

Reducing homelessness and rough sleeping

Building Community Wealth

A key priority of the Housing Committee 2019-2023 workplan is to achieve 800 additional council owned homes. This project would deliver up to 232 homes in phases 1 and 2.

Project themes

Governance

Due to the scale of development proposed it is recommended that the scheme is managed through a steering group with each project phase feeding into the group as appropriate.

The responsibilities of each group are outlined below:

Business Case

Strategic document outlining overall objectives.

- Provides strategic framework for development focusing on key themes.
- To provide options appraisals for several approaches.
- Cover expected benefits and major risks of the project.
- Recommended preferred option for project development.

Steering group

Responsible for implementing business case objectives and providing strategic oversight.

- Meets once a quarter.
- Reviews strategic level risks and impact on business case.
- Reviewing project masterplan and approach to development. Oversee work of project group.
- Assist with procurement of specialist consultants including planning and masterplan advisers.
- Procurement of contractor for overall programme.
- Liaises with strategic stakeholders such as local councillors, community groups and Homes England.
- Monitor business case objectives and measure achievement.

Project group

Responsible for progressing individual phases and reviewing sites in greater detail.

- Meets once a month.
- Review project level risks and escalate to the steering group as required.
- Detailed review of legal, technical and costs matters.
- Pre-application advice and submission of each phase to planning authority.
- Regular liaison with external and internal stakeholders. Manages day-to-day communication with local residents.
- Detailed design workshops including gateway meetings and design freezes.

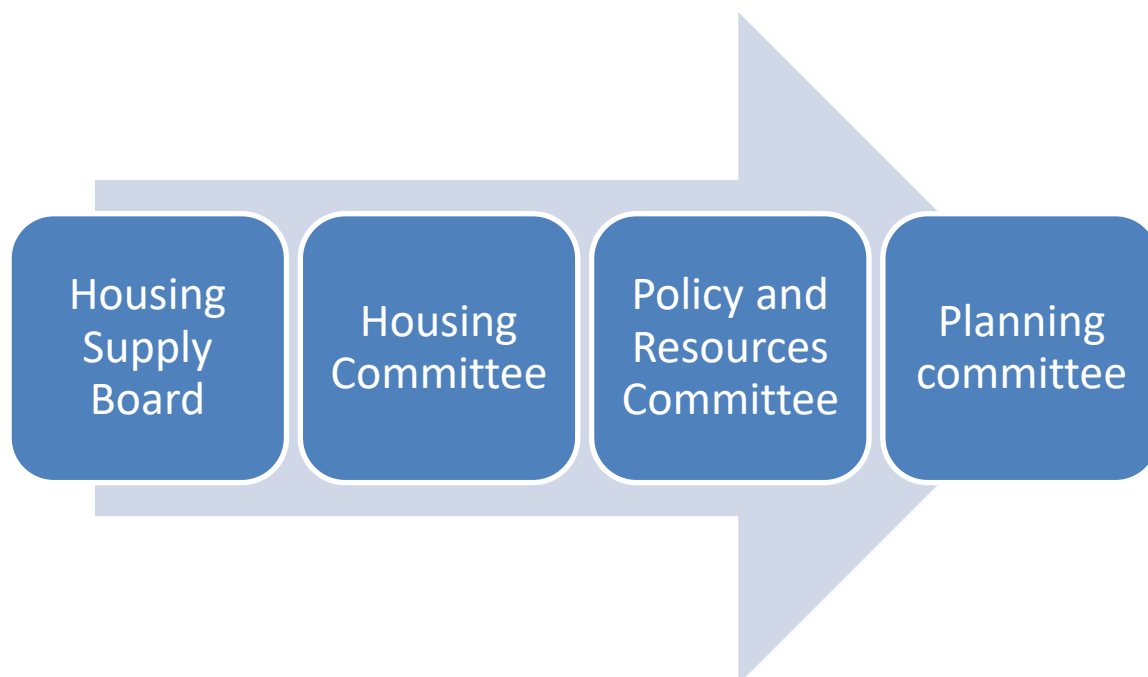
These groups are designed to cover the day-to-day running of the development providing reassurance that key risks are being addressed at various stages and levels.

As well as the meeting outlined in detail above the project will also report in to the council's established committee and governance structures (see below):

- Policy & Resources Committee – Overall decision making on budgets and appropriation of sites
- Housing Committee – Guidance and decisions on housing element of the project
- Strategic Delivery Board – Member strategic guidance and steer on overall project
- Corporate Investment Board - Officer strategic guidance and steer on overall project

- Housing Supply Member Board - Member strategic guidance and steer on housing elements
- Housing Supply Officer Programme Board - Officer strategic guidance and steer on housing elements
- There will be Design Teams and Site Teams established for each element of the project as phases progress.

A short flow chart is included to demonstrate how each phase may progress:



Land

Each parcel of land for this development is owned by the General Fund requiring appropriation approval as part of this business case. To ensure that the project is viable and meets the required aims, the appropriation value for this project will need to deviate from what has previously been agreed on recent appropriations as well as the agreed Asset Disposal Process.

If the parcels of land are not appropriated to Housing, they could be sold in the open market to private developers for residential development, or for Student Housing. This would result in Market Value, and best consideration being achieved. The proposed Hub could be built with the capital receipts from these sales being ringfenced.

However, if Housing were required to pay the market value for the land one of the primary objectives of the project – the increased provision of council housing - would not be achieved, as the project would be financially unviable for the development of affordable housing.

It is therefore proposed that the appropriation value needs to reflect the opportunity cost to the General Fund not obtaining best consideration whilst being of a sufficient level to ensure that the aims of both the General Fund, in terms of the Hub, and the HRA, in terms of affordable housing and viability, are met.

Planning for real and communications

Planning for real is a technique used for engaging with local residents at an early stage of development. It consists of a large 3D model of the local neighbourhood and residents are invited to place cards on the model highlighting areas that may need improvement. The cards mainly cover the following areas:

- Housing
- Community Activities
- Public Realm
- Traffic & Transport
- Environment
- Crime & Safety

There are blank cards as well for residents to fill out their own ideas that may not be covered elsewhere. The concept of planning for real is to bring together communities to discuss ideas on how to improve the local neighbourhood through development. All ideas are recorded alongside the number of times they are suggested and the location the card is placed.

Five initial planning for real sessions were arranged for January 2020, with a focus on the community hub and housing proposals as one overall project. Three further sessions were held in February 2020 to capture as many viewpoints as possible.

Prioritisation sessions were held on 5 March 2020 for local residents to “sift and sort” through the initial feedback and decide what the priorities may be. Council officers acted as facilitators during these sessions and provided technical advice as and when required.

It is likely some suggestions for the wider community will filter back to the Neighbourhood Action Plan and The Trust for Developing Communities have greatly assisted with organising and planning these sessions.

The following consultation events were held:

Date	Location	Time
22 nd January	Moulsecoomb Leisure Centre	9am to 7pm
24 th January	The Bevy	12 noon to 7pm
29 th January	Holy Nativity Community Hall – Coffee Morning	9.30am to 12 noon
29 th January	Holy Nativity Community Hall – afternoon drop in	2pm to 6pm
30 th January	67 Centre – event for young people	5.30pm to 7.30pm
13 th February	St. George’s Hall – drop in	12 noon to 2pm
13 th February	Moulsecoomb Primary School	3pm to 4pm
13 th February	Moulsecoomb Leisure Centre	5pm to 7pm

Over the consultation events 224 individual participants recorded their attendance. This may be a slight underestimate as some sessions peaked at particular times and recording may have been missed.

A total of 1700 individual suggestions were placed on the 3D model during the various consultation events.

All comments across these sessions have been collated and a full copy of the results is provided as part of this business case. However, the general themes relating to the housing is as follows:

- High levels of support for new affordable homes
- Prioritisation of family homes
- Deliver highly sustainable homes
- Design and height of the new properties will need to be considered to avoid overbearing existing homes

A full communications plan and stakeholder plan has been developed and will be regularly reviewed as the project progresses.

Carbon Neutral City

The council has a target for Brighton & Hove to become a carbon neutral city by 2030. This project can support the Administration's aims by investing in sustainable construction methods and green energy supply such as solar panels, district heating and upgrading local substations.

The NHFN and sustainability teams are currently investigating grant options to assist with this aim. Partial capital funding may assist with funding towards a small fifth generation heating network connecting the new community hub and housing under one system.

This route will be investigated alongside other renewable heating sources such as ground source heat pumps, air source heat pumps and similar. Electric vehicle charging infrastructure for parking bays will be included at the early design stages.

The project will build upon the principles of the Circular Economy such as investigating opportunities for the re-use of materials in existing buildings and reducing landfill waste. Further feedback from the Zero Carbon Homes Working Group will be incorporated where possible as the group develops.

Grant opportunities

For this project to achieve financial viability considerable subsidy is required and a breakdown of the subsidy levels is provided within the options under section 4. Without grant funding it would inhibit the delivery of a new hub being completed as well.

The combination of housing with new community facilities is likely to attract considerable grant interest and the gap funding required could be covered in a number of ways.

Officers have begun initial high-level discussions with Homes England to establish future funding opportunities including new infrastructure funds, affordable housing grant programmes or specialist bids. Homes England have indicated that, whilst they can't commit to funding ahead of announcements about new funding programmes, they are likely to look favourably at a scheme delivering this quantum of housing. This is the preferred approach for this business case.

Homes England will be asked and continually engaged through the council's regular meetings if they are happy with the overall approach proposed to this project including the appropriation of sites (between the General Fund and HRA), valuation of sites on an opportunity cost basis and likelihood of funding for the project.

Alternatively, a combination of grants could be applied for and utilised alongside a lower proportion of Right to Buy receipts. These may include land release funding, Local Enterprise Partnerships or similar. If Right to Buy receipts were reallocated to this project, it would impact upon other housing projects in the pipeline and alternative funding sources would be required. Consideration would also need to be given about cross subsidising a project, i.e. using RTB receipts alongside a grant where permitted. These tend to be grants from Homes England, so would be low risk if other grants were being sourced.

Planning approach

Early engagement with the planning authority has indicated a comprehensive masterplan approach would be required due to the need for re-provision of existing community space, requirement for infrastructure upgrades and the interdependencies between the hub and housing developments.

The masterplan would develop all five sites together at a high level with a focus on agreeing design principles for the area including pedestrian and vehicular connections, public realm improvements, provision of open space and heights of new buildings for example.

A specialist urban designer with experience in master planning will be appointed alongside a planning consultant to advise at an early stage. The planning for real feedback will be fed into the design development throughout.

It is likely a "hybrid" planning application will be submitted where the overall masterplan concept is agreed alongside more detailed proposals for phase 1 of the housing development and the community hub.

Subsequently each additional phase of the development will be submitted as separate planning applications when more detailed plans emerge. The masterplan and more detailed phases will also be reviewed by the Design for South East Panel (D:SE).

The masterplan approach is likely to be slower than individual planning applications for each site but would considerably improve how the development integrates with the wider Moulsecoomb area.

Procurement

BHCC officers are looking to progress the project through the City Build Partnership with Morgan Sindall and a short introductory briefing has taken place. The partnership is pre-procured and is compliant with OJEU regulations meaning no additional works contract tender is required.

If the site is developed outside of the partnership, a full OJEU tender will be required and this will considerably increase the project timescales by approximately a year. Due to the value of the contract this process will likely lead to a national contractor of a similar size to Morgan Sindall being awarded the contract.

In addition, it is recommended that the following specialists are procured as the project progresses to commission specialist surveys and oversee the project development.

- Construction project manager
- Fire engineer
- Ecologist
- Arboriculturist
- Transport Consultant
- Sustainability Consultant

Options

The following options make a number of financial assumptions and these have been standardised to ensure a like for like comparison. These assumptions are as follows:

All construction costs are based on Potter Rapers initial estimates with allowances for the following items:

- PV panels
- Sprinklers to all dwellings and to internal bicycle storage
- Electric Car charging points and provision for future installations (percentage)
- Ground Source Heat Pumps
- Construction on a sloping site
- Sewer diversions works at Hillview
- Asbestos removal allowances
- Retaining walls
- External Surface finishes (roads and paths)
- Landscaping, fencing and other fixtures such as play areas, street and park furniture
- Assumptions on ground decontamination works
- Upgrades to electrical sub-station

Other financial assumptions are as follows:

- Professional fees are based on 10% of build costs
- LHA and Living Wage rates based on 2020 rates, increased by inflation where applicable to reflect the completion of homes after a 2-year build programme
- For the 100% affordable housing option no additional funding aside from HRA borrowing has been identified to allow clear identification of the viability gap
- For the planning compliant scheme, market sales figures are based on an analysis of market values within a radius of 1 mile of the site. This will need to be reviewed and a full market appraisal undertaken.
- Section 106 fees reduced to £3,000 per unit instead of £6,000 per unit due to introduction of Community Infrastructure Levy (CIL).
- The 60 year NPV is the assumed funding gap, a positive representing a subsidy.

All land within the project is currently owned by the General Fund requiring appropriation to the HRA for planning then subsequently housing purposes. The land purchase costs will be ring-fenced to assist with the costs of the new community hub, the appropriation of land is a key

Full Business Case and Options Appraisal

funding component for the project, without which the hub could not be delivered. The re-provision of new community facilities will be required as part of the planning application for the housing development.

OPTION 1

1. Description of the option

Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.

Do nothing. Services remain in their existing accommodation. No sites are released for housing development.

2. Is this the preferred option?

Yes or no and a brief explanation why.

No. This option does not deliver any of the objectives outlined in section 2.

3. Costs

What are the capital and revenue costs of the programme or project? Profile these costs over the lifetime of the programme or project.

N/A no cost impact on HRA.

4. Risks and opportunities

Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.

Risk description	Potential consequences	Likelihood (1 = almost impossible, 5 = almost certain)	Impact (1 = insignificant, 5 = catastrophic/fantastic)	Mitigating controls and actions
BHCC buildings in the area that are vacant, underused or in poor condition remain this way with no long-term prospects	Increased cost of maintenance. Unfit for service delivery. H&S risk to staff and service users.	4	4	Planned Maintenance to keep properties in state of good repair.
Unable to develop significant affordable housing in the area due to lack of suitable sites	Project unable to contribute to Administration's target of 800 homes by 2023	5	4	Consider other options for sites as detailed in this business case.
Services in the area remain isolated and uncoordinated. Especially problematic for Moulsecoomb library, situated on the West side of the A27, which is a barrier for the local community	Opportunities for greater collaboration and more efficient ways of working are not realised	4	3	Explore options for better sign-posting and communications between services in Moulsecoomb

Full Business Case and Options Appraisal

OPTION 2

1. Description of the option

Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.

Develop 100% affordable housing with zero land value for appropriation purposes.

2. Is this the preferred option?

Yes or no and a brief explanation why.

No. A land value receipt is required by the general fund to unlock the development of the wider site. The projects are closely interlinked and the provision of other local amenities through the community hub and sports provision is key to creating a sense of place. A land capital receipt will considerably de-risk the project allowing new community spaces to be developed.

3. Costs – 100% affordable (excluding land appropriation)

	Site 1 – 92 units	Site 2 – 140 units	Combined site – 232 units
Investment	£'000	£'000	£'000
Land Purchase	-	-	-
Basic Build Costs	13,400	23,300	36,700
Additional Features	1,400	1,900	3,300
Site Infrastructure works	700	1,400	2,100
Other build costs	100	300	400
Preliminaries	2,700	4,000	6,700
Design contingency	1,000	1,200	2,200
Tender price inflation	1,400	3,000	4,400
Professional fees	2,100	3,500	5,600
S106	300	400	700
Total investment	23,100	39,000	62,100
Funded by			
HRA Borrowing	(23,100)	(39,000)	(62,100)

4. 60 year NPV Subsidy / (Surplus) and gap funding per unit

	Site 1 – 92 units	Site 2 – 140 units	Combined site – 232 units
Rent type	60 Year NPV £'000	60 Year NPV £'000	60 Year NPV £'000
LHA Rates	(700)	6,500	5,800

Full Business Case and Options Appraisal

37.5% Living Wage	5,700	14,000	19,600
27.5% Living Wage	11,500	22,500	34,100
Social	16,900	30,000	46,900
Rent type	Gap funding per unit £'000	Gap funding per unit £'000	Gap funding per unit £'000
LHA Rates	(10)	50	25
37.5% Living Wage	60	100	90
27.5% Living Wage	130	160	150
Social	180	210	200

5. Risks and opportunities

Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.

Risk description	Potential consequences	Likelihood (1 = almost impossible, 5 = almost certain)	Impact (1 = insignificant, 5 = catastrophic/fantastic)	Mitigating controls and actions
Gap funding required for viability purposes totals a minimum of £6m to achieve 100% affordable housing.	Gap funding is unidentified meaning scheme is unviable to develop for housing.	2	5	Early discussions with Homes England have begun and other combined grant sources are achievable.
Zero land receipt makes relocation of existing services unaffordable for the general fund.	Unlikely to achieve planning permission due to lack of community space. Likely to lose public support for the project.	4	4	This is only a risk with this option which decreases the gap funding requirement for the HRA but would likely stop the overall project. For this reason, the option is not recommended.
Construction costs are high-level and may increase or decrease as further due diligence is undertaken.	Increase in constructions cost may affect overall viability.	3	3	Project is at early stages and costs will continually be monitored throughout the process. A £2.2m contingency is included as well as prudent assumptions about high risk elements.

OPTION 3

1. Description of the option

Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.

Full Business Case and Options Appraisal

Develop 100% affordable housing with the inclusion of land appropriation to the general fund.

2. Is this the preferred option?

Yes or no and a brief explanation why.

Yes. The land value would unlock the wider site and allow for community space to be provided. This would improve existing infrastructure locally for new and existing residents and provide a planning compliant scheme. These provisions will likely increase and keep public support for the project.

3. Costs – 100% affordable (including land appropriation)

	Site 1 – 92 units	Site 2 – 140 units	Combined site – 232 units
Investment	£'000	£'000	£'000
Land Purchase	2,900	4,400	7,300
Basic Build Costs	13,400	23,300	36,700
Additional Features	1,400	1,900	3,300
Site Infrastructure works	700	1,400	2,100
Other build costs	100	300	400
Preliminaries	2,700	4,000	6,700
Design contingency	1,000	1,200	2,200
Tender price inflation	1,400	3,100	4,500
Professional fees	2,100	3,500	5,600
S106	300	400	700
Total investment	26,000	43,500	69,500
Funded by			
HRA			
Borrowing	(26,000)	(43,500)	(69,500)

4. 60-year NPV Subsidy /(Surplus) and gap funding per unit

	Site 1 – 92 units	Site 2 – 140 units	Combined site – 232 units
Rent type	60 Year NPV £'000	60 Year NPV £'000	60 Year NPV £'000
LHA Rates	2,200	11,000	13,200
37.5% Living Wage	8,600	18,400	27,000
27.5% Living Wage	14,500	26,900	41,400
Social	19,800	34,500	54,300
Rent type	Gap funding per unit	Gap funding per unit	Gap funding per unit

Full Business Case and Options Appraisal

	£'000	£'000	£'000
LHA Rates	20	80	60
37.5% Living Wage	90	130	120
27.5% Living Wage	160	190	180
Social	220	250	230

5. Risks and opportunities

Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.

Risk description	Potential consequences	Likelihood (1 = almost impossible, 5 = almost certain)	Impact (1 = insignificant, 5 = catastrophic/fantastic)	Mitigating controls and actions
Gap funding required for viability purposes totals a minimum of £13m to achieve 100% affordable housing based on LHA rates	Gap funding is unidentified meaning scheme is unviable to develop for housing or to develop the new hub.	2	5	Early discussions with Homes England have begun and other combined grant sources are achievable.
Members do not approve the project at LHA rates	Lower rents are approved and therefore increasing the gap funding requirement	3	4	Consultation with members to outline the financial risks around each rent option.
Construction costs are high-level and may increase or decrease as further due diligence is undertaken.	Increase in constructions cost may affect overall viability.	3	3	Project is at early stages and costs will continually be monitored throughout the process. A £2.2m contingency is included as well as prudent assumptions about high risk elements.
Appropriation of land at early stage means financial and development risks sits with HRA.	Unable to conduct full intrusive surveys until existing buildings are decanted. May increase costs.	4	4	Financial contingencies of £2.2m have been added in to initial high-level costings to manage risk.

OPTION 4

1. Description of the option

Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.

Develop mixed tenure project including element of private market sales.

This is based on a planning compliant scheme of 60% market and 40% affordable.

2. Is this the preferred option?

Yes or no and a brief explanation why.

No. Reduction in number of affordable homes provided to meet identified housing need. Council lacks experience of providing private sales, market rented accommodation or shared ownership. Likely need to establish Housing Company for commercial activity.

3. Costs – Mixed tenure 40% affordable and 60% market sale (including land appropriation)

	Site 1 – 92 units	Site 2 – 140 units	Combined site – 232 units
Investment	£'000	£'000	£'000
Land Purchase	2,900	4,400	7,300
Basic Build Costs	13,400	23,300	36,700
Additional Features	1,400	1,900	3,300
Site Infrastructure works	700	1,400	2,100
Other build costs	100	300	400
Preliminaries	2,700	4,000	6,700
Design contingency	1,000	1,200	2,200
Tender price inflation	1,400	3,100	4,500
Professional fees	2,100	3,500	5,600
S106	300	400	700
Total investment	26,000	43,500	69,500
Funded by			
HRA Borrowing	(14,300)	(24,000)	(38,300)
Capital Receipts	(11,700)	(19,500)	(31,200)

4. 60-year viability and gap funding per unit

	Site 1 – 92 units	Site 2 – 140 units	Combined site – 232 units
Rent type	60 Year NPV £'000	60 Year NPV £'000	60 Year NPV £'000
LHA Rates	5,800	12,400	18,200
37.5% Living Wage	8,300	15,400	23,700
27.5% Living Wage	10,700	18,800	29,500
Social	12,800	21,800	34,600

Full Business Case and Options Appraisal

Rent type	Gap funding per unit £'000	Gap funding per unit £'000	Gap funding per unit £'000
LHA Rates	60	90	80
37.5% Living Wage	90	110	100
27.5% Living Wage	120	130	130
Social	140	160	150

5. Risks and opportunities

Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.

Risk description	Potential consequences	Likelihood (1 = almost impossible, 5 = almost certain)	Impact (1 = insignificant, 5 = catastrophic/fantastic)	Mitigating controls and actions
Reduced number of affordable rented units in the project.	Not meeting identified housing need or contributing towards 800 home target. Planning for real sessions suggest affordable housing is supported locally.	4	4	Affordable homes would be provided elsewhere across the housing supply programme.
Limited control over properties once disposed. Potential for some properties to become HMOs.	May increase HMO properties in locality.	3	3	Any legal covenants placed on properties could restrict future use as well as planning policy. However, restricting use may reduce number of interested purchasers.
Market sales risk, values may fall from previous assumptions.	Downturn in housing market may undermine business case assumptions.	4	4	Prudent assumptions to be made at initial assessment.
The grant funding available to the project will only be able to fund the affordable homes.	The project still requires further subsidy as the market sales aren't sufficient to bridge the funding gap.	4	4	Continued discussions with Homes England to consider a higher subsidy per unit in grant funding.

Full Business Case and Options Appraisal

Authority to proceed

This business case needs to be approved via the appropriate governance route before the programme or project can be implemented. Please complete the table below to confirm where this authority was obtained. Please ensure the agreement was noted in the minutes.

Meeting where authority to proceed was obtained	Date of meeting

