

Funding assumption	No further funding available			Further funding is available			
Option description and permutations	Options that require least further funding from LBC			Options that require most further funding from LBC			
Positives	<p>“Winding up” Close the business and sell all assets, regardless of the status (Fire sale).</p> <ul style="list-style-type: none"> Put the company into an insolvency process. 	<p>“Full sale” Market the business’ assets as a going concern and sell them, or market shares in the company and sell them to a third party.</p>	<p>“MBO sale”</p> <ul style="list-style-type: none"> Stop funding, market the business and sell shares in the company by way of an MBO. <p><i>Full details not yet known.</i></p>	<p>“Managed winding down” Sell most</p> <ul style="list-style-type: none"> Limited new funding. Only build out developments where essential. Market all others for sale. Do not progress Tranche 2. Market land for sale, or bring back into the Council. Early restructuring of the business to reduce running costs. <i>BBB becomes run off vehicle.</i> 	<p>“Limited build out” Sell some sites</p> <ul style="list-style-type: none"> Limited new funding. Continue building out some Tranche 1 developments where construction is underway, selling some partly complete sites. Sell land with planning. Bring land back into the Council. Restructuring of the business once tranche 1 all complete and sold. <i>BBB continues to trade for up to three years then becomes run off vehicle.</i> 	<p>“Full build out of tranche 1 and parts of 2”</p> <ul style="list-style-type: none"> New funding. Continue to trade the business, building out all Tranche 1 developments where construction is underway, selling only once complete. Continue to progress tranche 2, building out where planning has been obtained.) Bring Tranche 3 land back into the Council, or sell. <i>BBB continues to trade for four/five years then becomes run off vehicle.</i> 	<p>“As is”</p> <ul style="list-style-type: none"> Continue to trade the business as is. BBB continues to trade. Full funding requirement across all phases. <p><i>Further funding of more than £313m is required in this scenario per latest forecasts. In our view, this is not a viable option for the Council. No further work is proposed.</i></p>
Negatives	<ul style="list-style-type: none"> Requires no further funding of developments. 	<ul style="list-style-type: none"> Realises cash for the Council. Requires short term funding for short term trading. 	<ul style="list-style-type: none"> Ongoing supply of affordable/ social housing. Potentially lower level of funding. 	<ul style="list-style-type: none"> Lowest new cash requirement. Realises cash for the Council. 	<ul style="list-style-type: none"> Mid level new cash requirement. Realises some cash for the Council through sales. 	<ul style="list-style-type: none"> Maximises ongoing supply of affordable/ social housing. 	<ul style="list-style-type: none"> Expensive Destroys significant value through insolvency process May compromise contractor build contracts Risks sales pipeline.
Time requirement	<ul style="list-style-type: none"> Insolvency takes several months and potentially years. 	<ul style="list-style-type: none"> Sales process takes months. 	<ul style="list-style-type: none"> Sales process takes months. 	<ul style="list-style-type: none"> Lowest level of build out takes up to two years. 	<ul style="list-style-type: none"> Longer build out takes up to three years 	<ul style="list-style-type: none"> Longest build out takes four to five years. 	