

Development Workshop : Delivering Affordable Housing in Scotland

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About Our Development Programme



W.E. Build

From *Investing In Our Futures* to now...

Political Context

- Scottish Government's strategy to increase the number of new homes over term of next parliament
- Over **£3 billion** to fund the delivery of **50,000** affordable homes
- Accompanied by increased subsidy levels
- **14,000** full-time equivalent jobs a year
- **£1.8 billion** of economic activity a year on average



Current Delivery Models

- Land wholly in our control
- Section 75 Partnering
- Land and Contract Opportunities
- Large Scale Regeneration via our role as part of unique SPV



Land In Our Control –Design & Contractual Approach

- WHG Consultancy Framework – Lots include Design Teams & Individual Design Team Disciplines
- ‘Wheatley 24’ House Type Range
- Design Team generally appointed by WHG then ‘novated’ to contractor at tender acceptance
- D&B Contracts most common, though some Traditional

Land In Our Control – Procurement Approach

- WHG Contractors Framework **Expired** in 2018
- Previous framework (£200m) – Financial thresholds exhausted & **no longer fit for purpose** :
 - **Mini Competition Process** not attractive in buoyant market place
 - No option for **direct award**
 - No option for **engaging contractors early** on in the design process
- Design often re worked (value engineering) **post tender** to meet project budget

Land In Our Control -Procurement

- **New Framework features two lots**
 - **Lot 1 – up to 30 units (up to 8 places)**
 - **Lot 2 – 31 units and above (3 places)**
- **Ability to Direct Award or Mini Competition**
- **More flexible to changing market conditions**
- **Designed to reflect a more collaborative approach & allow enable early contractor engagement**
- **Larger projects delivered by the most experienced/expert contractors**
- **Other frameworks may also be used where it suits our circumstances e.g SPA, Scotland Excel**

Land & Property in our Control Case Study – Brand Street, Glasgow



**LOWTHER
HOMES.**



Dougrie Drive, Glasgow



Section 75 /Partnering - Case Studies

Dunedin Canmore



Transforming Communities : Glasgow

- Established initially as formal partnership in 2009
- In 2012 evolved into Special Purpose Regeneration Company comprising of :

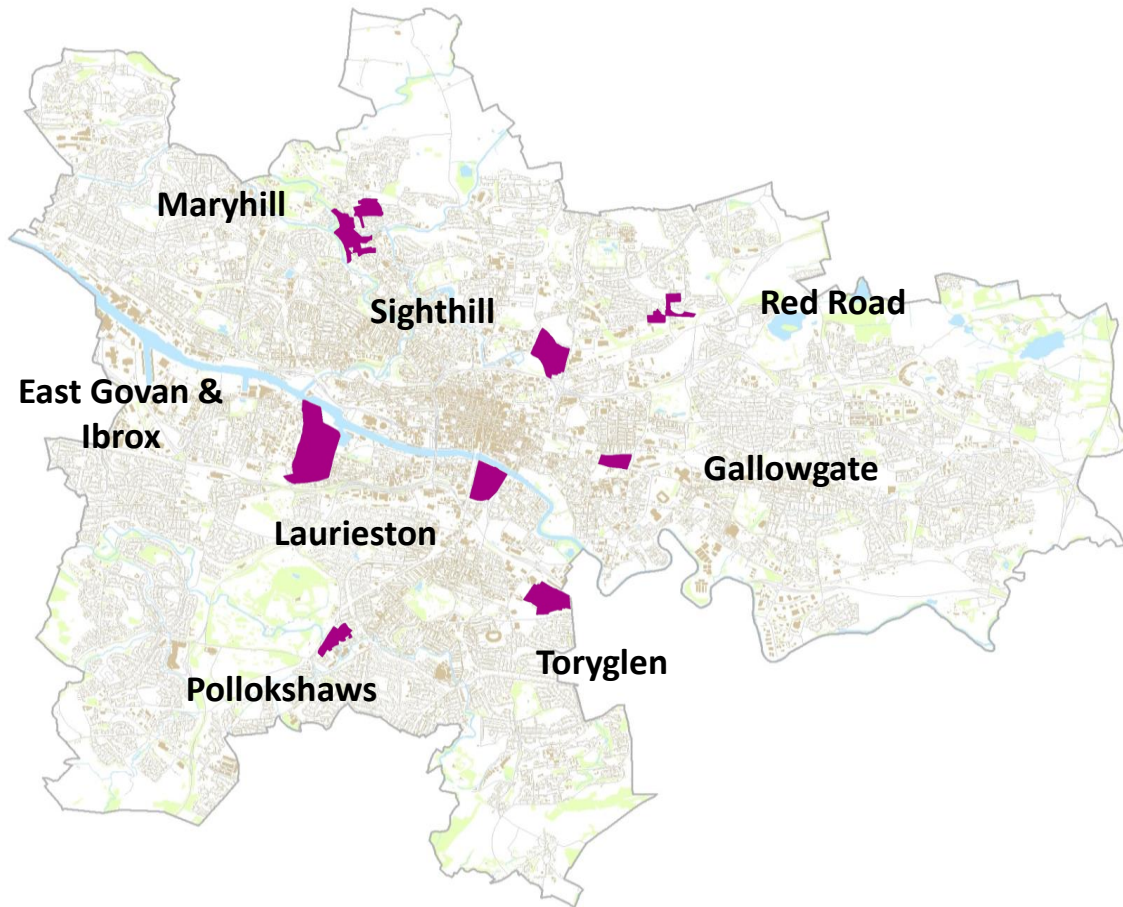


- Purpose to oversee the regeneration of 8 Transformational Regeneration areas (TRA's) across Glasgow
- 9.5k failing properties demolished and 5k new mixed tenure homes being delivered
- Complex land ownership & stock transfer conditions



Transforming
Communities:
Glasgow

Transformational Regeneration Areas (TRAs)



Sighthill TRA Masterplan



Grant Environment - Beyond 2021

- **Ageing Population** – Scottish Government signalling potential **shift** of budget priorities from housing to **health & education**
- Likely **budget reduction** – Further **£4bn (minimum)** to maintain a further 10,000 affordable homes per year post 2021
- **Grant per unit** subsidy levels **unlikely to increase**
- **Broader range of interventions** to support housing supply
- Looking for **innovation** in order to continue to deliver new homes across all tenures

Thank you

