Appendix 8 : Sources of Funding	
Funding Types / Revenue Streams	**Description**
Capital Receipts	Market sale of land or assets.
External funding e.g. grants & pension fund investment	Investments provided for specific projects / purposes.
Revenue Streams	Re-investment of revenue streams created by the programme such as from council tax; parking income and rents to fund up front development costs.
Prudential Borrowing	Council borrows within agreed limits and repays with interest (typically at a cheaper rate than commercial lending.)
Prudential Borrowing / Capital Investment Hybrid	Council borrows prudentially within agreed limits and repays with interest or invests capital to fund the construction phase and this is repaid by commercial lending.
Gifted Units / Section 106 / CIL	Developer builds units as part of a private development and gifts units. These could be managed via a third party; by an SPV or an arms length trading organisation such as Hoople Ltd.
Sale and lease-back	Primarily suitable for managed facilities which generate revenue streams such as affordable rented; student accommodation and extra care. Also may be suitable for commercial opportunities such as car parks etc. Developer or the council provides funding to build units which would be managed via a third party; an SPV or an arms length trading organisation e.g. Hoople Ltd. On completion, the funder purchases units and recoups development/lending costs by leasing the units back to the council (who would then repay / recoup development costs). Council lease costs are met via rent receipts. Ownership usually transfers back to the council for a nominal fee at the end of the lease.
Buy-back	Developer provides funding and builds units. Developer retains ownership of units and could manage or a third party or an arms length trading organisation could manage the units. The Council would have the option to purchase the units after end of an agreed flexible term (say up to 20 years).
Development Agreement	Council invests land and developer funds and builds units for a fixed rate of profit. Council recoups land value from sales revenue (after all costs and developer's profit deducted), plus a share in any overage.
Provision of land for development (deferred payment)	Council provides land for development and developer funds and builds units. Payment for land can be under a deferred payment system (rather from a share in sales revenue as per the development agreement above).
Provision of land for development (profit share)	Council provides land and developer provides funding (often matching the land value invested). Developer and the council split profits proportionately to the contribution made (as each party bears an equal development risk). This can be on a 'partnership' or on a project by project basis.
Shared Ownership	Home buyer purchases a share in a new home paying rent on the remaining, unsold share. This unsold share is owned by the provider of the shared ownership scheme (housing association).
Rent to Buy	Developer provides funding and builds homes for rent. Tenant occupies on a rent to buy basis (saving for a deposit as a proportion of payments made). Management agent would manage units and retain a % of the rental. Council does not at any point own the homes.