

Cabinet Report – Update on Gurnell Leisure Centre

Appendix 2 – Residential Procurement Options Appraisal

The following options have been considered for the delivery of the enabling residential development:

- Disposal of the residential site for a premium
- Development Agreement
- Joint Venture
- Direct Delivery

These four options have been evaluated based on the following criteria:

- Financial risk (low)
- Financial return (high)
- Level of control (high)
- Reputational risk (low)
- Resource requirements (low)
- Delivery timescales (quick)

A RAG rated evaluation* is provided below.

	Financial risk	Financial return	Level of control	Reputational risk	Resource requirements	Delivery timescales	Score
Whole disposal				Poor design / outcomes may be blamed on disposal		No control, so hard to judge	21
Development Agreement		Depends on conditions of the DA	Depends on conditions of the DA			Could condition early start on site	22
Joint Venture	Higher risk, higher return			Failed previously			16
Direct Delivery	Highest risk, highest return	Depends on market conditions		If it fails, it rests solely with the Council			15

Lowest scoring / highest risk
1
2
3
4
5
Highest scoring / lowest risk

As illustrated by the RAG evaluation, a Development Agreement scored highest and hence was identified as the most appropriate procurement route. This route would provide the council with sufficient control and financial return, whilst being less resource intensive and allowing for quicker delivery timescales than alternative options.

*This scoring is based off advice from Carter Jonas, Savills and Gleeds Project Management.