



A GUIDE FOR HOUSING PROVIDERS

Decisions in the right order

A value-based approach to building more
homes, faster.

How housing associations and councils with access to land
can keep the say over what gets built, without carrying the
risk alone.

 **Architecture**
design.

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Co-founder and Director, by Design Group · October 2026

SUMMARY

Two routes to a scheme

If you are a housing association or council with access to land, you have two broad routes to a scheme. You can take a package deal, where a developer carries the early risk and makes the big decisions. Or you can lead the scheme yourself, keep those decisions, and manage the risk with the right help.

This guide is about the second route. It sets out the order in which to make the early decisions and how to handle the risks a package deal would otherwise take on. The first four steps form a feasibility study at RIBA Stages 0 and 1. If the scheme stacks up, the fifth carries the same scorecard into design. Each step leaves you with something that keeps you informed and in control.

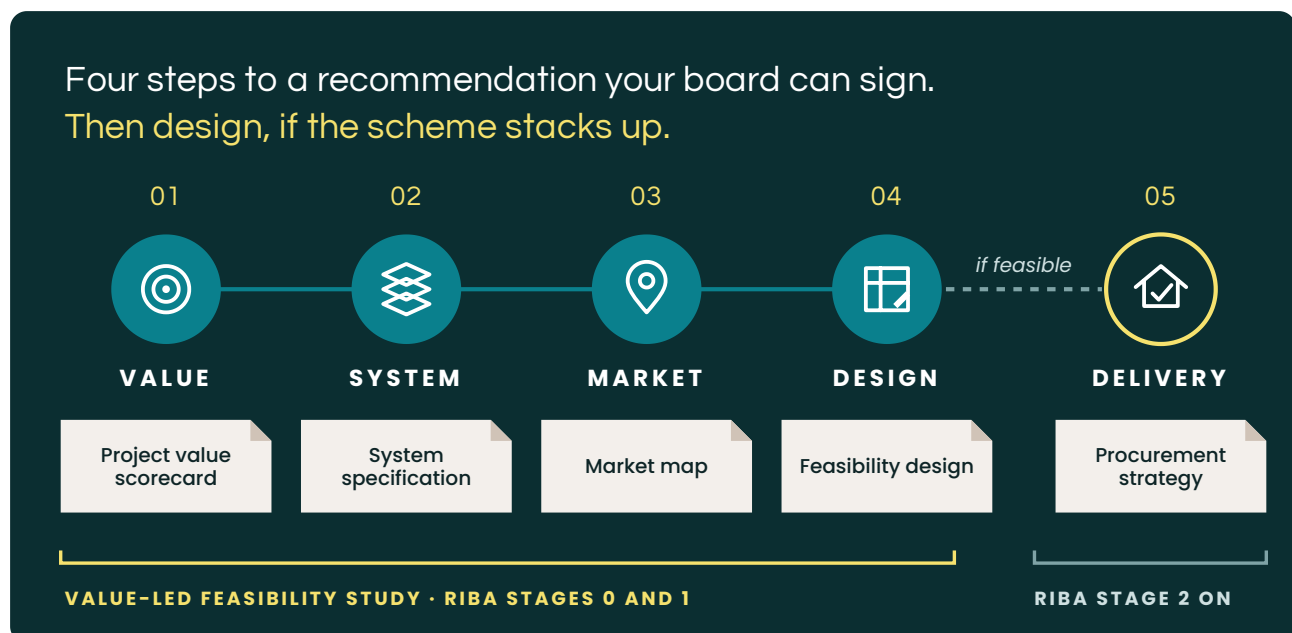


FIGURE 1 The value-led sequence. Four steps of feasibility, then design and delivery steered by the same scorecard.

Our method has no favourite way of building. We check and test traditional build, timber frame, factory-made panels and modules on the same terms, and recommend the approach and supply chain that suit your site. Sometimes that is the route you first had in mind. The difference is that the choice rests on evidence your board and your funder can see.

SECTION 1

Who does the work before there is a scheme

Between a piece of land and a housing scheme sits a large amount of work that nobody is yet paid to do.

Someone has to spot the opportunity, secure control of the land, test what it can hold, assemble a professional team, take a view on planning, build a cost plan and decide how the homes might be built. All of it happens before anyone knows whether the scheme will go ahead.

Housing associations and councils are well placed to own and manage homes for the long term. Most do not want to act as speculative land developers, and their governance is not set up for it. That leaves a gap in the development process, and the market has filled it.

The package deal

A land promoter, development partner or package-deal originator often fills the gap. They secure an option or agreement with a landowner, work the site up to planning and bring it to you as a finished proposition. The land is worth one figure in its current state and a great deal more once its potential is proven and consent is granted. The development partner's job is to close that gap.

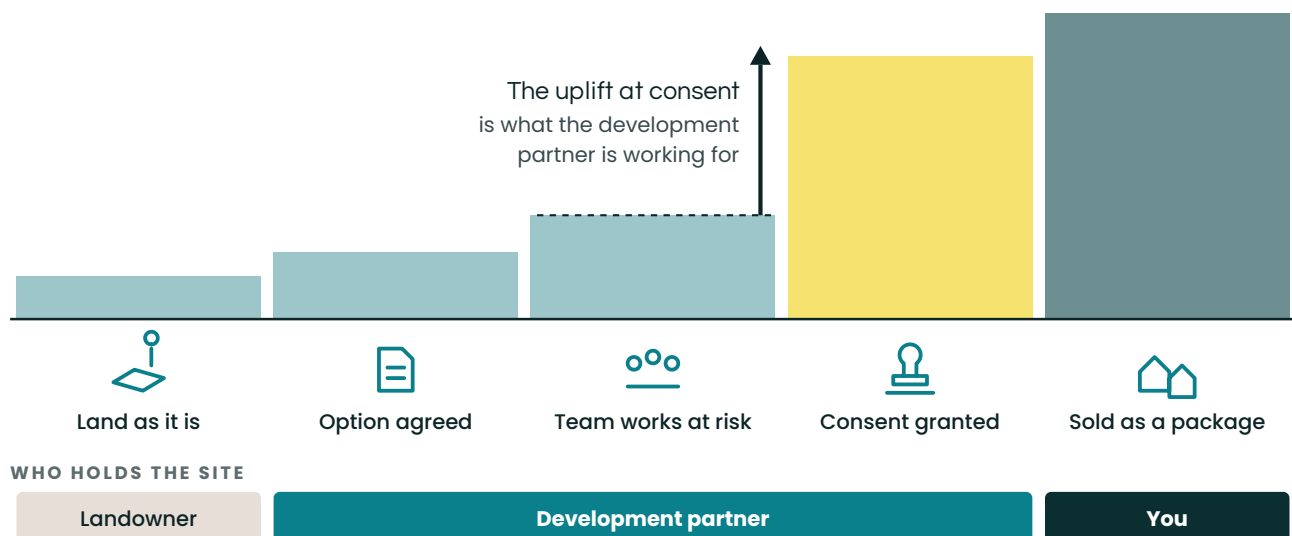


FIGURE 2 The package-deal chain in simplified form. Arrangements vary from scheme to scheme; the value bars show direction, not amounts.

This model delivers a large share of the country's affordable homes, and the people running it do skilled work. Its main advantage is real: the developer carries the early risk, pays for surveys and investigations and ties up the land. The price is choice. By the time the scheme reaches you, the design, the method, the builder and the price are set, and you look after the result for sixty years.

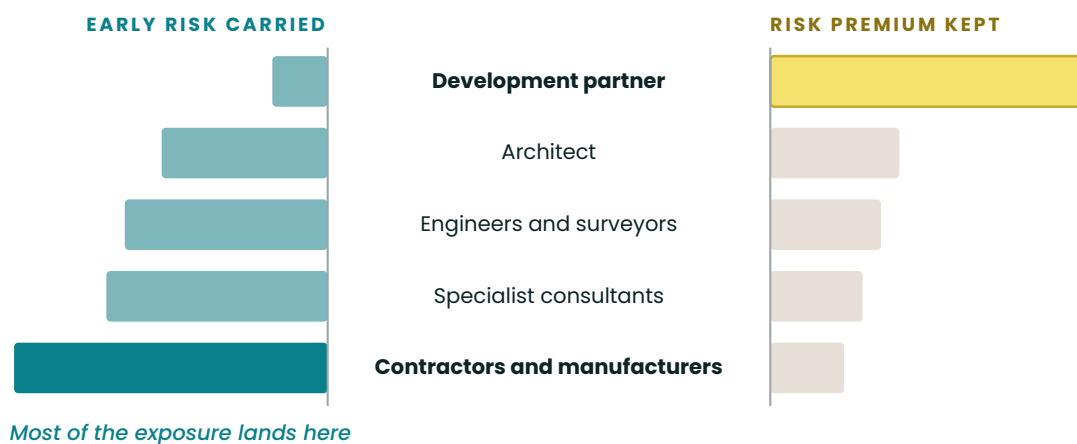
SECTION 2

Where the early risk sits

The development partner appears to carry the development risk, and in part it does. In practice, a good share of that risk is spread across the people doing the early work.

An architect may take a scheme through feasibility and planning with fees deferred until a land deal completes. Engineers, surveyors, specialist consultants, contractors and frame manufacturers may be asked for the same arrangement. The development partner assembles the capability a scheme needs while sharing out the cost of assembling it.

Deferred fees are a normal commercial tool. The issue is how a supply chain gets chosen when deferral is the price of entry. A pipeline of sites has value, so the offer to a consultant or manufacturer can become simple. If one firm declines, another will accept, and competition squeezes fees just as firms take on more exposure.



“Carry the risk, defer the fee, stay sharp on price, and you’re in.”

THE OFFER DOWN THE CHAIN · ILLUSTRATIVE PROPORTIONS

FIGURE 3 Risk moves down the chain. A matching risk premium often stays behind.

THE STRUCTURAL QUESTION

Was this team chosen because it is the best fit for these homes, or because it could accept the terms?

Often both are true, and plenty of at-risk teams do excellent work. You inherit the answer either way. A construction method, a manufacturer or a design direction settled before you have your say becomes **your asset to manage**.

The more useful question is which mix of design, building system, procurement route and supply chain gives the best value for this scheme. You can only answer it if decisions are taken in an order that lets your priorities shape them.

SECTION 3

Same risk, managed better

The risks in a scheme are the same whichever route you take. In a package deal the developer prices them into the deal, where you cannot see them. When you lead, you see them early and manage them, and you do not have to do it alone.

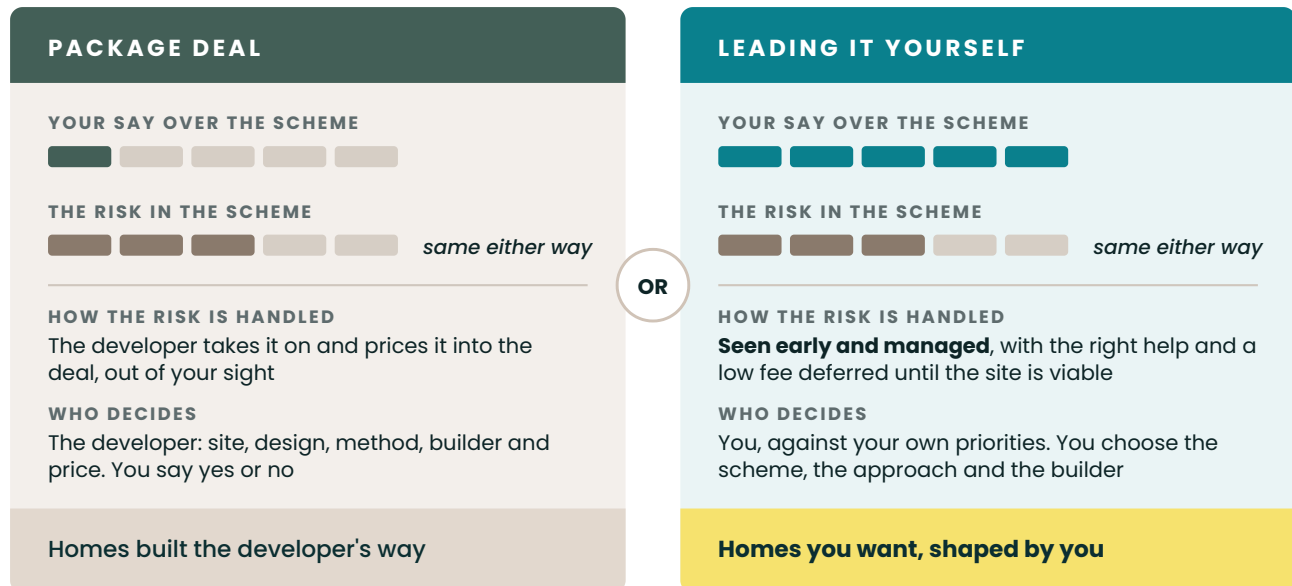


FIGURE 4 Two routes, either or. The risk is the same; what changes is who sees it, who prices it and who decides.

How the risk is handled

Taking the early risk off your hands is what a package deal sells, so it is the first thing your board will ask about the other route. We answer it in five parts.

- 01 Surveys and investigations**
We start with detailed analysis of existing local survey data, so new survey spend goes only where it is needed.
- 02 Deal structure**
We structure the land and development deal so it works financially for you, the landowner and your delivery partners.
- 03 Joining the dots**
We work with you and your delivery partners, and fill the gaps between them, site by site.
- 04 A low early commitment**
A low, fixed fee at the start. Case by case, we defer the fee until the site is shown to be viable.
- 05 No single point of failure**
We design the scheme so several firms can price and build it.

You end up with a scheme you want and can influence, and a clear view of what risk remains and who owns it.

SECTION 4

The order of decisions shapes the outcome

A housing scheme depends on a chain of connected choices. When different organisations make them at different times, each one is made on whatever information its owner holds.

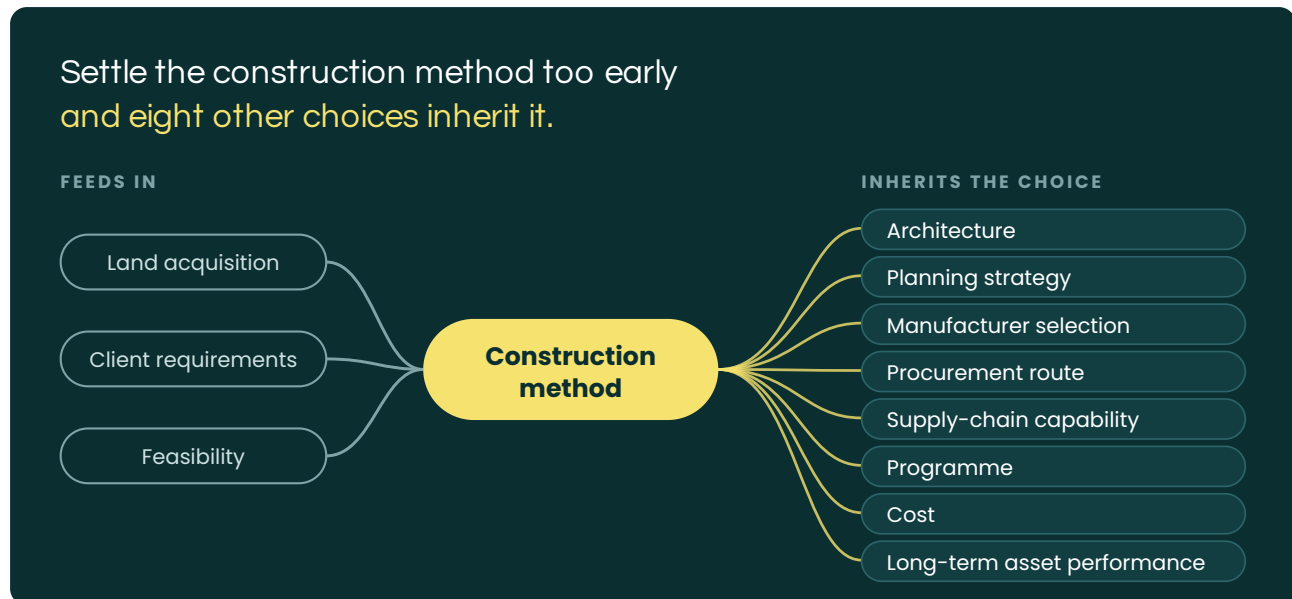


FIGURE 5 Each choice constrains the others. Made in the wrong order, the later ones inherit assumptions nobody tested.

The architect designs to a brief that already assumed a construction method. The cost plan follows the design. Procurement follows the cost plan. The market gets tested last, when changing course means redesign and lost months.

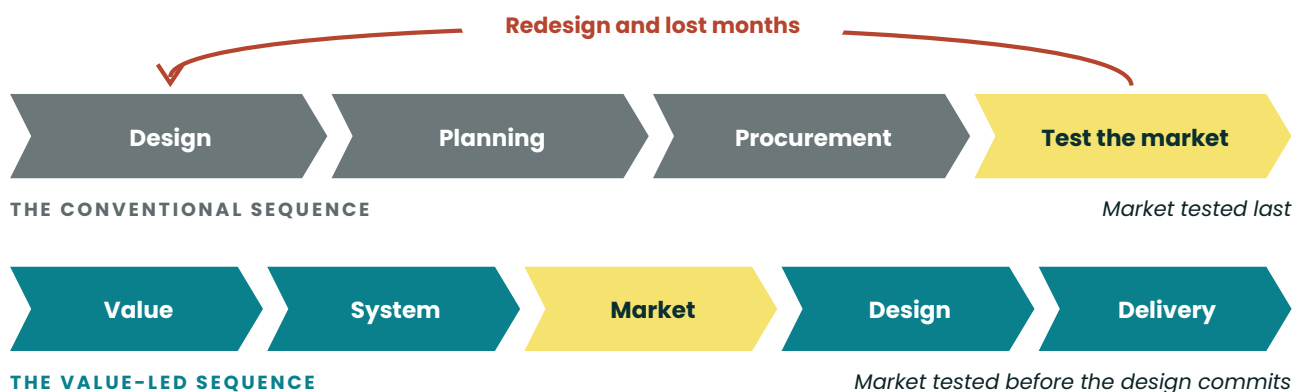


FIGURE 6 Two sequences. The second puts your priorities in the room when the big choices are made.

The first sequence starts from the opportunity and asks how to make it work. The second starts from you and asks what the scheme needs to achieve. Both can produce good homes. The second makes sure the market has been tested before the design commits to it. The rest of this paper walks through the five steps.



STEP 1

Value: define success before drawing anything

The first question at Stage 0 is what success means for you, this site and the people who will live there. Site capacity and construction method come later, once that answer is written down.

Housing providers rarely weigh the same things in the same way. One puts programme certainty first because tenants have to be moved out and rehoused on a fixed date. Another is driven by whole-life cost across a large stock. A third has a local labour commitment written into a council partnership.



FIGURE 7 Value drivers you can weigh. Energy sits here from day one, alongside cost and programme.

We use BSI Flex 390, the specification for value-based decision making in the built environment, to give this step a recognised structure. It frames value across four capitals (natural, human, social and produced) and asks for outcomes to be defined and weighted before options are compared.

The project value scorecard

The output is a scorecard: your priorities, weighted, with a measure for each where one exists. It stays live after the kick-off workshop. Every significant decision from Stage 0 onwards is tested against it and logged, which gives you a decision trail you can show your board and your funder.

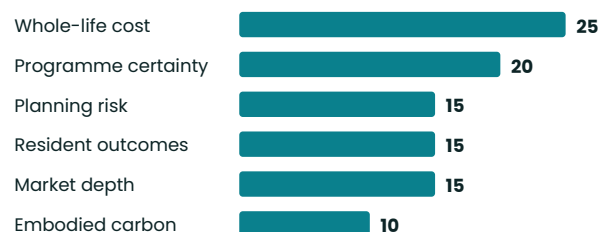


FIGURE 8 An example scorecard. Weights total 100.



STEP 2

System: describe the building before naming the builder

With a scorecard agreed, the next question is which building-system characteristics best serve it on this site.

A team that already works with one way of building tends to find answers in that way of building. Our method keeps every option open, from traditional build and timber frame to factory-made panels and modules, and judges them on what your site and your scorecard need.

Describe the need, not the product

Labels such as modular, offsite or traditional group very different products together. Describe what the scheme needs first, then see which approaches and firms can meet it.

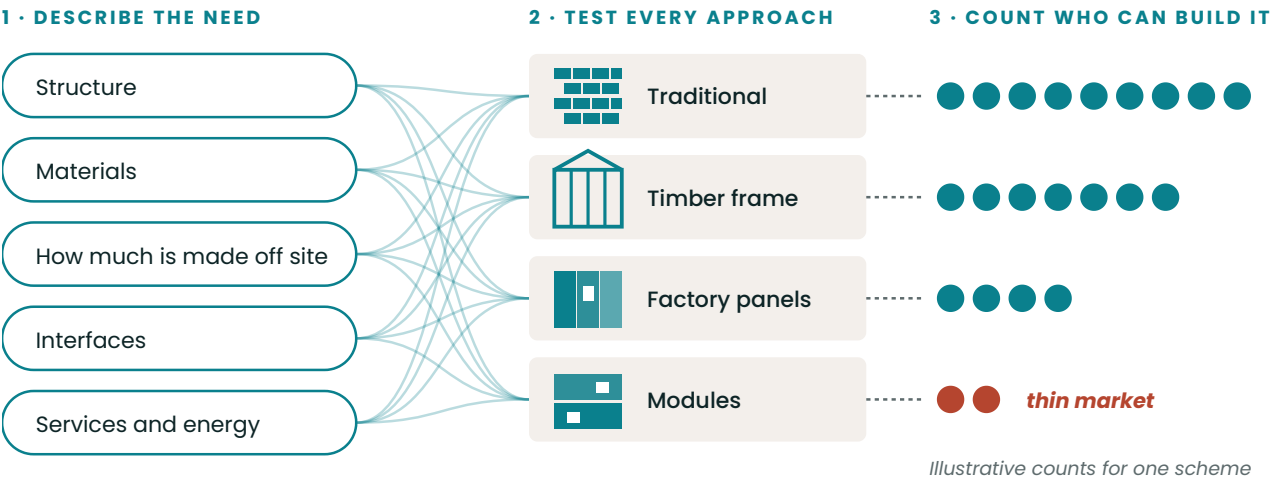


FIGURE 9 Needs first, approaches second, firms third.

Standards work in the UK and internationally is moving towards describing building systems by what they are, along these dimensions. Describing the need this way separates it from any one supplier, which is what makes the market test possible.

DIMENSION	WHAT IT TELLS THE CLIENT
Structure	How the building carries its load, and what that means for layouts, spans and future change
Primary material	Steel, timber, CLT, concrete or hybrid, and the fire, acoustic, weight and carbon behaviour that follows
Degree of assembly	Components, panels or whole volumes, and what is left for site
Interfaces	How the system meets foundations, services, facades and neighbouring elements
Services and energy	The plant, riser and heat-source space the energy strategy needs, fixed with the system, not after it

VALUE

SYSTEM

MARKET

DESIGN

DELIVERY

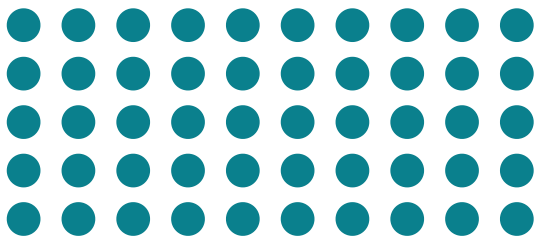
STEP 3

Market: don't put all your eggs in one basket

Once the scheme's needs are described, the market can be tested. How many credible firms could build it, with what capacity, from where, and how exposed is the scheme if one of them stops trading?

Take two routes that both score well against your scorecard.

ROUTE A · MANY FIRMS CAN BUILD IT



50 credible suppliers

ROUTE B · ONE FIRM CAN BUILD IT



1 credible supplier

FIGURE 10 Market depth. Hypothetical figures; real counts come from structured market testing on each scheme.

Route A brings competition, price tension, spare capacity, geographic choice and the ability to substitute a supplier. Route B concentrates the scheme's risk in one firm. That does not rule Route B out. A single-supplier route can still be the right answer, with the risk priced, protected in the contract and accepted by your board. The point is to see the risk early enough to shape the design and the deal. Market testing records how many suppliers can build to the specification, their capacity, their standing and the design rules each imposes.

EGGS IN ONE BASKET

Ilke Homes, a volumetric housebuilder with a £1bn order book, entered administration on 30 June 2023 and its sites stopped. The Guinness Partnership later confirmed that **32 part-built homes at Meadow Grange** in Essex would be taken back to slab level so a new contractor could finish the scheme. Where a design is tied to one supplier's product, losing the supplier can mean losing the design.

Traditional build carries the same exposure. When Carillion went into liquidation in January 2018, work stopped on the new **Royal Liverpool University Hospital**, a site-built scheme due in 2017 on a £335m budget. Defects found after the collapse added an estimated £300m, and the hospital opened in autumn 2022. The lesson is about depending on one firm, whatever the way of building.

VALUE

SYSTEM

MARKET

DESIGN

DELIVERY

STEP 4

Design: test the scheme against value and the market

At feasibility, the design tests what the site can hold. By this point the team knows what you value, which system characteristics serve it and how deep the market is behind each one.

The design can respond. Grids, spans, floor-to-floor heights, riser positions and panel or module sizes are set to suit more than one supplier where the market allows, instead of locking into one manufacturer's product at feasibility. Where a single supplier is the right answer, we design with them from the start and the contract is written to match.

Scoring the routes

Each route is scored against your weighted scorecard. Scores run from 1 to 5, and each weighted score is the weight multiplied by the score, divided by 5.

MEASURE	WEIGHT	ROUTE A TRADITIONAL, SITE BUILT	ROUTE B TIMBER FRAME, SEVERAL BUILDERS	ROUTE C FACTORY BUILT, ONE SUPPLIER
Whole-life cost	25	3	4	4
Programme certainty	20	3	4	5
Planning risk	15	4	4	3
Resident outcomes	15	4	4	4
Market depth	15	5	4	1
Embodied carbon	10	3	4	4
Weighted total	100	72	80	72

Illustrative only. Weights and scores are set with you for each scheme.

Route C leads on programme certainty, but relying on one supplier pulls it level with the traditional route. Route B wins because it performs well on every measure and has a deep market behind it. Change the weights and the answer can change. That is why the weights are agreed first, before anyone has a favourite. The scores and the feasibility design together give your board a recommendation it can sign.

INSIDE THE BUILDING

Services and energy: the decisions that hide until Stage 4

Getting the order right is just as important inside the building as across the supply chain. Services and energy strategy is often left until the layout is fixed, by which time the layout has decided how much room they get.

WHAT A HOUSING ASSOCIATION TOLD US

A development director described a familiar pattern: on an apartment block, the plant room was sized at Stage 3 before the energy and services strategy had been worked through. At Stage 4, once the services design caught up, it was too small. The layout was reworked and the scheme lost a home.

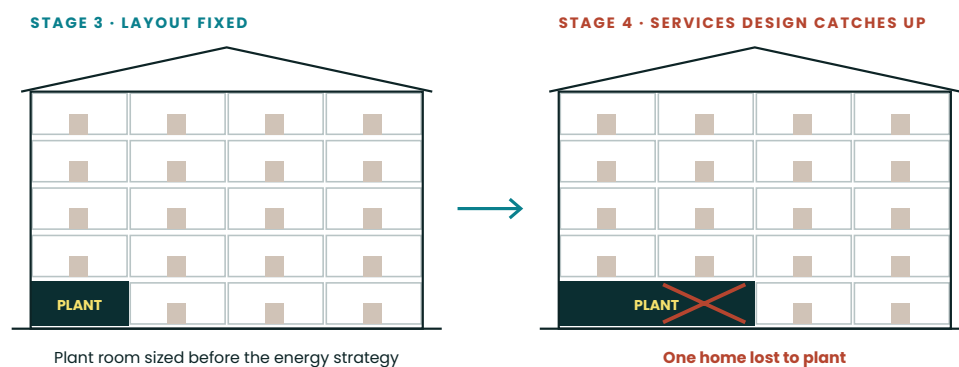


FIGURE 11 How it happens. Diagrammatic; based on the example described to us, not a specific scheme drawing.

The engineering was sound, but it arrived after the layout. One lost home reduces the scheme's income for its whole life, and the redesign costs fees and weeks on top.

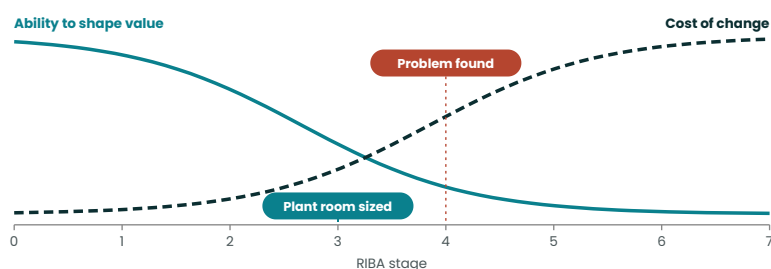


FIGURE 12 The later a decision moves, the more it costs and the less it can shape. Illustrative, after the widely used MacLeamy curve.

Where services sit in the method

Energy and services belong in the first two steps. The scorecard sets the energy outcomes you want, such as operational energy and running costs for residents. The system specification then carries the space those outcomes need: plant, risers, heat source and ventilation routes. The services engineer joins at Stage 1, so the layout is drawn around the plant room, not the other way round.

VALUE

SYSTEM

MARKET

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DELIVERY

STEP 5

Delivery: carry the scorecard into design

If the feasibility study shows the scheme stacks up, design moves into RIBA Stage 2 and beyond, with the scorecard and value drivers steering each decision. By the end of Stage 3 you should hold six things.

01

A value scorecard and decision log

Every significant choice since Stage 0, the evidence behind it and who agreed it.

02

A system specification by characteristics

The structural principle, performance, interfaces and services space the scheme needs, written so more than one supplier can bid where the market allows.

03

A market map

Named, credible suppliers for the preferred route and at least one alternative, with capacity, standing and accreditation checked.

04

A Stage 3 design that fits the market

Set out for the chosen system category, with plant, risers and the energy strategy sized by the services engineer, and tested with suppliers on the record.

05

Cost and programme evidence from the supply chain

Supplier input on cost and programme, with stated confidence levels, alongside the cost consultant's plan.

06

A procurement strategy and risk register

The route to market, the contract form, and the concentration and interface risks, each with a named owner.

You go into procurement with a scheme several suppliers can price, a clear view of where the risk sits and a record of why each choice was made. The approach sits comfortably alongside PAS 8700:2025, the BSI specification for offsite and design-for-manufacture approaches on new homes, which asks for the same discipline from design through to end of life.

A WORKING CHECKLIST

Twelve questions to ask before your next scheme

Use these on a scheme you are developing yourself or one that has arrived as a package. If several answers are unclear, revisit the order of decisions while there is still time to change it.

01 Can we state what success means for this scheme in terms our board would sign?

02 If we lead this scheme ourselves, which risks would a package deal have carried, and who will help us manage them?

Surveys, land, deal structure and delivery partners.

03 Which priorities would we trade, and what for?

If the answer is "none", the weights have not been agreed yet.

04 Who chose the construction approach, and at what stage?

05 Is the design tied to one procurement route?

06 How many credible suppliers could build this design as drawn?

07 What happens to cost and programme if the preferred supplier stops trading?

08 Has the energy and services strategy been sized before the layout is fixed?

Plant, risers and heat source need space that is cheapest to find at Stage 2.

09 Who in the current team is carrying risk they are not being paid for?

10 Where did the cost plan come from?

A supplier quote, a desk estimate and a benchmark carry very different confidence.

11 When will the procurement route be decided, and by whom?

12 Could we explain the choice of route to our board and our funder, with evidence?

WORKING THIS WAY

What changes for you

You keep the say over your schemes, see the risk early and decide with the evidence in front of you.

Construction methods are chosen on evidence, and the reasons are recorded. Designs stay open to more than one supplier where the market allows, which keeps competition alive and gives the scheme a fallback if a supplier fails. Supply-chain and services intelligence arrives at Stage 1 instead of at tender. The thread from feasibility to procurement holds, because the same scorecard runs through both.

It also changes your place in the process. Once you have defined value, understood the system options and mapped the market, you take part in development decisions as an informed client, including on schemes a development partner brings forward, without taking on the role of speculative developer.

How Architecture by Design applies the method

Architecture by Design is the architecture practice within by Design Group. We work with registered providers, housing associations and local authorities from Stage 0, independent of any builder or way of building. We know the supply chain and go to it directly for evidence. It is best practice, and few apply it.

START HERE

Value-led feasibility study

Low fixed fee, agreed before we start. Typically four to six weeks.

For land you own, land you are thinking of buying, or land held by the council or a partner. We agree your board's priorities, test what the site can hold, work through surveys and deal structure, compare the ways it could be built and check who could build each. It ends in a recommendation your board can sign. Case by case, we defer our fee until the site is shown to be viable.

THEN

Design commission

RIBA Stage 2 onwards, if the site stacks up.

We carry the scorecard, system specification and market map into design, through to a scheme that is ready for procurement, with the services strategy sized early and the decision log kept throughout.

START WITH ONE SITE

You do not need a scheme in planning. You need land, or a site in mind, with decisions still in front of it. Tell us what you have and we will tell you which questions it raises. **We reply within one working day.**



TALK TO US

Talk to us about a site

Tell us about the land you have, or the site you have in mind. We will tell you which questions it raises. We reply within one working day.

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Architecture by Design is the architecture practice within by Design Group. We recommend the approach and supply chain that suit each site, independent of any manufacturer. Our director Matthew Egan also runs Lundell, a light gauge steel manufacturer, and we declare that interest at the start of any engagement.

SOURCES

- BSI Flex 390 v2.0:2023, Built environment: value-based decision making, specification. British Standards Institution.
- PAS 8700:2025, Modern methods of construction for new build residential properties, specification. British Standards Institution, sponsored by MHCLG.
- RIBA Plan of Work 2020. Royal Institute of British Architects.
- Housing Today and PBC Today, reporting on the administration of Ilke Homes, 30 June 2023. Inside Housing, reporting on the Guinness Partnership's plans for Meadow Grange, Essex.
- Building, reporting on the Royal Liverpool University Hospital after the collapse of Carillion; Liverpool University Hospitals NHS Foundation Trust.
- The cost-of-change curve in Figure 12 follows the widely used curve attributed to Patrick MacLeamy. It is illustrative and carries no data.

Got land or a site in mind?
Start with a value-led feasibility
study.