



HOUSING

Rising to the challenge
Accelerating delivery and providing value for money



Addressing public sector challenges in the delivery of affordable housing

In response to the Scottish Government's pledge to build 50,000 homes across Scotland by 2021, the public sector in the west of Scotland has made a significant commitment to build new, affordable homes:

Common challenges to be overcome if these targets are to be achieved include:

- **limited market capacity** of building contractors
- **a saturated market** where building contractors are selective in the choice of tender opportunities
- **lack of appetite** to develop projects in rural areas or on small sites
- **increasing material costs and labour shortages** adversely affect cost certainty and challenge budgets
- **constraints** within in-house procurement capacity and capability
- procuring independently puts Authorities in competition with each other and therefore misses opportunities to benefit from collaboration

110,000



110,000 homes in the Greater Glasgow and Clyde area by 2035 as part of the Glasgow City Region Strategy



UP TO
12,000

Up to 12,000 affordable homes in the west of Scotland by 2021

500+



Over 500 homes in local community developments by 2023 as part of Strategic Housing Investment Plans (SHIPs).



THE HUB WEST SCOTLAND PARTNERSHIP MODEL

hub West Scotland (hWS) offers a partnership model, available across the City Region, supported by a carefully selected supply chain.

This offer provides a quick and accessible method to deliver housing, certainty on cost and programme and the opportunity for collaborative working to drive value for money.

- brings together all West Territory Authorities and Registered Social Landlords to create a **significant and influential level of demand** and the opportunity to collaborate and share knowledge to mutual benefit
- unlocks access to a **committed supply chain** and economies of scale which provides **excellent value for money** and **certainty over costs and programme**
- hWS will deliver a portfolio of housing projects for participants using a **coordinated programme approach**
- **ensures development of sites** that would be considered unattractive as stand-alone projects
- provides a **swift, simple and fully compliant single procurement process** for the selection of supply chain members
- **reduces pressure** on Authority resources
- provides a competitively priced **development management service**, from project inception to delivery
- **Future sites can be prepared for development** using Strategic Support Partnering Services, ensuring momentum and effective transfer of construction risks
- Offers **unrivalled community benefits** through a programme-wide focus



Both Authorities and building contractors face challenges in the current market

Following the recession there are a limited number of contractors and a lack of skilled resource in the housing sector. The significant demand fuelled by the pledge to build affordable housing is increasing costs and putting pressure on delivery confidence.

Authorities face risks to cost and programme certainty and some are constrained by limited procurement resources and new-build experience. They are competing in a saturated market to their mutual disadvantage.

Contractors are constrained by traditional procurement routes that lock in key design and specification choices prior to their appointment. They are looking for earlier involvement and a direct appointment route so they can add value to projects from the outset – applying their experience to drive cost and programme savings and improvements.



“ East Dunbartonshire Council have worked in partnership with hWS in the delivery of community facilities and have found their processes critical in developing opportunities for joint working and collaboration with other public sector bodies

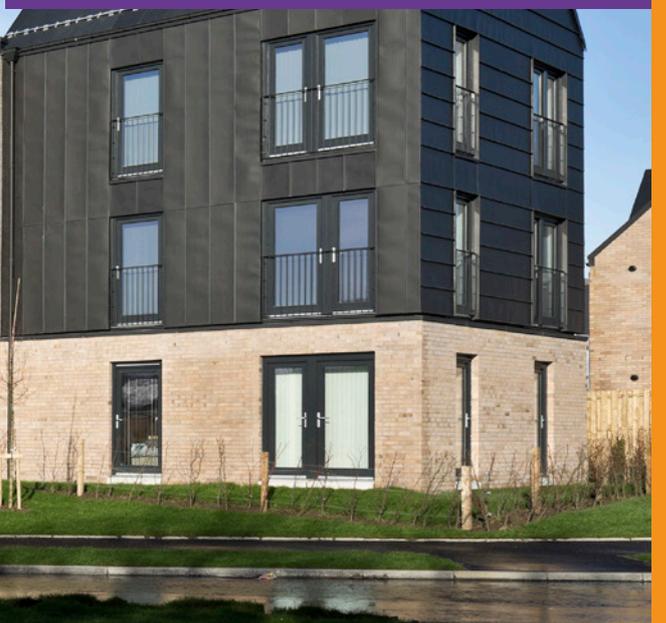
ALAN BAUER
STRATEGIC LEAD
ASSETS AND FACILITIES
EAST DUNBARTONSHIRE
COUNCIL





“ The rigorous hWS procurement route gets contractors and other partners involved earlier than most traditional approaches with the advantage of scoping out project costs and flushing out any issues early in the process. The hub model also promotes collaborative working across the Local Authorities and other participants with key areas such as community benefits addressed through partnership working and the established processes.

EDDIE MONTGOMERY
PROPERTY SERVICES MANAGER
INVERCLYDE COUNCIL



Working under the hWS partnership model offers an unrivalled opportunity for certainty and value for money

A COLLABORATIVE DEVELOPMENT PROGRAMME

The hWS partnership model offers an unrivalled opportunity for the 8 City Region Authorities to work collaboratively and realistically with the private sector to deliver their housing targets.

hWS will lead and manage a housing development programme and, in return for Authority commitment to the housing pipeline, contractors will commit to providing the capacity required to develop all sites within the programme.

The model recognises that through working together in a long-term, trusted partnership of genuine and meaningful collaboration, we can introduce a new way of working. This will achieve better value for money and accelerate efficient delivery which offers significantly better advantages compared to OJEU and framework alternatives.

PRE APPROVED DELIVERY PARTNERS

hWS selects appropriate delivery partners from our existing supply chain. Delivery partners are pre-approved based on an outstanding track record in the housing sector (particularly social housing) and proven ability to deliver quality, capacity, innovation and community benefits.



The hWS approach is focused on:

- bringing together the **8 City Region Authorities** to form an innovative, joint working partnership
- aligning with the objectives of the **City Region Economic Action Plan**
- offering Authorities a means to **deliver housing collaboratively** in partnership with a carefully selected supply chain
- providing a **swift, single procurement process** for a pipeline of projects – reducing procurement challenges and burden on Authority resources
- **guaranteeing that cost and programme commitments are delivered**
- providing a **service and fee structure that surpasses the alternative delivery frameworks**



A DEDICATED PROGRAMME MANAGER

A dedicated hWS Programme Manager, with proven expertise in the delivery of public housing projects, provides a single point of contact for Authorities and delivery partners. They will drive the programme and ensure it delivers value for money and programme objectives.

The Programme Manager will work with Authorities and delivery partners to:

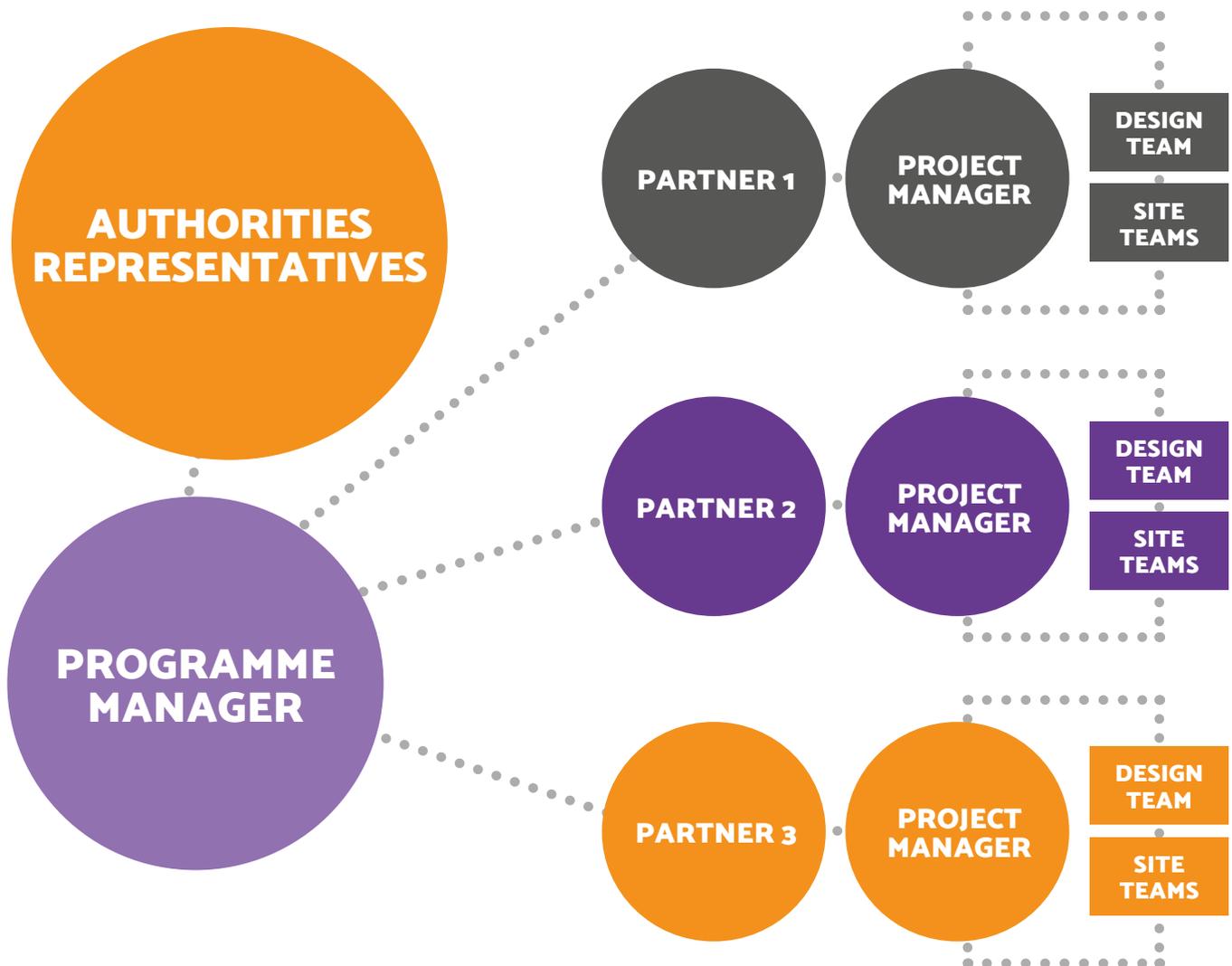
- plan and manage the programme
- ensure value for money is achieved and best practice is shared
- benchmark costs and share opportunities to improve pricing
- bring innovation and experience to propose alternative specifications or approaches to secure better value for money and swifter delivery
- ensure the benefits of collaborative working are realised

EARLY DELIVERY PARTNER INVOLVEMENT

The partnership model involves delivery partners early in the process which is critical to achieve programme and cost certainty. Utilising delivery partner expertise early in the design process will reduce project risk since they understand the site constraints that inform costs. Their early involvement will maximise value for each project by delivering more efficient designs, innovative construction methods and safeguarding time, cost and quality outcomes.

Early involvement allows our delivery partners to apply their construction expertise to future site preparations, address title and ownership issues, establish compatibility with town planning policies and carry out site surveys and investigations that inform cost planning.

Each delivery partner will appoint a dedicated Project Manager who will engage and manage the design team and projects. They will also be responsible for delivering contracted community benefits.



Working together we can harness our collective demand and share learning

The **benefits** of the partnership approach are well established through demonstrated programme success under the hWS model. Experience shows us that this collaborative approach safeguards the Authorities' housing requirements while delivering high design standards and housing quality, and reduced construction costs year on year. **This approach is proven to reduce Authority resource requirements and procure the best contractors in a buoyant housing market.**

Key benefits of working under the hWS model:

BENEFITS IN PROCUREMENT

- no Authority resources are required for procurement
- delivers a more cost effective and efficient procurement process
- delivers programme savings through direct appointment on projects
- secures top performing building contractors with a proven track record
- provides programme certainty as contractors are secured for all your pipeline projects
- ensures guaranteed procurement for small and complex projects



BENEFITS IN PARTNERING WITH CONTRACTORS

- delivers greater cost certainty through early contractor involvement
- consolidates design and build as delivery partners appoint and manage design teams
- designs are developed in partnership with delivery partners so you can access their site expertise early to inform costs and approaches
- delivers unrivalled risk transfer for Authorities
- delivery partners assume the risk on development fees to planning and an unrivalled risk transfer at construction
- provides an opportunity to work with delivery partners on joint delivery of tenure blind developments and access to privately owned land

BENEFITS IN COLLABORATING WITH OTHER AUTHORITIES

- reduces costs through scale of delivery
- reduces competition between Authorities for contractor engagement through a coordinated delivery programme requiring minimal procurement effort on part of the Authority
- provides an opportunity to benchmark specifications against other projects to ascertain value for money certainty
- facilitates knowledge sharing and experience with other Authorities
- enhances community benefit opportunities through a programme-wide approach that achieves more impact than a single procurement
- provides unrivalled opportunity to secure best production slots and competitive rates with suppliers



HOW DOES THE HUB WEST SCOTLAND MODEL COMPARE?

Where the hWS partnership models looks at your complete pipeline of projects, alternative procurement and delivery routes available to Authorities are undertaken on a case by case, transactional basis. Alternatives do not offer the opportunity either to work collaboratively or jointly procure with the aim of driving value for money. Equally the hWS proposal offers a means of benefitting from continuous learning and improvement.

Frameworks can generate procurement risk and value for money exposure to Authorities if the framework is not compliant with regulations and best practice guidance.

Frameworks may avoid OJEU costs but the associated fees and pricing structures offer poor value for money compared to the hWS fee structure which surpasses the alternatives as it includes a full management service, collaboration and continuous learning to drive efficiencies and reduce costs and an unrivalled community benefit programme.



Benefits to communities

Our approach provides a unique opportunity to **shape and deliver tailored community benefit programmes** that go beyond a single project delivery. We take a programme-wide perspective and build on the knowledge and successes achieved for other public sector clients to enhance the outcomes for your community.

This delivers **a greater and more sustainable return on your capital investment** through the delivery of high impact training, work experience, apprenticeships, capacity building and business opportunities that collectively represent an unparalleled suite of social and economic benefits for residents, businesses and communities in the west of Scotland.

Our dedicated Community Benefits Manager works together with our clients from project start to plan and create a bespoke community benefit package. Our tailored approach is recognised and valued by our clients as a key benefit of working with hWS.

Our community benefit model supports the **Developing Young Workforce Agenda, Youth Gateway** programmes and several Scottish Government priorities linked to economic regeneration.



hWS are passionate about the opportunities to transform the delivery of housing.

If you are interested in working with us, please contact Angeline Robertson, Partnerships Director on **0141 530 2150** or email **angeline.robertson@hubwestscotland.co.uk**



About hub West Scotland

Established by the Scottish Futures Trust hub West Scotland is a joint-venture organisation which is owned by both the public and private sectors. We currently work with 15 public bodies in the Greater Glasgow and Clyde area, known as the West Territory where we provide a **reliable one stop shop** to design and construct facilities which provide services to the local communities such as: schools, health centres; leisure centres and offices.

Our approach is entirely focused on **collaborative working**. We provide an environment where our public sector clients can work together, deliver projects jointly, share knowledge and truly achieve value for money.

We provide a **quicker and more accessible method** to deliver construction projects compared to lengthy OJEU procurement processes.

We operate transparently and with direct accountability to our Public Sector owners and clients.

Over the last five years we have successfully delivered...

40 PROJECTS
WORTH OVER **£380M**



Our approach focuses on **working together early in the development process** with the design team and contractor to provide cost and programme certainty, and give our clients confidence that their buildings and facilities will be delivered to their communities on time and within budget.



16



EDUCATION FACILITIES

10



HEALTH FACILITIES

9



COMMUNITY FACILITIES

2



OFFICES

1



LEISURE CENTRE

2



SMALL BUSINESS WORKSHOPS

We strive to make an **unrivalled positive social and economic impact** so local communities gain maximum benefits from the infrastructure investment. Our developments promote opportunities to small and supported businesses, and support local communities through employment and training opportunities tailored to our clients' key objectives.

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