Development Workshop: Delivering Affordable Housing in Scotland

12 June 2019

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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
Dougrie Drive, Glasgow
Section 75 /Partnering - Case Studies

Dunedin Canmore

Making homes and lives better
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
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