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Consortium

#SEC2019

GETTING YOU FUTURE READY

# Trowers & Hamlins Zone Presentations



EVENT PARTNERS



ENGIE

FFI

th trowers & hamlins





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# Contents: Trowers & Hamlins Zone

## **Session 1: Keynote Session**

Pages 04-18: Challenges ahead of our sector – preparing for the marathon

## **Session 2: The Political Landscape**

Pages 19-30: Impact of Brexit on our sector

Pages 31-45: Housing policy – which way next



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BUILDING HOMES  
MAKING PLACES  
ENHANCING LIVES

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# SEC Conference 2019

**‘Challenges ahead of our sector – preparing for the marathon’**

**Paul Hackett**

CEO of Optivo

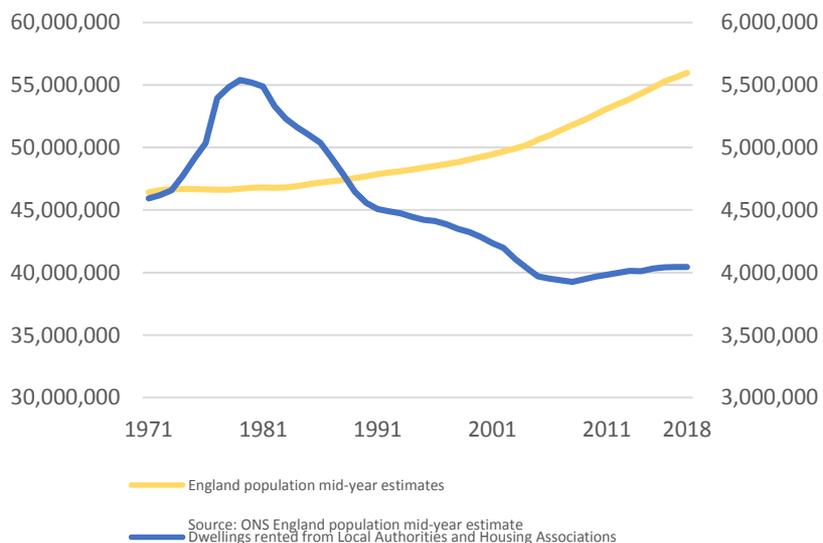


# CONTEXT – THE HOUSING CRISIS



- **1.1m** people on council waiting lists
- **81,000** households living in TA
- Income : house price multiple is **8x**
- **145k** affordable homes need to be built pa
- **90k** of which need to be social rent
- Currently building **40k** pa
- 40 years ago there were **5.5m** affordable homes
- Today just over **4m**
- Meanwhile population has grown by **10m**
- **2m** homes lost through RTB

England's population is rising, but its stock of affordable rented homes is declining



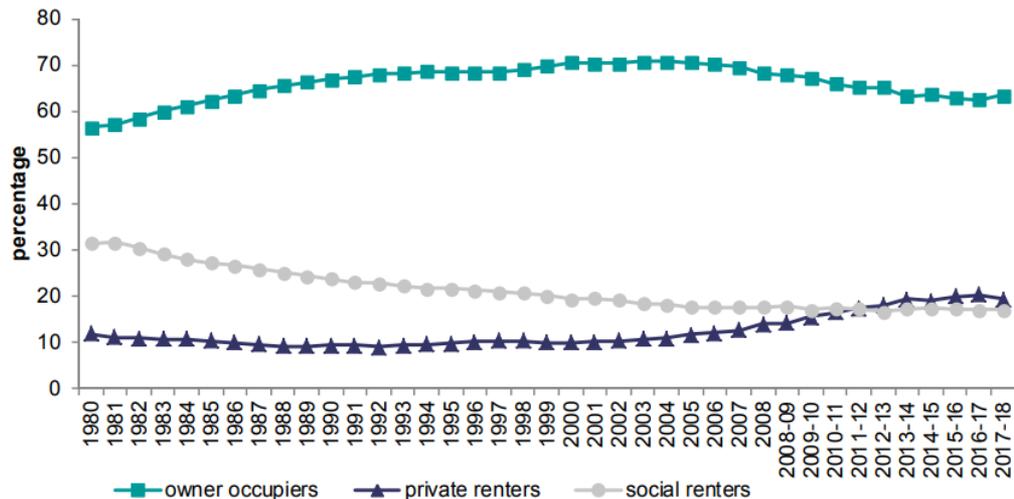
Source: MHCLG Live Table 104 Dwelling stock: by tenure, England (historical series)

# CONTEXT – HOUSING MARKET IS BROKEN AT EVERY LEVEL



- Not enough social housing
- 1st time buyers struggling with affordability
- Transactions down
- **8m** people in England living in unaffordable, insecure or unsuitable home
- Generation rent – who funds their housing costs in old age?

Figure 1.1: Trends in tenure (proportions), 1980 to 2017-18



## CONTEXT – HOUSING AS A POLITICAL ISSUE

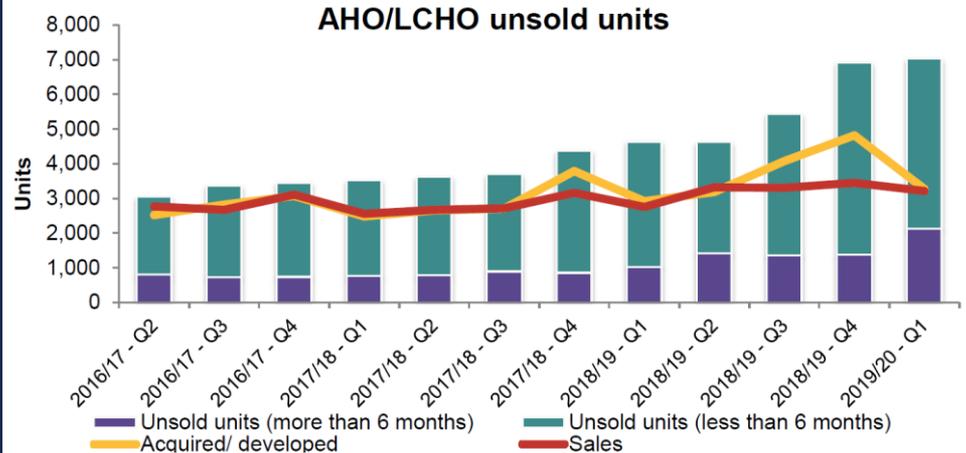
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- Politicians need solutions
- British Social Attitude Survey:  
**57% happy to see homes built in their neighbourhood – just 23% opposed**
- Goldsmith Street wins Stirling Prize



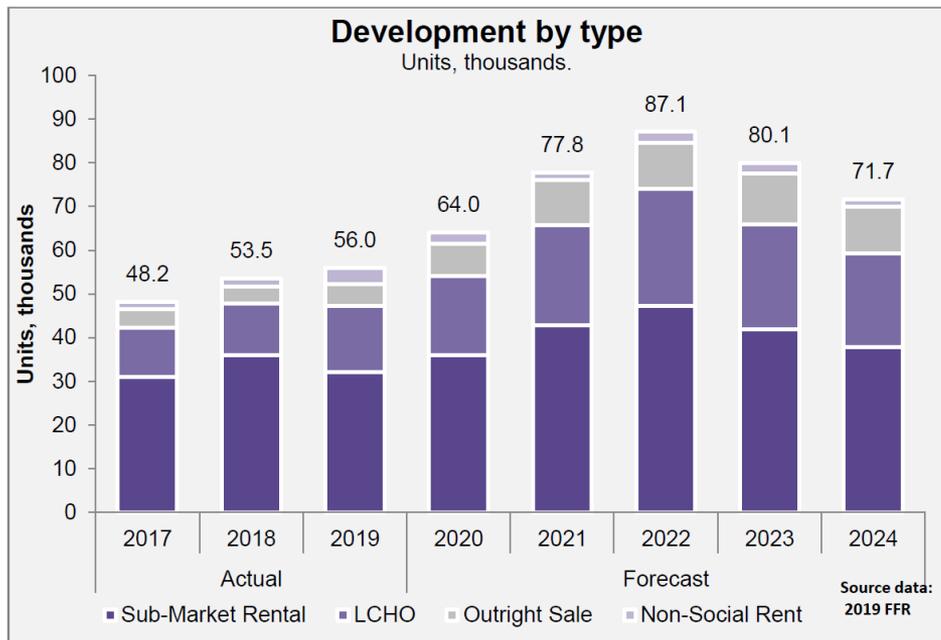
- Part of the solution
- Challenges:
  1. Development & sales
  2. Existing homes
  3. Cost inflation
  4. Political and regulatory risk



# CHALLENGE 1 – DEVELOPMENT



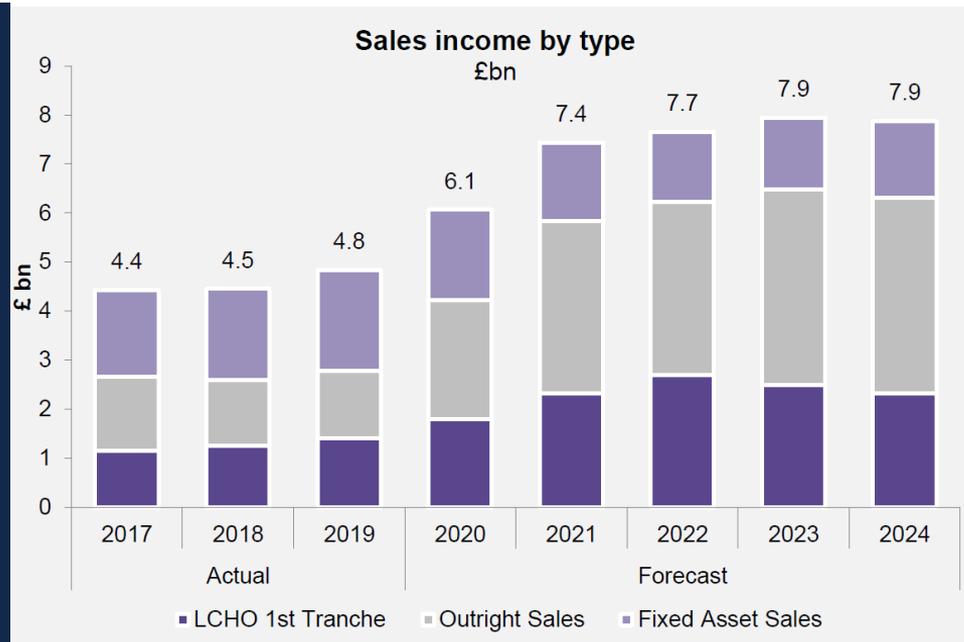
- HAs ramping-up supply:
  - **56k** in 2018-19
  - **64k** in 2019-20
  - **78k** in 2020-21
  - **87k** in 2021-22



## CHALLENGE 1 – SALES



- Q1, **56%** increase unsold homes >6 months – highest for 10 years
- HAs forecasting **£37bn** sales income by 2024
- Is the model broken?
- Different solutions needed at different points in cycle.



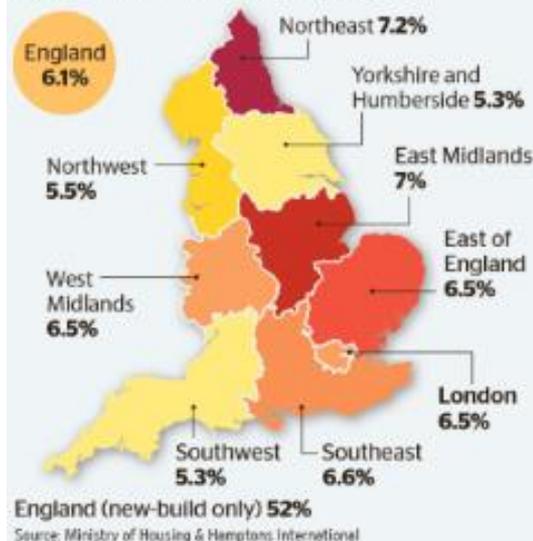
# CHALLENGE 1 – OTHER DEVELOPMENT & SALES CHALLENGES



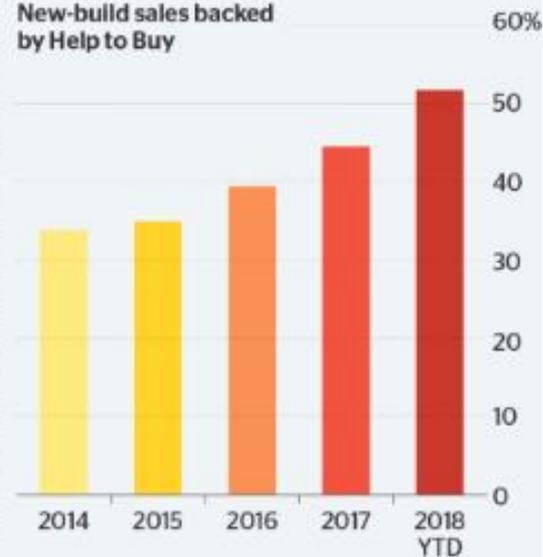
- Phasing out of Help to Buy by 2023
- 2025 new homes standard
- Build quality

## Help to sell

### Help to Buy as a % of all home sales

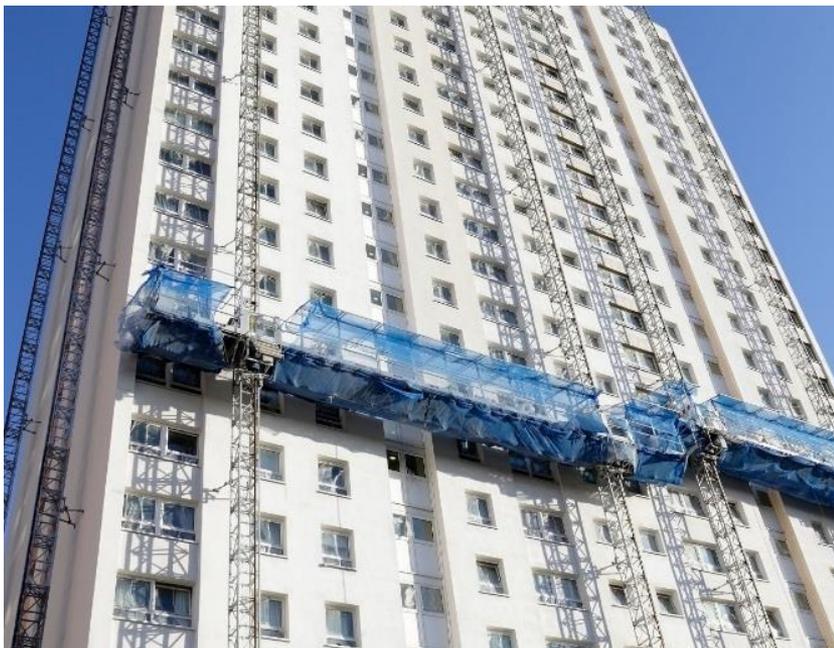


### New-build sales backed by Help to Buy



## CHALLENGE 2 – INVESTING IN EXISTING HOMES

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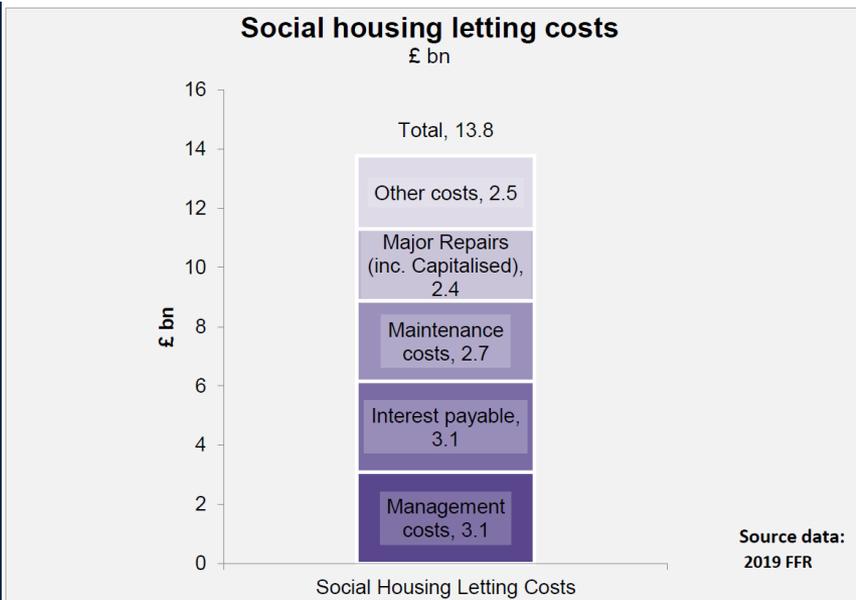


- Residents' safety
- G15 estimate we need to spend **£7bn** responding to Hackitt
- EPC Band C by 2030
- Good quality stock condition data
  - keeping residents safe
  - compliance with regulatory standards
  - making high-quality, evidence based decisions
- Improving data quality is a key area of risk flagged up by the RSH

## CHALLENGE 3 – COST PRESSURES AND INFLATION RISK



- HA business plans sensitive to differential inflation
- CPI + 1% from 2020-25
- Cost pressures >CPI + 1%
- **£13.8bn** each year managing our homes including **£5.1bn** on R&M
- Inflationary impact of Hackitt
- Counter-party risk



## CHALLENGE 4 – POLITICAL AND REGULATORY RISK

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- White Paper
- Green Paper
- 2016 Housing & Planning Act
- LHA
- Rent settlement
- Supported and sheltered
- Council HRA caps removed



*“Fixing Britain’s broken housing market is my number one domestic priority”.*  
Theresa May

## CHALLENGE 4 – POLITICAL AND REGULATORY RISK

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- Homeownership – nothing about social rent
- 1% added to PWLB
- Queen’s Speech included building safety – silent on housing

### **Uncertainty about:**

- Welfare – rents
  - RTB – RTSO
  - SHG post 2022
  - Consumer regulation
  - General election and CSR
-

# PERFECT STORM

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- Fire safety
- Weak housing market
- Political and economic uncertainty
- 'Perfect-storm' for HAs:
  - Sales exposure
  - Hackitt
  - Economic uncertainty





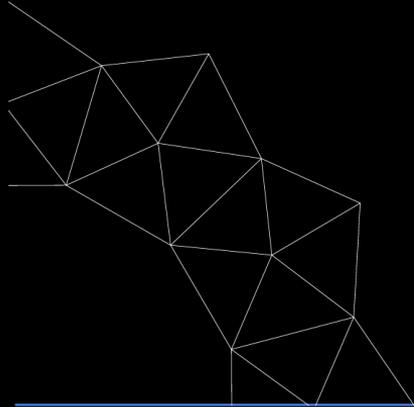
- **Economic case for housing**
  - GDP
  - Deeper labour / consumer markets
- **Economic case for counter-cyclical investment**
  - Jobs
  - SMEs
  - Lower costs
- **Case for long-term funding**
- **Case for higher grant / Hackitt funding**
- **CSR – work done by NHF, GLA and G15**
- **HAs want partners who are in it for the long term.**



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**Thank you for listening**





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# Impact of Brexit on our sector



Simon Rubensohn - Chief Economist, RICS



# Impact of Brexit on our Sector

South East Consortium Annual  
Conference  
Simon Rubinsohn  
Chief Economist

# The macro outlook for the UK appears fairly flat whatever the Brexit outcome as global headwinds build

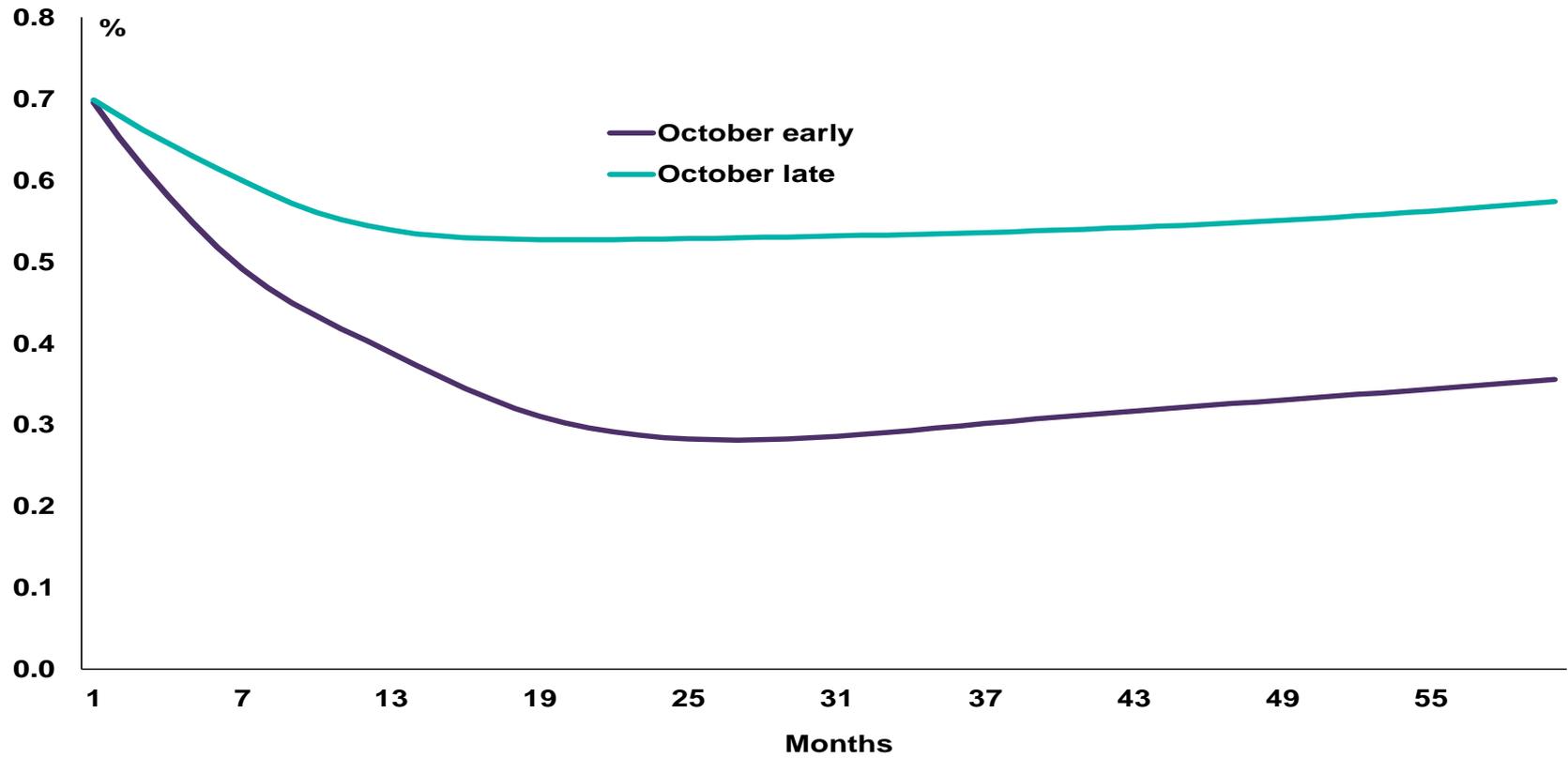
- The Brexit story remains a source of major uncertainty
- But even if we were to assume a *favourable* outcome to this issue, the impetus for growth is softening as the global economy slows
- The IMF's recently published 3% Global GDP forecast for 2019 would, if realised, make the current year the weakest since the GFC
- Meanwhile, Oxford Economics Global Recession Model now puts the probability of such an outcome at around 30%
- UK growth in 2020 is set to remain around the one per cent mark on their central scenario

Which is reflected in the recent scenario projections from the Institute for Fiscal Studies

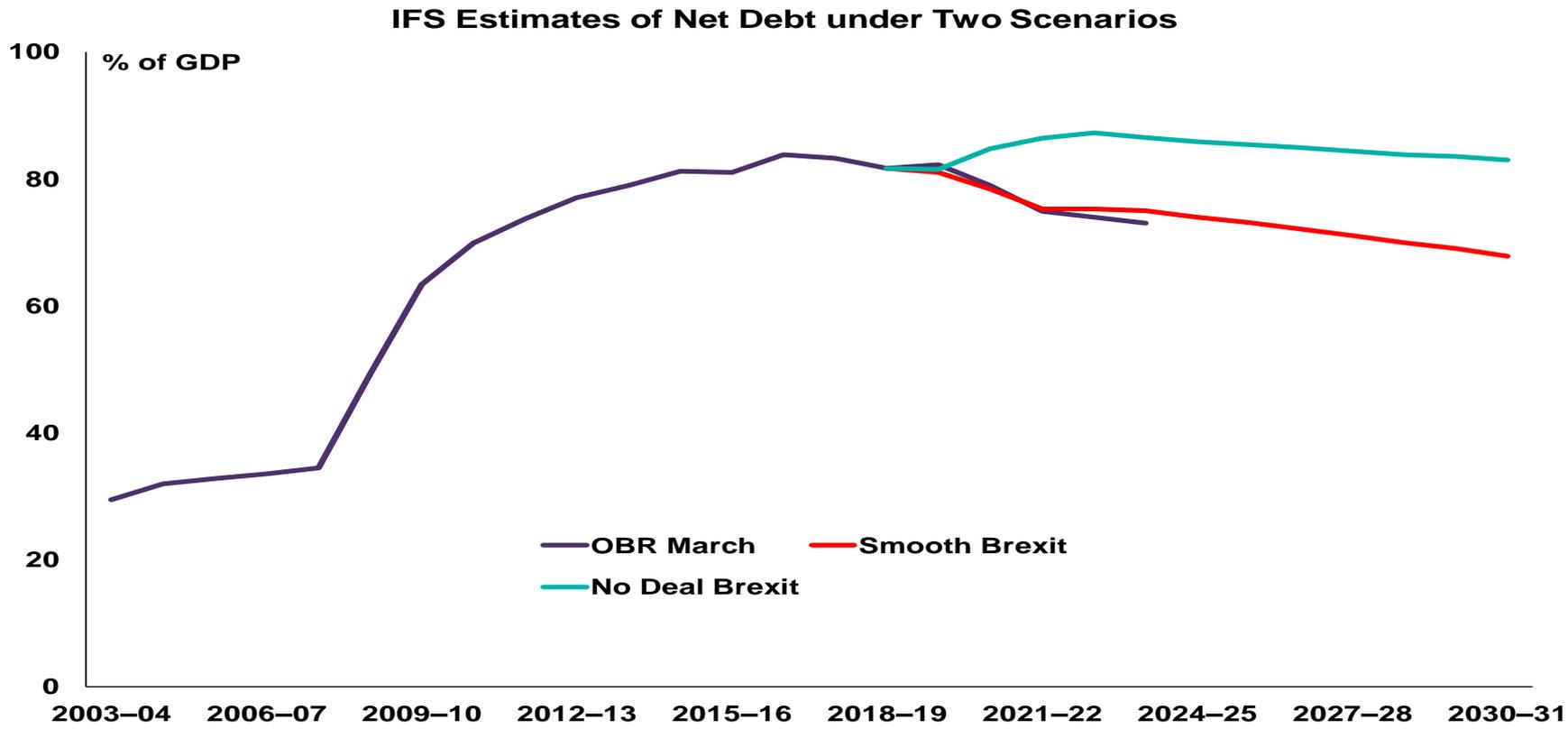
<b>Scenario</b>	<b>IFS GDP Projection 2020-22</b>
Continued Brexit Uncertainty	3.6%
Brexit Deal	4.4%
No Deal	1.0%
Revoke Brexit	5.3%

Monetary policy is being eased across much of the globe although not here for now where expectations are largely reflecting Brexit concerns

Money Market Base Rate Expectations



Spending/tax promises are building which will put further upward pressure on the budget, now set to exceed the 2% limit, and the debt level

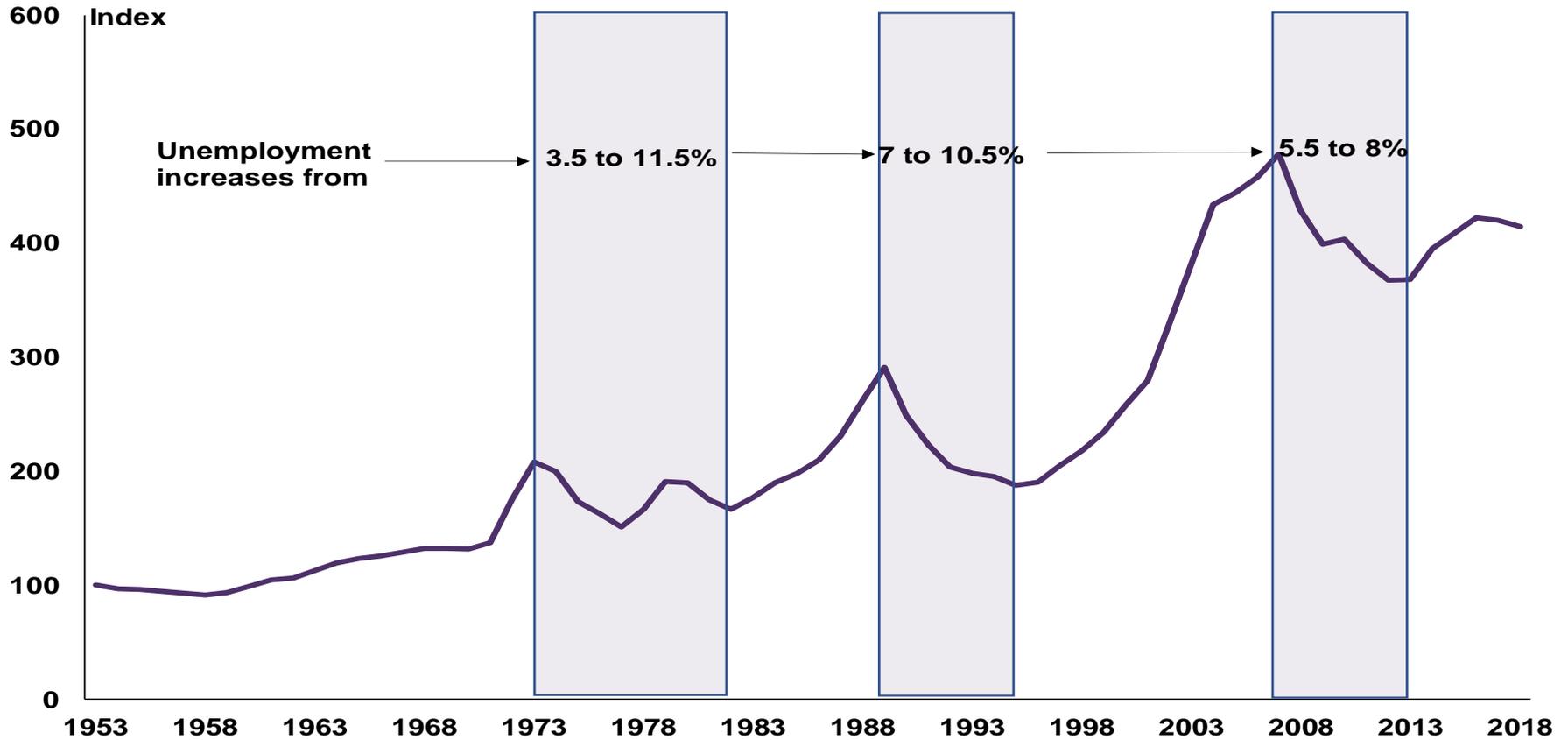


# The Housing Market – the story so far

- Activity nationally has remained relatively resilient this year with transactions continuing to track just short of 100k per month according to HMRC data
- As we are all aware the sales picture in London and, to a lesser extent, the wider South East is rather different
- This is clearly reflected in the weaker trend in the RICS New Buyer Enquiries data
- But key indicators of prices are only slightly off their highs
- Which is unsurprising given the macro environment

# Big price adjustments only take place in deep recessions

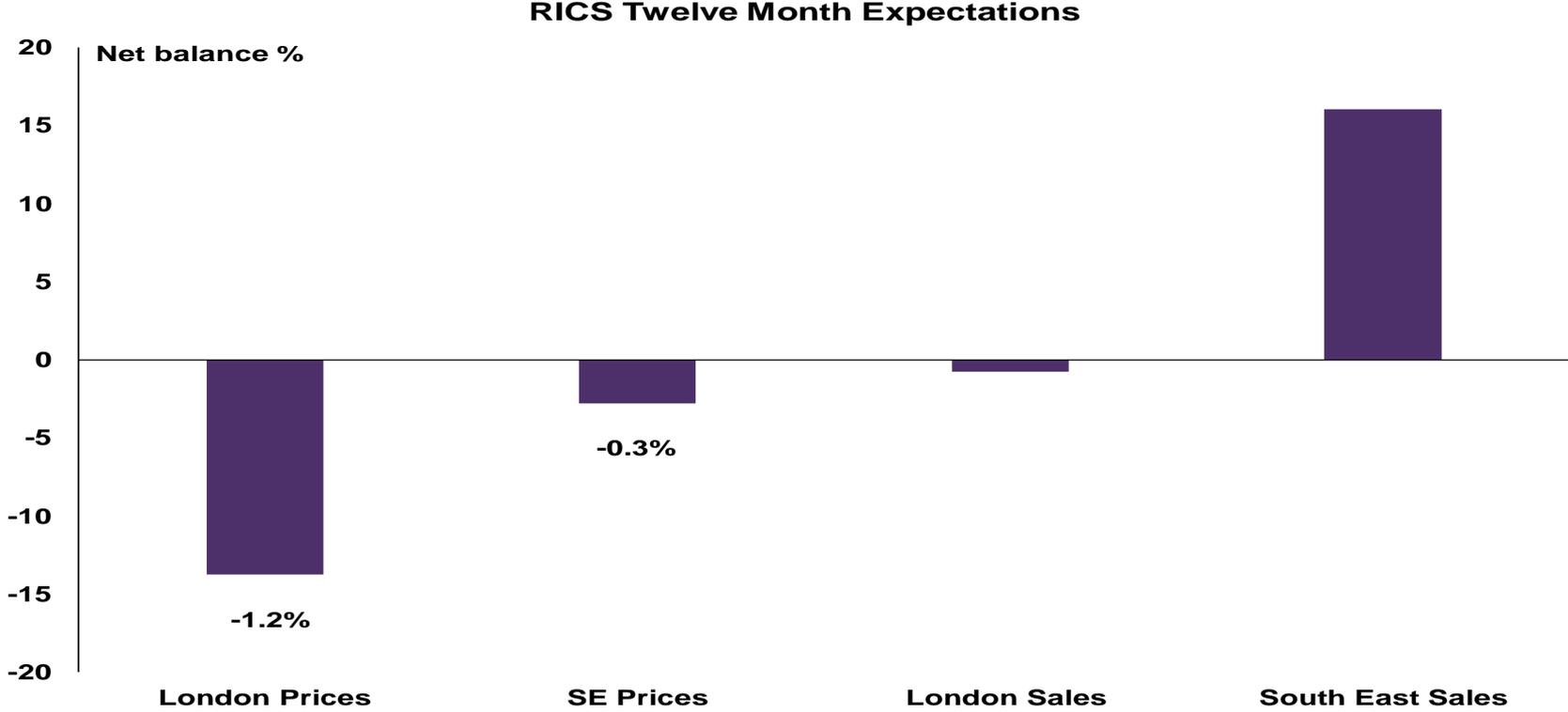
**Nationwide House Price Index in Real Terms**



# Not when unemployment is at record lows and money so cheap

- It is not just that the jobs market remains strong
- Average quoted rates on fixed rates mortgages continue to hit new lows eg: for a five year 75% LTV loan, the cost in September stood at 1.8% compared with more than 2% earlier in the year
- The rates on high LTV products has posted a broadly similar decline over the period reducing the proportion of first-time buyers' income absorbed by mortgage payment to 17% from 17.5% a year ago
- The spread of mortgage rates over wholesale funding costs are around 50 basis points above the 2017/18 levels providing scope for a further lowering in cost of finance given that default risk remains low
- The Bank of England's latest Credit Conditions Survey, meanwhile, suggests lenders' appetite to supply secured credit (driven principally by market share objectives) is undiminished

Nevertheless, expectations from the RICS survey suggest little change is likely in prices or transactions in London and the SE over the next year



# Housing development may be slowing but we are hearing it is generally fairly resilient away from the capital

- RICS tracking of housebuilder workloads suggest that activity may be losing momentum but still remains positive outside of London – developers are clearly intent on managing risk more effectively than in the last cycle
- This chimes with recent statements posted by the likes Barratt and Bellway – the Crest Nicholson results underline the specific challenges in London with a £10m write-down
- Net reservations are still lower on a year-on-year basis and the use of incentives is widespread although the HBF survey suggests that in both cases, it is a little less so that earlier in the year
- Aside from uncertainty around both the election outcome and Brexit, the ending of Help to Buy will increasingly feature in the approach of the sector to land acquisition
- There will be greater focus on building smaller sized properties once again as well as on a broader range of tenures which should create opportunities for partnerships
- But the cross-subsidy model will remain challenging for HAs

# There are some big policy challenges to come

- What if anything will replace Help to Buy? One option raised by The Resolution Foundation is a £10,000 'citizen inheritance' for 25 year olds
- Given recent comments about Shared Ownership, how will the government promote this tenure if it is re-elected? Will the preference be reflected in the next Affordable Homes Programme?
- What will happen to Stamp Duty? Kites flown in early September have been locked away but the case recently made by Alex Morton to abolish or dramatically cut the tax on primary residences is likely to find favour with the present government
- The case for a wholesale review of property taxation including Council Tax is strong but does anyone have the appetite?
- The debate around rent controls may intensify over the coming weeks but what impact will it have on the PRS sector?
- And given the current fiscal position as well as the constraints around labour and materials, how realistic are ambitions to develop in excess of 100,000 social rent homes a year however much they are needed?



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# Housing policy - which way next?



Terrie Alafat - Chief Executive, Chartered Institute of Housing



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Housing

# Housing policy - which way next?

Terrie Alafat CBE, chief executive, CIH

7 November 2019

# What this session will cover



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Housing

Political context - uncertainty

Big issues and outstanding business for housing

What we can do to seize the agenda

# Political context



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- General election – 12 December
- Brexit
- Housing policies – priority?
- Divergent policies
- Value of social housing?
- Welfare policies – impact for housing



# Big issues (1)



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Housing

## Supply

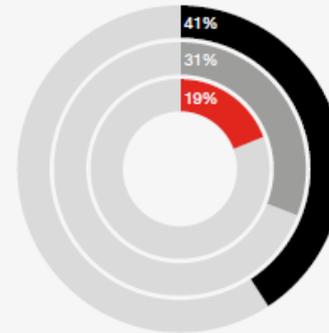
- 340,000 new homes a year of which:
  - 145,000 affordable homes
  - 90,000 social rent
  - £12.8 billion to fund social homes and tackle housing crisis in a decade
- Whole market approach needed, not single tenure focus

## Affordability

Figure 2: Private renters pay most: average proportion of joint income spent on housing costs by tenure (including housing benefit)<sup>16</sup>

Mean proportion of income

- private renters 41%
- social renters 31%
- owner occupiers 19%



Source: Shelter social housing commission 2019

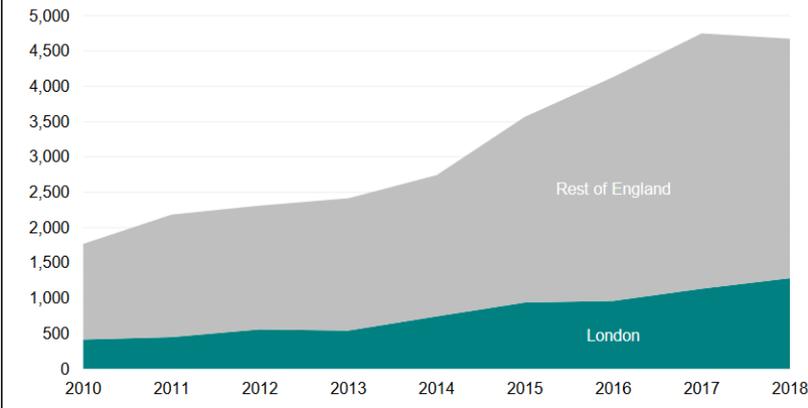
# Big issues (2)



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## Homelessness

Chart 1: Number of people sleeping rough, England, London and Rest of England, autumn 2010 to autumn 2018



Source: MHCLG rough sleeping statistics, Autumn 2018

Since 2010:

- Rough sleeping up by 165%
  - London rough sleepers increased by 13% last year
- Homelessness acceptances up by 48%
- Numbers in temporary accommodation up by 58%, taking £1 billion of the £1.2 billion spent every year on homelessness (Crisis)
- 22% increase in deaths of people sleeping on the streets to 726 in 2018 (England and Wales)

Factors:

- Lack of social housing- 18,000 fewer lets to homeless households
- Welfare reform - LHA levels and freeze on working age benefits; lower benefit cap

# Big issues (3)



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Housing

## Ageing:

- In 50 years, 26% of population will be 65 and older (an extra 8.6m)
- 4% will be 85 and older

## A hidden housing crisis:

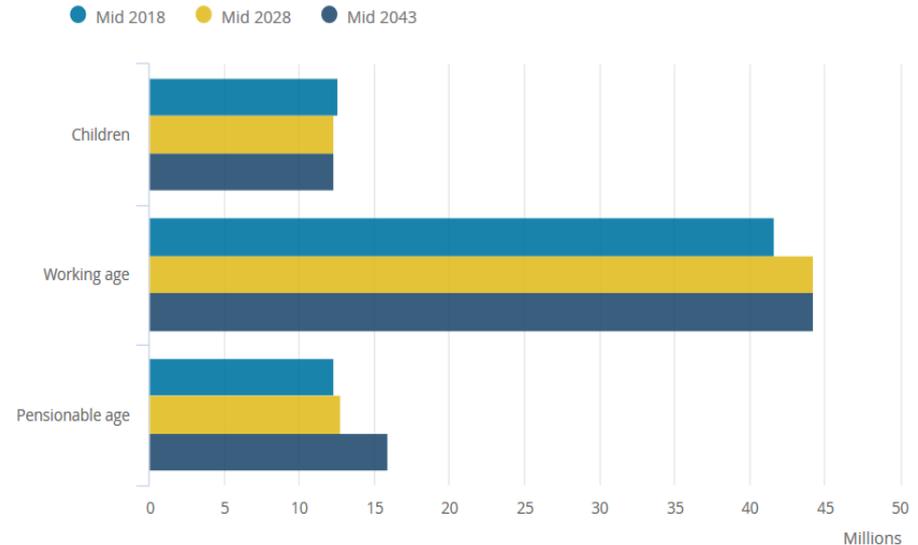
- 13.9m disabled people but only 7% of homes have basic accessibility standards

## More people of all ages in PRS long term

- 68% 16-24
- 44% 25-34
- 28% 35-44

**Figure 4: The number of people of pensionable age is projected to grow the most**

UK population by life stage, mid 2018, mid 2028 and mid 2043



Source: Office for National Statistics – National population projections

# Other urgent business



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Housing

For housing:

- Safety and standards in homes
- Regulation and increased resident voice
- Tackling stigma

SEE THE PERSON.

#BenefitToSociety

In wider context:

- Localism and devolution
- Public services – demand increasing as funding reduced



Source: LGA 2019

# What we can do to seize the agenda



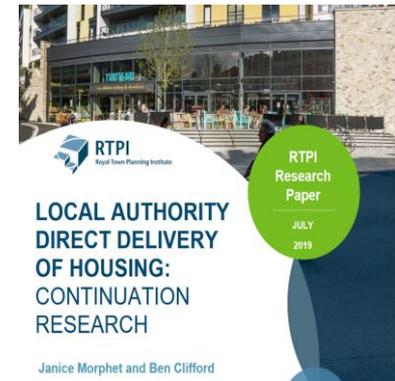
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## Housing associations - positive perspective

- 24% don't see govt policy as barrier to development (71% did 2017)
  - over 44,000 new homes completed
  - Reinvesting nearly 6% of assets
  - £58 per property in community investment
  - £10.8 bn invested in new housing supply
  - £1.7 bn improvements to existing homes

## RTPI report on local authorities:

- 69% delivering housing directly/through housing company
- Nearly 9,000 homes developed
  - 42% affordable rent
  - 23% social rent



# Supply



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- Availability of land
- Skills
  - Plymouth housing development partnership
- More councils are building
- Design, affordability and client group
- Innovation
  - Swan housing and Accord – manufacture directly
  - Home Group – Gateshead Innovation village



# Affordability



Chartered  
Institute of  
Housing

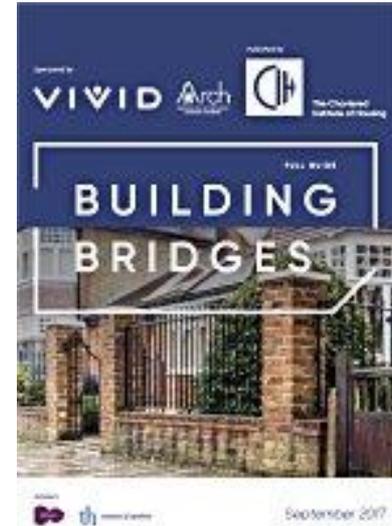
Develop understanding local affordability constraints

Reflect in rent setting approaches

- Genuinely affordable homes in context of local incomes

Shared and sensitive allocations

- South Gloucestershire district council and Sovereign
  - Sovereign – no affordable rent conversions
  - Council – maximise social rented homes through S106
  - Shared intelligence on impact of policies e.g. welfare reform



# Homelessness



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Housing

## Homelessness Reduction Act in practice

- Brighton and Hove City council trailblazer
  - Early intervention service
  - Home visits where at risk
  - Referrals from landlord

## Local/ regional partnerships

- West Midlands voluntary commitment to collaborate

## Housing First

- St Mungo's Brighton



# Demographic change



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Housing

Local plans and business plans – reflecting needs of communities

- Bowthorpe care village
  - Councils, housing trust and care provider in partnership delivering care home and housing with care

Increased development of affordable options – rent and shared ownership

- APPG report: rental housing for an ageing population
  - 38,000 new homes a year
  - 12,000 extra care

Higher accessibility and HAPPI standards



# Common themes



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- Take a lead in finding solutions
- Create and work in partnerships
- Share capacity and skills/ develop workforce

## What CIH is doing:

- Professionalism – our work to develop skills and value of housing professionals
  - Knowledge and skills
  - Values and behaviours
- Involve tenants and strengthen customer focus



Thank you



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Housing

[Terrie.Alafat@cih.org](mailto:Terrie.Alafat@cih.org)

[www.cih.org](http://www.cih.org)

@CIHhousing



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# How to avoid a race to the bottom



Rebecca Rees - Partner, Trowers & Hamlins  
Andy Tookey - Managing Partner, Baily Garner

# How to avoid a race to the bottom

- Context
- Understanding value
- Reform of procurement practice
- Collaborative contracts
- Appreciate risk
- Proof of competence
- Need for “skin in the game”
- Payment practices
- Quality gateways
- Digitisation
- Skills and training

Pioneering — Bahrain — Construction — Public sector — Energy — Real estate — London — Tax — IT — Dubai — Manchester — Connecting — Knowledge — Pragmatic — Malaysia — Exeter — Thought leadership — Housing — Agile — Creative — Connecting — Private equity — Local government — Manchester — Environment — Focused — Islamic finance — Projects — Abu Dhabi — Corporate finance — Passionate — Team v — Employment — Regulation — Procurement — Expertise — Specialist — Planning — Investment — Committed — Delivery — IT — Governance — IP — Corporate — Infrastructure — Value — Development — Private wealth — Oman — Governance — Birmingham — Corporate finance — Dynamic — Pensions — Dispute resolution — Insight — Banking and finance — Arbitration — Diverse — Regeneration — Care — Communication

# Context

- Renewed interest in how we price projects:
  - Hackitt Report: Building a Safer Future Chapter 9:
    - procurement kick-starts behaviours
    - procurement sets the tone and direction of the relationships between the client, designer, contractor and their subcontractors
    - the aim of the procurement process should be to obtain best value, rather than lowest cost.
- Does the way in which we procure the contract undermine the success in the project from the outset?

## Context (2)

- Why is lowest price = highest marks still attractive?
  - Pressure on budgets
  - Need to “capture” savings at procurement
  - VFM seen as linear: required quality at the lowest price
- BUT:
  - Highly competitive market-place
  - Ridiculously low (declared) margins accepted
  - Mistrust between client and bidders
- Leads to:
  - Fictionalisation of procurement process
  - Disconnect between tender and delivery phases
  - Disputes and disappointments (and mistrust...)

# How can we avoid a race to the bottom? (1)

- Understand what is “value” to your project
  - Clearly set out why you are embarking on this project
  - Map out key objectives and outcomes
  - Link them to selection and award criteria
  - Draft your (bespoke) specification and other documents with them in mind
  - Contractualise the tender promises and manage the contract throughout to monitor their implementation
  - Post project reviews to recycle know-how and “lessons learnt”

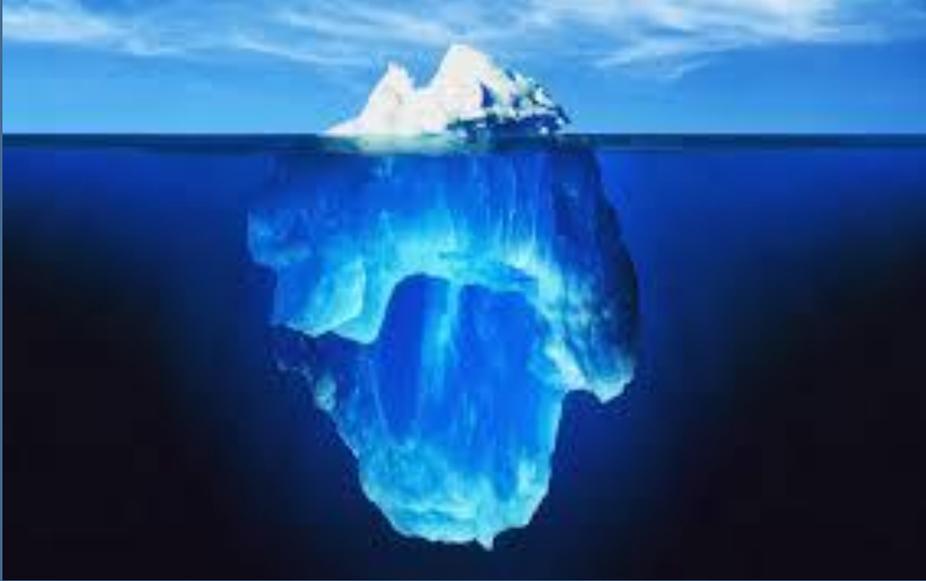
## How can we avoid a race to the bottom? (2)

- Reform procurement practices
  - Not a cut and paste/ “off the shelf” exercise
  - Client needs to understand what it is evaluating, why and from whom (the market-place)
  - Quality: are we evaluating the quality of the tender writing or the quality of the works/services offered?
  - Price: relative pricing models:
    - promote poor bidder behaviour
    - ask the wrong question
  - UK practice often unintentionally prefers price over quality
  - Verify the answers and be difficult!
  - Know your market and the price of things so you can identify ALTs, collusion, areas that require clarification etc.

# How can we avoid a race to the bottom? (3)

- Collaborative contracts
  - Why is “partnering” such a dirty word?
  - Isn’t collaboration via a contract as simple as:
    - Stating what you are going to do upfront
    - Setting out contractual processes (with deadlines) to enable the relentless pursuit of what you said you were going to do in the first place
      - (*eg Core Group meetings, early warning, risk management, contractual timetables...*)
    - Getting rid of anything that hampers that
      - (*Client and supply-chain disengagement, threat to Contractor’s declared profit, adversarial options, poor payment practices*)
- But all of this will fail if you have procured via an exercise that asks bidders to submit a fictitious price

# Appreciate Risk



Understanding;

- The risks
- Appetite
- Premium you are prepared to pay



# Proof of Competence



- Will “Building a Safer Future” drive competence?
- Interim/ alternative positions



# Need for “Skin in the Game”

- Project Team’s longer term interest/legacy
- Lifecycle cost v. initial capital cost



# Payment Practices

**FAIR PAY FAIR PLAY**

EVERYONE DESERVES TO BE PAID ON TIME



# Quality Gateways

- Hold Points



# Digitisation

- The Golden Thread



# Skills and Training

- Selection criteria



# Questions





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# The next challenge for social value



MK Rallings Adams - Deputy Chief Executive, HACT  
Elanor Warwick - Head of Strategic Policy and Research,  
Clarion Housing Group



# The next challenge(s) for social value

7 November 2019

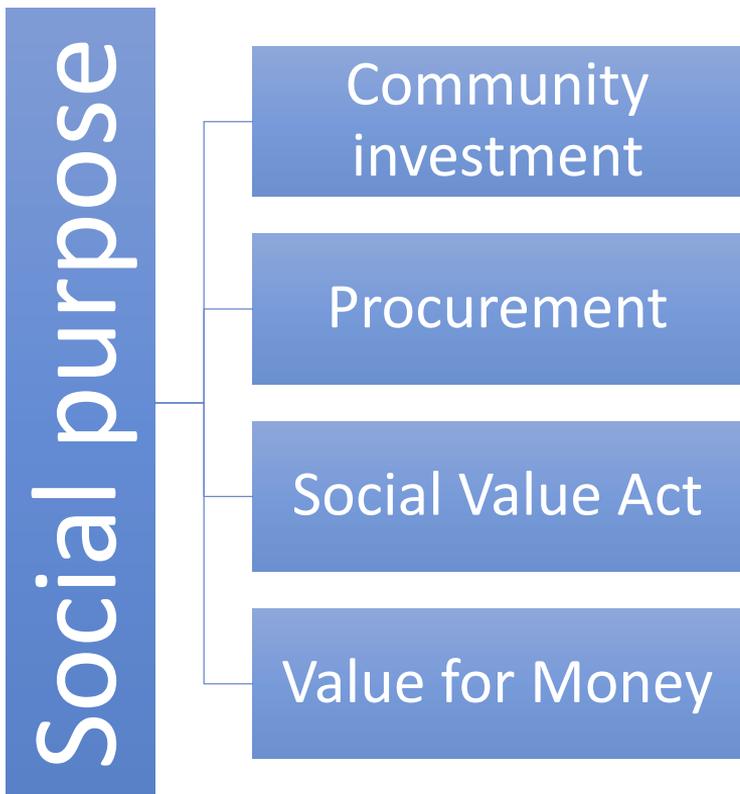
Mary-Kathryn Adams, Deputy Chief Executive, HACT

Elanor Warwick, Head of Strategic Policy and Research, Clarion

[www.hact.org.uk](http://www.hact.org.uk)

**How do we express our  
social purpose?**



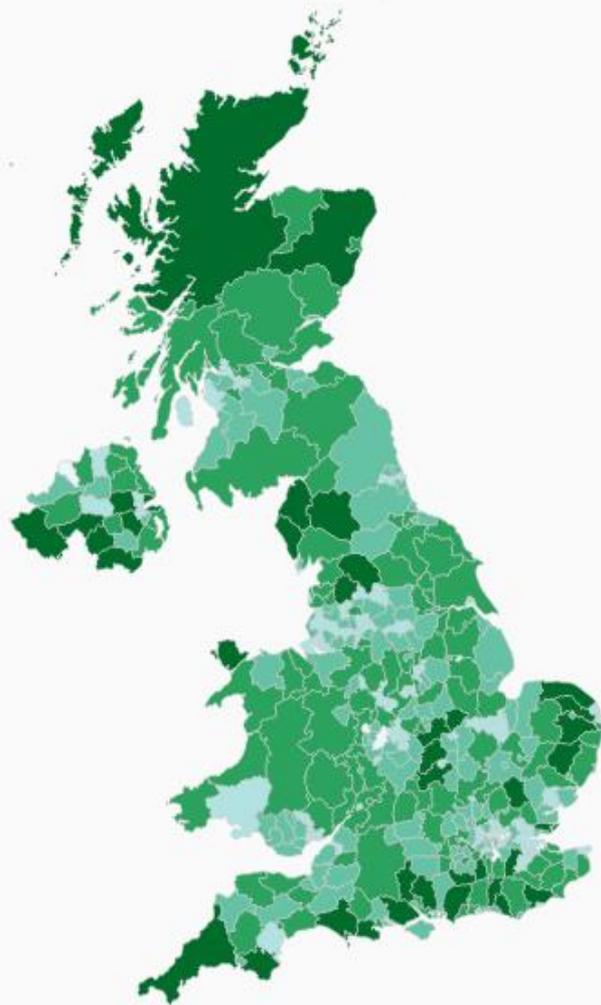


**VALUES**  
**VALUE**



Public Services (Social Value) Act 2012





out of 10

8.2

7.8

7.6

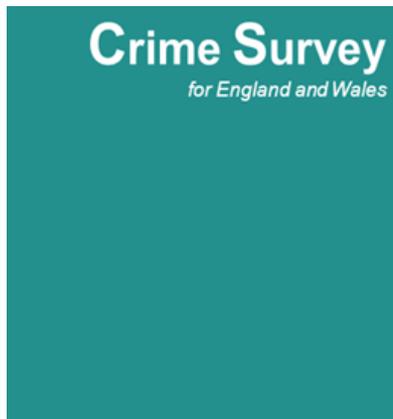
UK average  
7.5

7.4

7.2

6.9





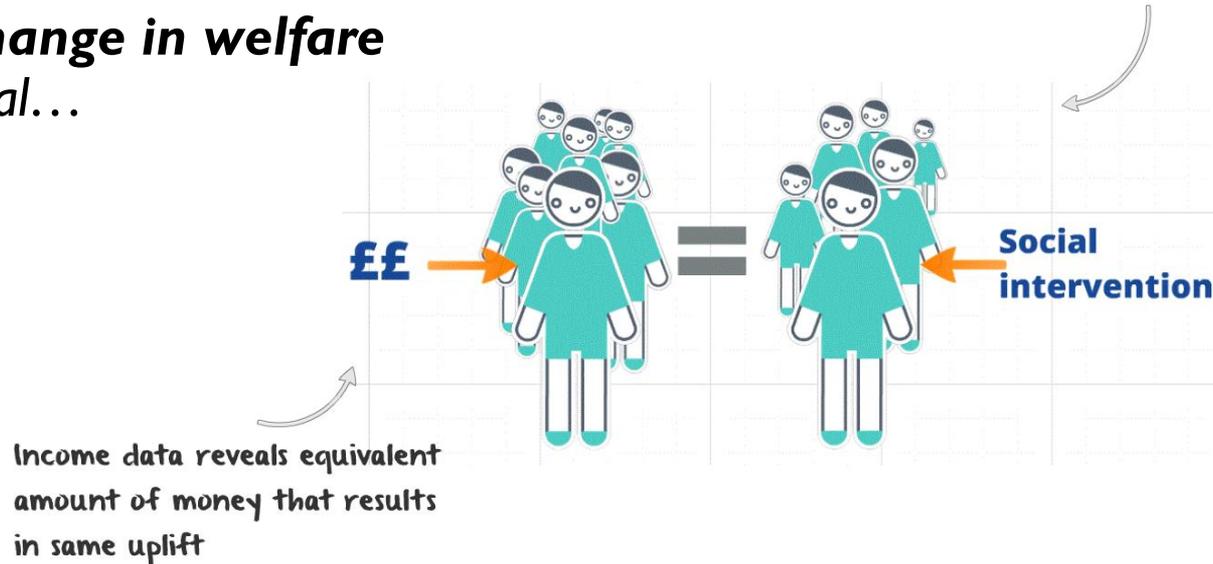
2013/14 Taking Part  
Survey

Technical Report



It's about the **amount of money** that would **induce the equivalent change in welfare** for the individual...

Statistical analysis reveals effect on life satisfaction





**UK  
Social  
Value  
Bank**

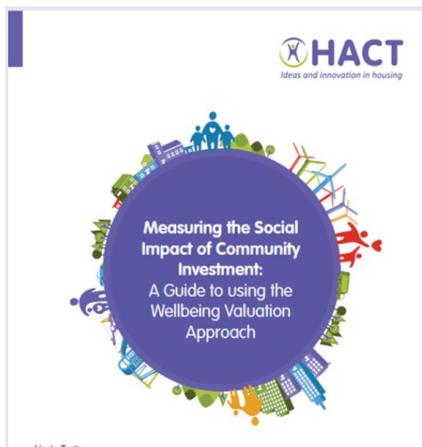
Engineered by HACT and Simerica

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# Evolution of the Social Value Bank



# The Social Value Bank – A brief history



**Recommended  
by Sport  
England May**

**In Global  
Value  
Exchange**

**Included in Lord  
Young's Social Value  
Act Review- Feb**

**2015**



Home > Social Value Act: information and resources  
Cabinet Office

**Included in Cabinet  
Office guidance – May**

**2016**  
**Guidance  
Social Value Act: information and  
resources**  
Updated 3 May 2016



How can (robust!) social value measurement support evidence-based decision making?

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# Clarion at a glance



CLARION  
HOUSING GROUP



£816 m  
Turnover

125,000  
Homes

360,000  
Residents

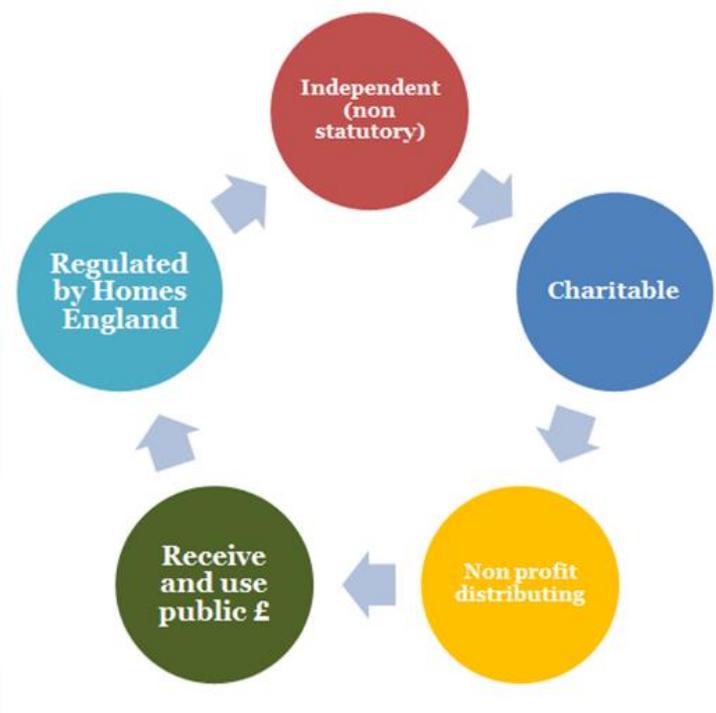
5,000  
New homes  
a year

£125m  
Social value



# A 'business for social purpose'

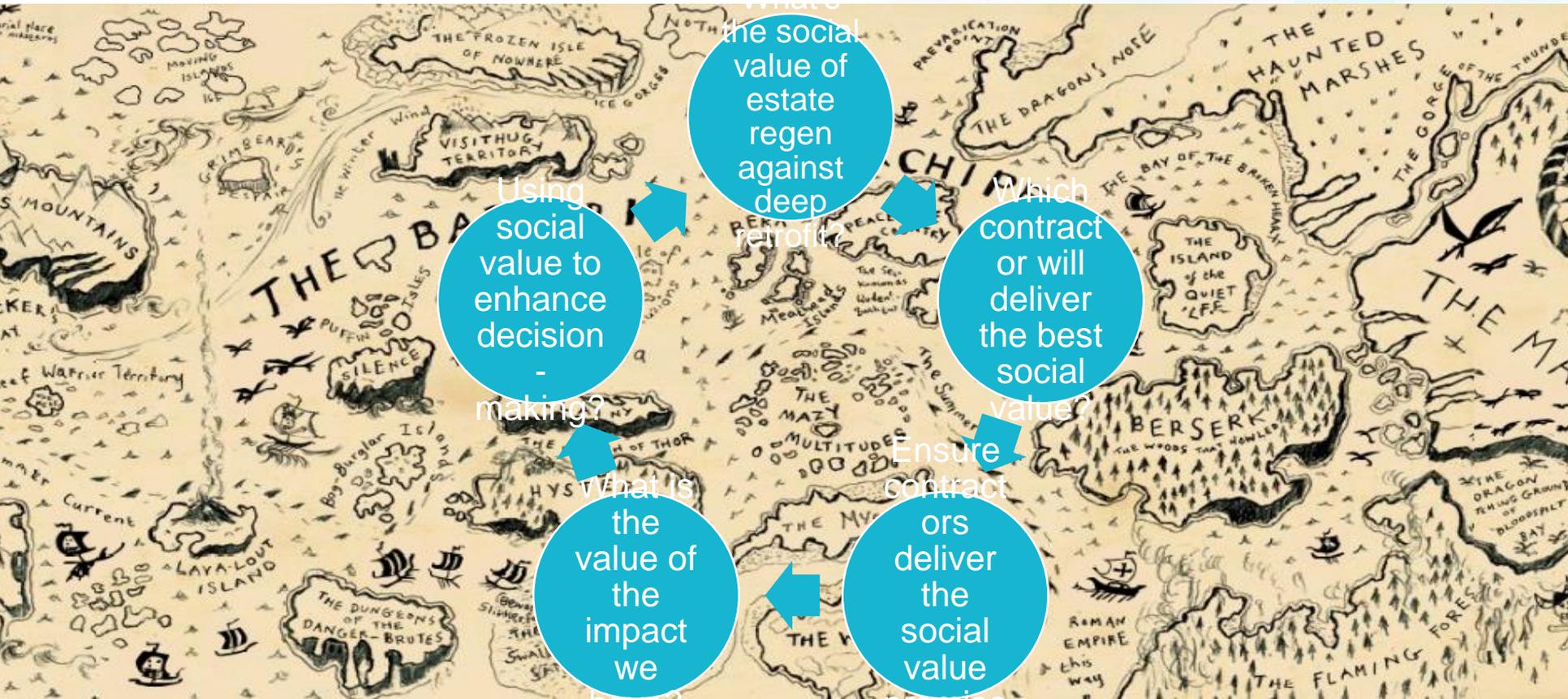
- Primarily a social landlord
- Charitable, regulated, but displaying commercial disciplines
- Ethical and transparent
- Helping people failed by the market
- Charge fair, affordable rents



# A broad take on Social Value



CLARION  
HOUSING GROUP



What is the social value of estate regen against deep retrofit?

Using social value to enhance decision-making?

Which contract or will deliver the best social value?

What is the value of the impact we

Ensure contract ors deliver the social value



# Social value: from metrics to delivering real impact



CLARION  
HOUSING GROUP



- Robust measurement
- Varied positive impacts
- Focused investment decision-making
- Improved service delivery

What does this mean?

# From evaluation to influencing decision-making

BAU

- Annual report
- Clarion Futures  
Balanced Scorecard
- Supply chain value added
- Value for Money statement
- Asset values for planned programme

NOW

- Integrating to procurement
- Repairs
- KPIs for Funders (ESG)
- Options Appraisal process for Regeneration/ Refurb

FUTURE?

- Energy efficiency lobbying
- Future asset standards
- Circular Economy

# Individual benefit from refurbishment programmes



CLARION  
HOUSING GROUP

## Average wellbeing value per occupant:

Energy efficiency improved by one EPC band **£217**

Rectification of serious condensation / mould growth **£770**

Improved landscaping / tidied gardens **£379**

Graffiti problems resolved **£439**

Improved condition of dwellings (external decoration) **£336**



# Barne Barton: Social value a key part of the picture



CLARION  
HOUSING GROUP



# Circular Economy at Merton



CLARION  
HOUSING GROUP



## What does circular economy involve?

Keeping materials and resources in use for longer



Through process  
improvements



New business  
models



Redesign of products  
and services

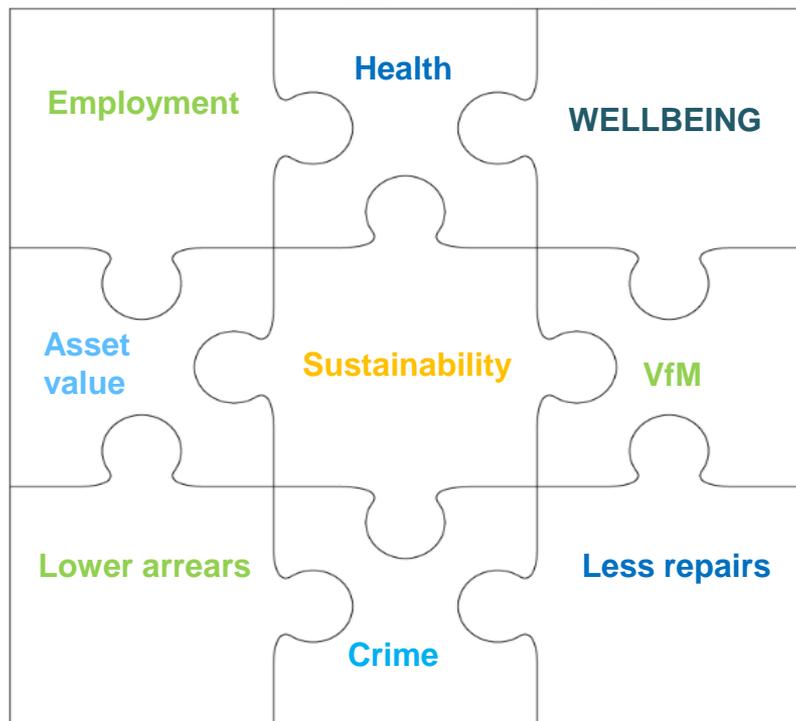
# CE Strategy: Social Value one of the Three Principles



Building in layers	Social value	Waste hierarchy
Designing out waste	Community led design	Demolition for maximum recovery value
Develop standardisation strategy including off-site/modular components	Connect with existing community re-use networks	Specify high recycled content in products
Ensure buildings are easy to maintain and adapt	Develop a Meanwhile Strategy for under-utilised space	Supply chain integration
	Promote the sharing economy	Excellence in construction waste management
	Supporting household and community recycling	



# Using social value to take a holistic view



- Rigorously measure impact
- Gathering data and the understanding to interpret it
- Inform and Influence
- Only one piece of the picture
  
- What next?

# HACT UK housing data standard

*(powered by OSCRE)*



## UK Housing Data Standard

Robust social value measurement is **supported and enabled** by work to standardise the way the housing sector holds data.

# HACT UK housing data standard

*(powered by OSCRE)*



Core customer data  
Voids and allocations

Reactive repairs

Care and support

Asset maintenance

Income and service charges

Development handover

Complaints

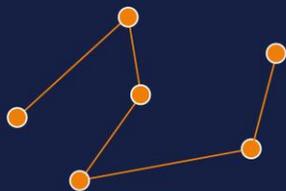
Versions 1 and 2:  
Published

Version 3:  
In consultation;  
publication  
imminent

Version 4:  
Launching  
autumn 2019

# HACT UK housing data standard

(powered by OSCRE)



# Q&A/Discussion

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mary-kathryn.rallings-  
adams@hact.org.uk  
elanor.warwick@clarionhg.com

@HACTHousing



[www.hact.org  
.uk](http://www.hact.org.uk)

020 7250 8500

49-51 East Rd, London



South East  
Consortium

#SEC2019

GETTING YOU FUTURE READY

# Setting up for project success in a digital environment



Mark Ward - Director, Turner & Townsend

Sharon Osei - Associate Director, Turner & Townsend

# Setting up for digital success on projects and programmes

Mark Ward | Sharon Osei

07 November 2019



# Overview

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- 1. Who we are**
- 2. The regional market, UK**
- 3. Setting up for success on major programmes**
- 4. Project / Business benefits**
- 5. Discussion**

# Who are we?

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**Turner & Townsend** is an independent professional services company specialising in programme management, project management, cost and commercial management and advisory across the **real estate, infrastructure** and **natural resources** sectors.

With **110 offices** in **45 countries**, we draw on our extensive global and industry experience to manage risk while maximising value and performance during the construction and operation of our clients' assets.

Offices

**110**

Countries

**45**

People

**6,105**

+17% on 2018

# Industry themes

---

- 1. Bridging the gap between physical and digital** - linking modern methods of construction including DfMA with digital technology
- 2. Business model innovation** - industry operating models and management practices must evolve to get the best benefits from digital technologies
- 3. Skills and capability** - traditional skill set requirements are changing, New thinking, new mind-set
- 4. Advanced analytics and AI** - ways of working more efficiently, more insightful and unlock completely new ways of doing things
- 5. Digital transformation** - everyone's talking about it, few are doing it

# Market influence

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# Clients





Turner & Townsend

# The regional market

Sharon Osei

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Setting up for digital success on projects and programmes

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making the **difference**

# Why do other clients do it?



Public sector clients - BIM either has been, or will soon be, formally adopted by Governments in:

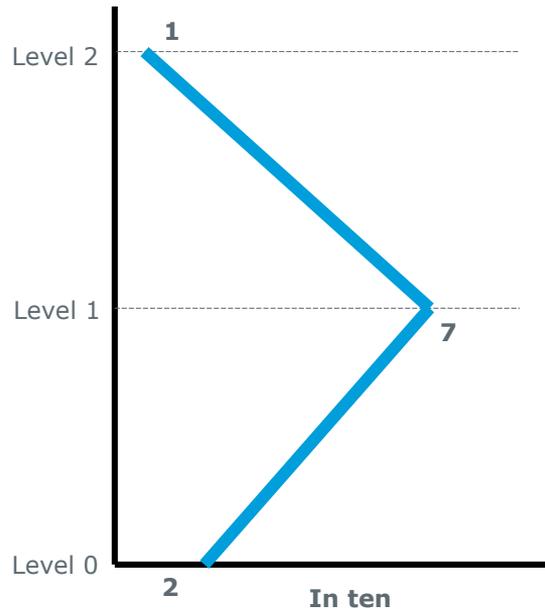
- UK – All Government departments
- Netherland
- Denmark
- Finland
- Norway
- UAE – Dubai Municipality
- European Union
- USA
- Singapore
- Hong Kong – Housing authority
- South Korea
- Canada
- South Africa
- Chile
- China
- Russia

## ***The need***

- **Quality / consistent information**
- **Better decision making**
- **Cost certainty and predictability**
- **Health and safety on site and during operation**
- **Whole lifecycle approach to projects**

# Supplier chain capability (Design)

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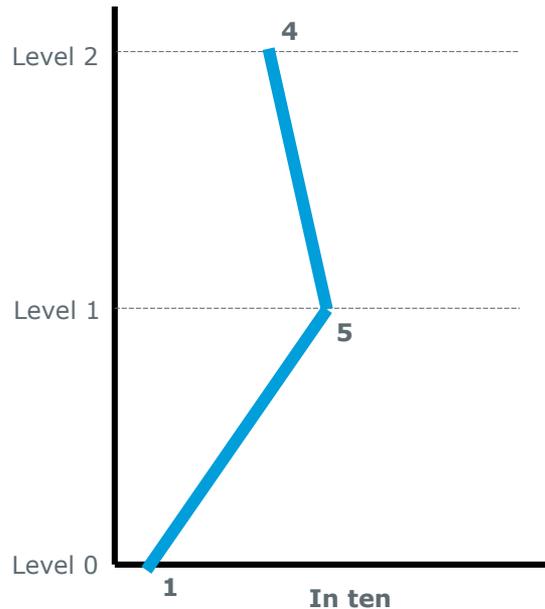
- *Efficient drafting of 2D*
- *Scheduling*
- *3D visualisations*
- *Design options*
- *3D co-ordination*



- *Model data*
- *Specification linking*
- *Classification*
- *Managing IP*
- *Sharing WIP information*

# Supply chain capability (Construction)

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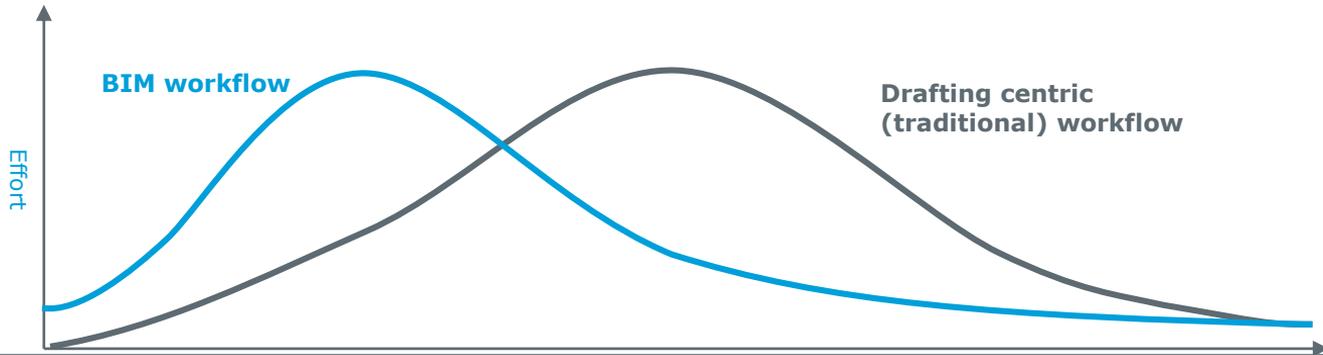
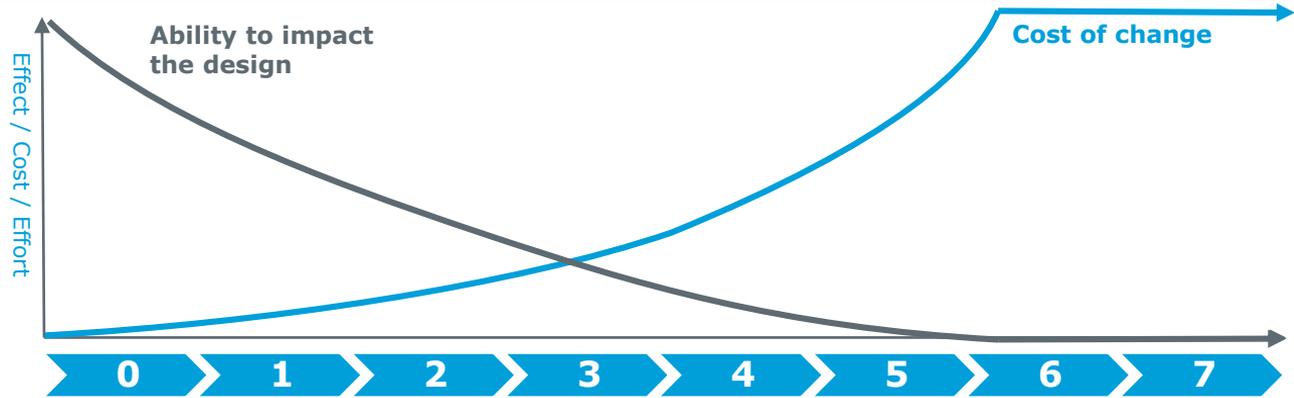


- 3D co-ordination
- 4D construction sequencing
- 4D logistics planning
- Estimating
- CDE compliance
- Data capture and management

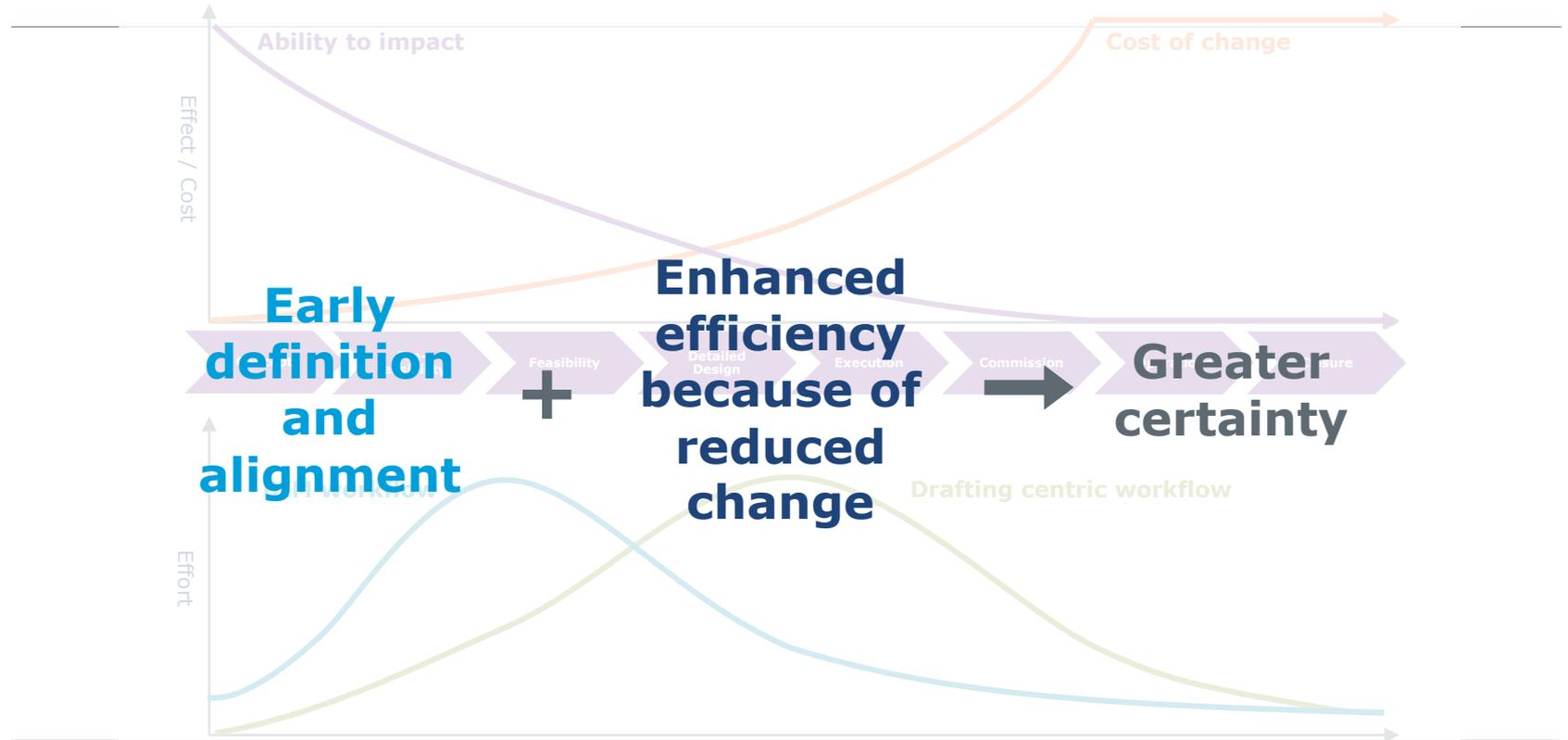


- As built model
- Sub contractor capability

# Design certainty



# Design certainty





Turner & Townsend

# Setting up digital for success

Sharon Osei

---

Setting up for digital success on  
projects and programmes

---

making the **difference**

# An approach for success

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## Forward thinking

Think about how we will work tomorrow, consider the future of data



## Careful planning

Define the outputs and outcomes you need and plan the process early



## Shared understanding

A collaborative culture to align understanding and purpose



## Transparent and collaborative

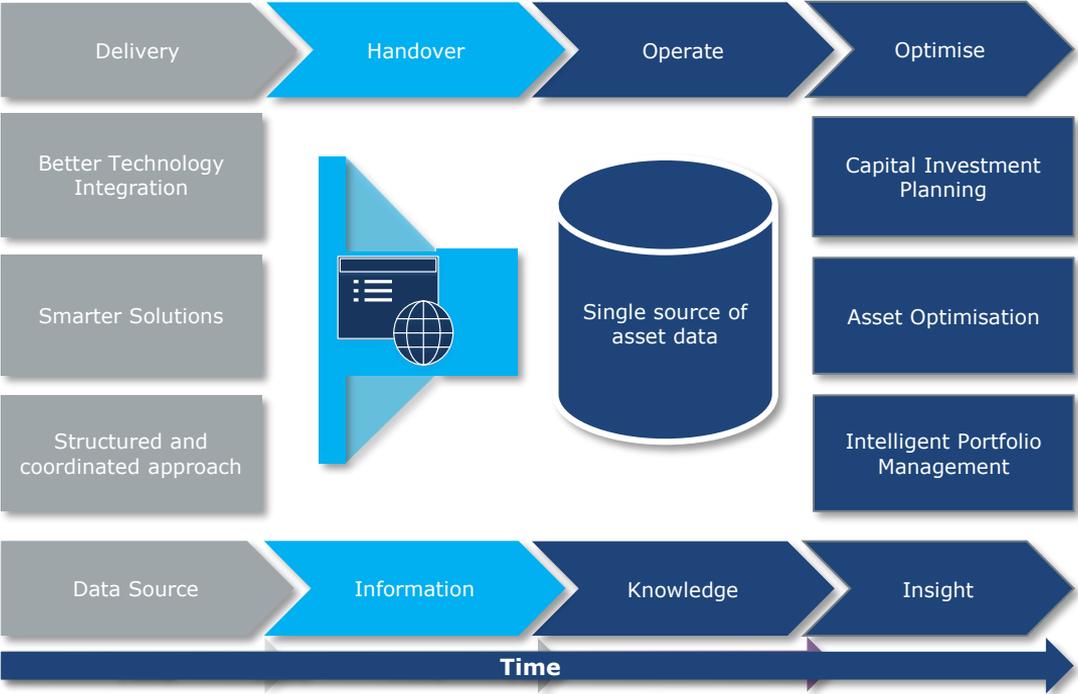
Access and own better information to make better decisions



## Independent

Objective, open and impartial.

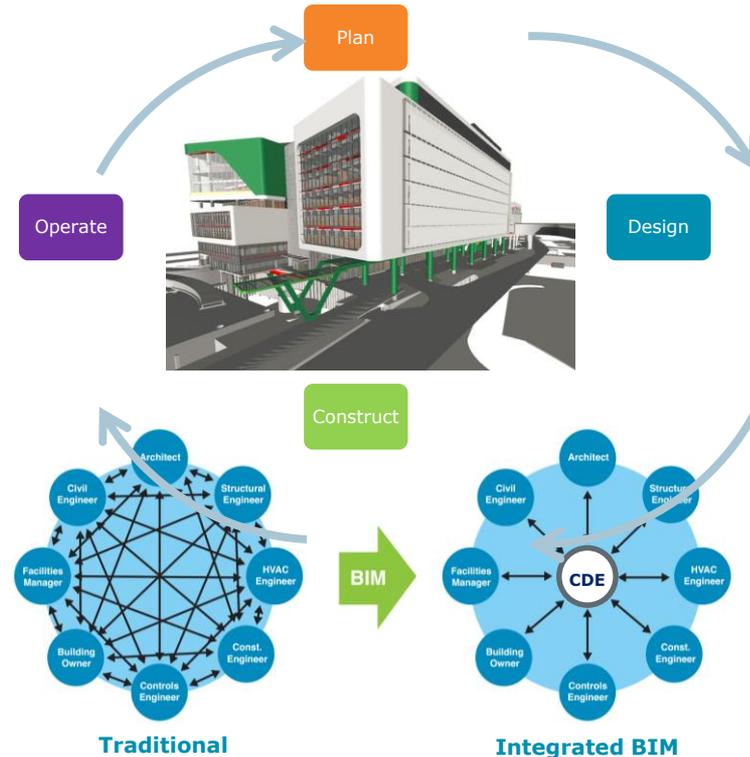
# Next state vision



“Good data enables smart decision making”

# 1 – Common data environment

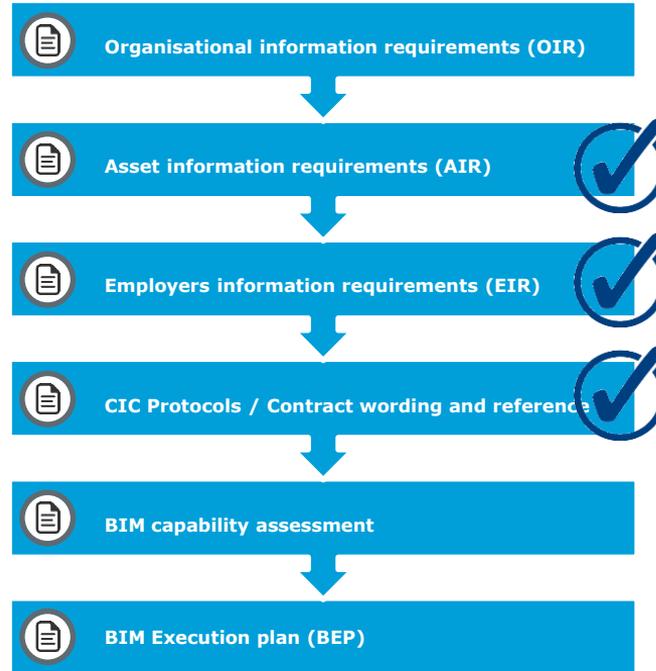
- Establish a Common Data Environment (CDE) to manage and own the project information for the whole life of the development, in a **common technology platform**
- Track store and share information for the project lifecycle, accessible by those who need it
- Define system protocols, including a standardised naming structure and file structure to provide consistent and coherent information from the designers and contractors
- Implement security standards and information tracking functionality
- Support a culture for collaboration



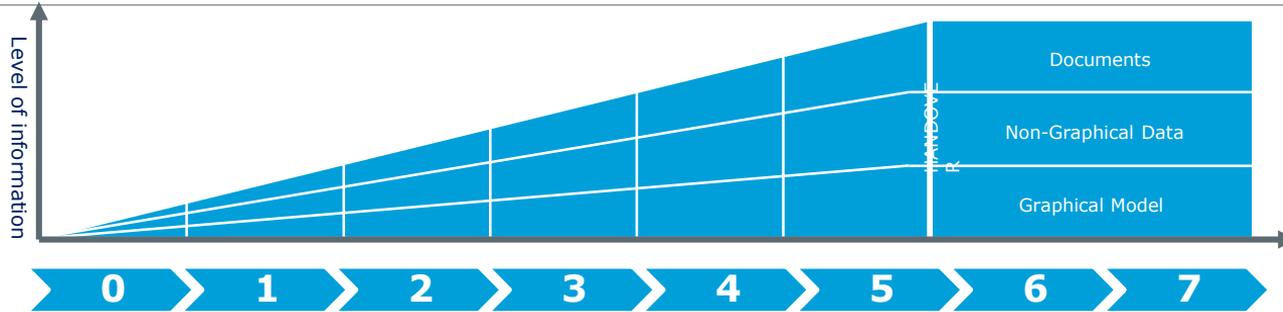
## 2 – Contract standards

Develop contractual requirements and protocols to:

- Provide consistency across all projects within the programme
- Communicate the Life Cycle Asset Information you require to be delivered for operation
- Define what information BIM on major programmes need to make informed decisions, when and the responsibility for doing so
- Contractually link project scopes and terms of appointment to the above requirements
- Measure the maturity of the bidding supply chain against your required outcomes
- Ensure the project team develop a collaborative BIM Execution Plan to execute your requirements
- **Gain control** over the information you pay for



# 3 – Agree priorities

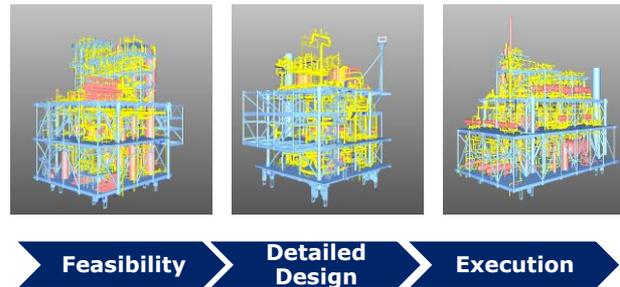
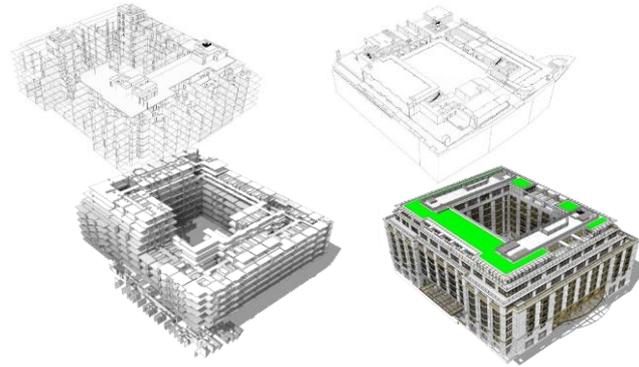


<b>Auditable trail of data and decisions</b>	<b>3D coordination and clash detection</b> ✓	<b>4D modelling</b>	<b>5D Cost and quantity</b>
<b>6D Asset data management</b> ✓	<b>Design completion, progress and certainty</b> ✓	<b>Design Management</b> ✓	<b>Field management tracking</b>
<b>Model verification</b> ✓	<b>Possession and permit to work</b>	<b>Project controls information platform</b>	<b>Visualisation, communication &amp; reviews</b> ✓

## 4 – Track changes & drivers

Capture iterations of the developing model and design information to analyse and compare over time:

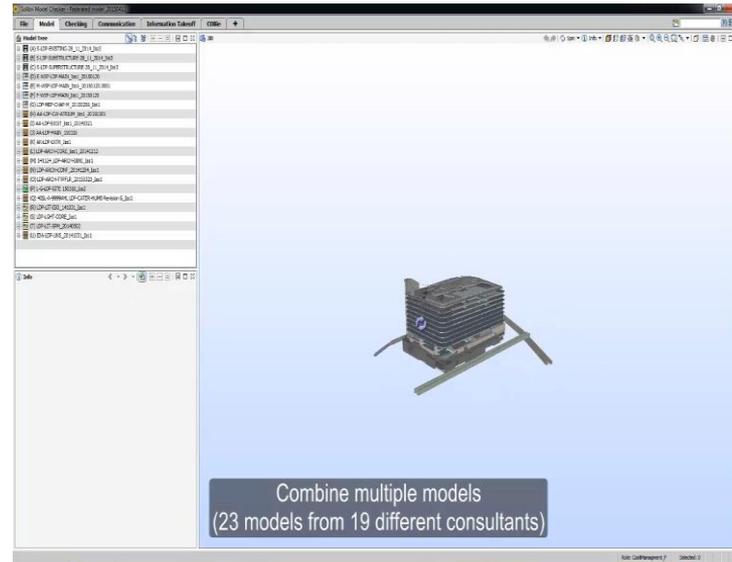
- Provide an effective line of defence to safeguard outcomes, including claims and counter claims
- Improve performance from a client perspective
- Associate design decisions, change requests and design development to BIM objects
- Extract data to show the status of the project at any point in its lifecycle
- Information made available for the decisions you need to make ahead of time, not using historical information
- Capture the learning and assess impact of key decisions to inform lessons learned and give better outcomes in future stages



# 5a – Coordination process

Develop a common set of contractual requirements and protocols to:

- Coordinate major interfaces (property/public infra)
- Analyse information between contractors to identify design coordination issues and resolve these earlier
- Objectively demonstrate the viability of the design
- Reduce variations on site and unplanned change which may effect programme and cost
- Improved safety and certainty
- Define a clear, controlled position for variations and dispute resolution



# 5b – Programme, logistics and safety

---

Simulate and track construction sequences and safety tags:

- Visual communication and optimisation of construction sequencing
- Programme certainty through minimising clashes with temporary items
- Access route simulation and coordination between adjacent phases
- Link Hazard objects to a residual risk database
- Understand ownership for trades and impact on access when the programme changes
- Forensic audits linking programme to cost and quantity



# 5c – Measurement, quantities and cost

Create a cost breakdown structure integrated with the model:

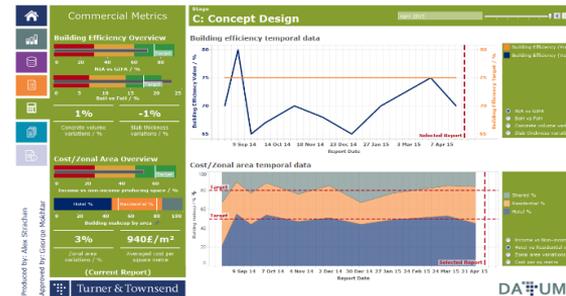
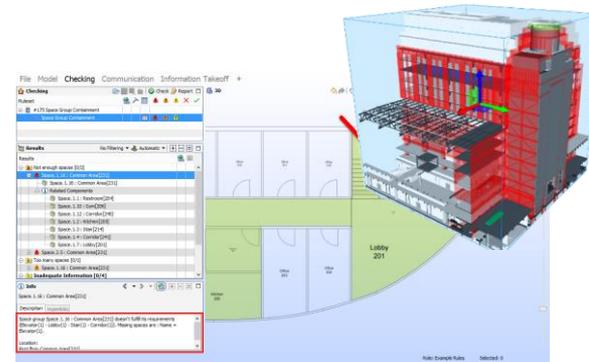
- Quantity verification and final account management using object model data
- Reduce risk envelope by tracking quantities against commercial metrics defined in the brief
- Achieve greater certainty at an earlier point in a programme based on the developing design information
- Defend the commercial position using better structured information
- A more efficient turnaround for decisions during design and execution based on faster, more accurate quantification
- **Harness quantities using technologies**



# 6 – Design completion, progress and certainty

Track design progress and certainty against the execution plan and design programme using the data within the model:

- Tracking design development and adherence to the design standards using rule based checking
- Testing design options using live quantity updates for more accurate comparison and better informed decision making
- End user engagement and input into the design
- Use data to track finalised design elements and report percentages
- Analyse design information to identify deficiencies and missing elements of the design



# Communication

Produced by: Alex Nesbitt
Approved by: George Mokhtar

Home

## Executive Summary

Welcome to the Turner & Townsend DaTUM complete model assurance dashboard.

This page contains an overview of the current project status and key metrics generated by each of the analysis modules. To navigate to further information about each module, use the colour coded tabs on the left hand side of the page.

The top bar of each page contains a time 'slider', which can be used to choose whether to review the latest or previous reports, as well as an indication of what stage the project was in at the report date.

- Level of Development
- Model Data
- Quality and Coordination
- Commonality & Design Management
- Cost Management

(Current Report)

Turner & Townsend

Stage

## E: Technical Design

### Risks

- Residential design programme delay, need to understand how the specialist designers are to deliver a coordinated design with the current delays of the interior package.
- Required further development of furniture and required LOD by HAP to facilitate the visualisation requirements.

### Drivers

- End of stage model issue plan agreed with all consultants and a clear line of direction established to work to in anticipation for the end of stage submission.
- HAP have defined a futureproofed strategy for segregating new and existing models going forward, this gives clear indication as to which models contain specific pieces of information.
- Very good model progress being made by all disciplines, on target to meeting the KPIs set out within the project BIM standard; LOD, model data, model quality and coordination. All have demonstrated a willingness to collaborate and share lessons learned. This is the culture that the client has aspired to achieve by requiring BIM on this project.

### Opportunities

- Once the refined asset information requirements have been approved by the JV, the consultants existing scope with regards to COBie deliverables can be adjusted, allowing the team to concentrate on developing and coordinating the design.
- Progress been made to bring back in-line with programme, other consultants can coordinate and the MEP model can be costed from by end of stage.
- Arcadis have pro-actively and engaged with most consultants (RUKmp, BRW and CPL to engage) to communicate where models could be improved to help support costing at end of stage E.

July 2015
July 2015

93%
Target 80%

**Level Of Development**

Aggregate compliancy level of parties involved at the current stage of the project.

83%
Target 80%

**Model Data**

Completeness of data within the BIM at the current stage of the project.

99%
Target 90%

**Quality & Coordination**

Aggregate percentage compliancy of Quality & Coordination checks at this stage in the project

99%
Target 90%

**Commonality & Design Management**

Conformance to the key design standards at this design stage.



# Communication

### Commercial Metrics

#### Building Efficiency Overview

NIA vs GFA / %

Bolt vs Fall / %

#### 1%

Concrete volume variations / %

Slab variations / %

#### Cost / Zonal Area Overview

Income vs non-income products

Hotel %

Building markup by area

#### 3%

Zonal area variations / %

Average value

(Current Report)

Turner & Townsend

Produced by: Alex Strachan  
Approved by: George Mokhtar

### Stage C: Concept Design

Apr 2015

#### Building efficiency temporal data

Efficiency Value / %

Efficiency Target / %

Building Efficiency (Pred.)

Building Efficiency (Value)

### Commonality & Design Management

This dashboard displays the outcomes of checks carried out on models submitted to validate the adherence to design standards, as well as an assessment of the design's commonality, which can be accessed by selecting a component from the drop down menu below. A compliance of 100% to the design requirements checks is necessary for the end of the stage, but an incremental compliance target is set monthly to determine progress. For the reporting month's models, the target was 90%.

#### 38% Stage compliance (3 of 8)

Component: [Dropdown]

(Current Report)

Turner & Townsend

Produced by: Alex Strachan  
Approved by: George Mokhtar

### Stage C: Concept Design

Apr 2015

#### Design Management

Rule	Spaces	Comments
Height Requirement - Atrium (7.0m)	1	1 room has passed this check.
Height Requirement - Gym (2.4m)	2	2 rooms have passed this check.
Height Requirement - Hot Desk Space (2.4m)	0	No spaces were detected.
Height Requirement - Office (3.0m)	26	26 rooms have passed this check.
Height Requirement - Reception (2.7m)	0	No spaces were detected.
Height Requirement - Service/Break (4.0m + 1m raised floor)	0	0 rooms have passed this check.

### Stage C: Concept Design

17/06/2015

#### Whole life cost

This dashboard demonstrates the potential Whole Life Cost of the development based on the current design specification over a period of 60 years. The Whole Life Cost includes:

- Capital Cost:** The total cost of construction.
- Lifecycle Replacement Cost:** The anticipated cost of replacing elements of the development over the study period. Elements include but are not limited to Mechanical & Electrical plant, Internal Finishes, External Envelope & Fabrics, Furniture, Furnishings and Equipment.
- Operating & Maintenance Costs:** The cost to deliver a high level of services including Maintenance, Cleaning Services, Waste Management, Security etc.
- Utilities Costs:** Anticipated utilities costs based on forecast consumption of electricity, Fuel (Gas, Oil etc.), Water etc.

#### £68.50 /m2/yr

(Current Report)

Turner & Townsend

Produced by: Alex Strachan  
Approved by: George Mokhtar

### Stage C: Concept Design

17/06/2015

#### Life Cycle Cost

Cost

#### Cost Breakdown

Category	Value
Capex	£26.02
Lifecycle (LCC)	£12.09
Operation and Maintenance (O&M)	£20.98
Utilities	£9.95
Total	£69.04

#### Sub-Elemental Cost

Category: [Dropdown]

Element: [Dropdown]

Sub-element: [Dropdown]

Elemental Lifecycle

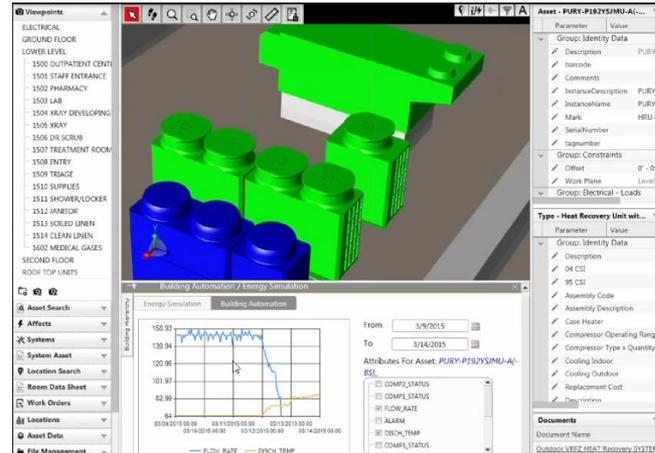
Cost

DA:UM

82964419.tbx

# Step 7 – Operational benefits

- **Response time** – virtually execute critical reactive maintenance activities
- **Safety** – training and simulation using the digital asset
- **Improved accuracy** in commissioning
- Reduced time to plan and assign work orders
- Improved overall management of the asset throughout lifecycle
- **Reduced time** and improved accuracy in loading Asset Register into system
- **Reduced cost and lead time** for planning and minor works



# Highlighted outcomes

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- ✓ Risk mitigation
- ✓ Leadership & Stakeholder management
- ✓ Accountability & responsibility
- ✓ Cost certainty
- ✓ Consistency/BIM on a major programme
- ✓ Information Management on a major programme
- ✓ Enabling technical coordination at programme level
- ✓ Project & programme level reporting
- ✓ Reach-back, lessons learnt and knowledge share
- ✓ Upskilling
- ✓ Futureproofing data



Turner & Townsend

## Case studies

Sharon Osei

---

Setting up for digital success on  
projects and programmes

---

making the **difference**



## **Medway Council – Hundred of Hoo**

This scheme is a trial BIM level two project for Medway Council and will inform the creation of a holistic BIM strategy for the council to adopt. The project will enable early lessons learned to be derived to contribute to the overall strategy, with a Soft Landings representative appointed to the development.

### **Engagement**

BIM Standards, BIM advisor, Model Assurance, Asset Information Requirements

### **Stats**

- ***Critical RFI's reduced from 10 days to between 2days***
- ***300 hours saved from the facade clash avoidance process***
- ***Noticeable reduction in time planning***
- ***Anticipate a handover model for the as-built***

### **Software**

Revit, Solibri, Navisworks.

**£4.5m**



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e: [sharon.osei@turntown.co.uk](mailto:sharon.osei@turntown.co.uk)

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#SEC2019

GETTING YOU FUTURE READY

# The gauntlet is down – how RPs can meet the housing challenge



Shane Hughes - Director, Savills

Josh Rose-Nokes - Associate Director, Savills

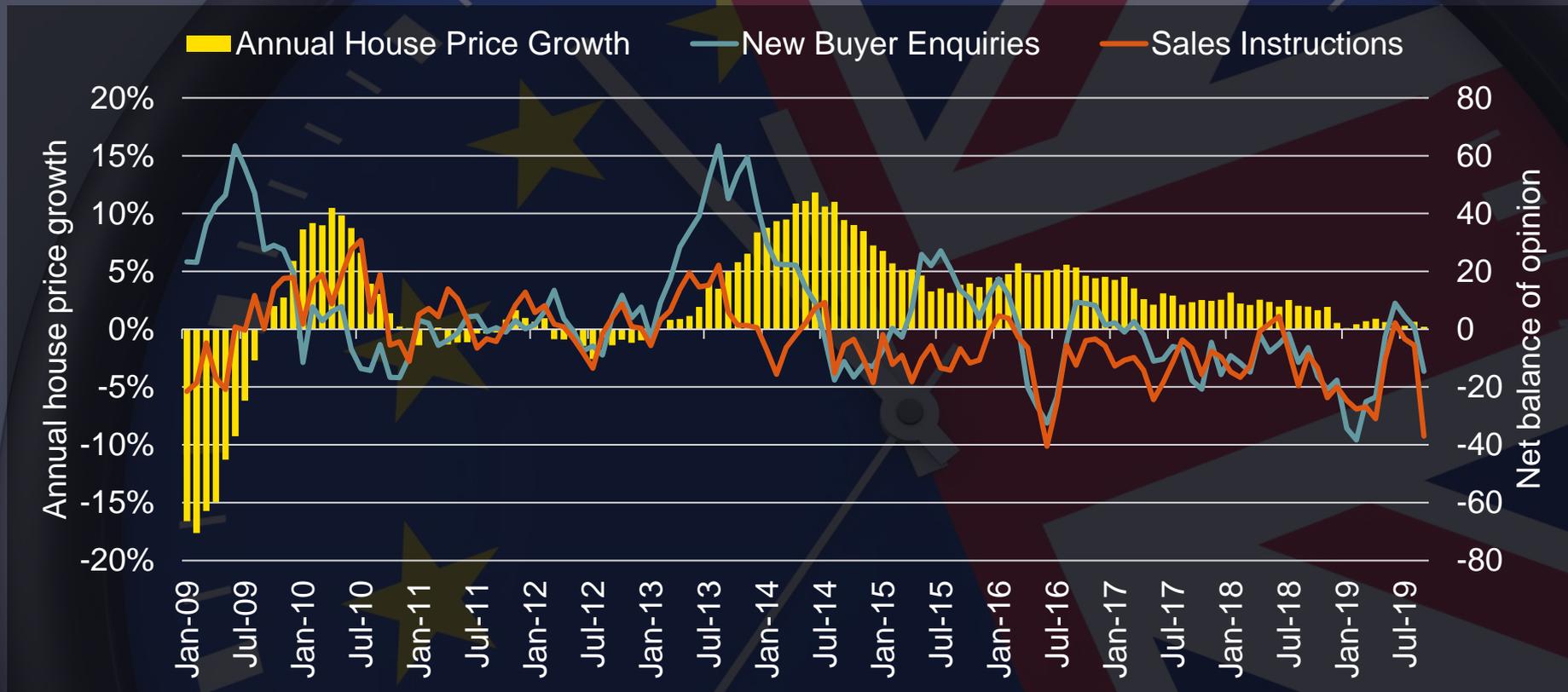
# How can RP's meet the housing challenge?

Shane Hughes, Josh Rose-Nokes

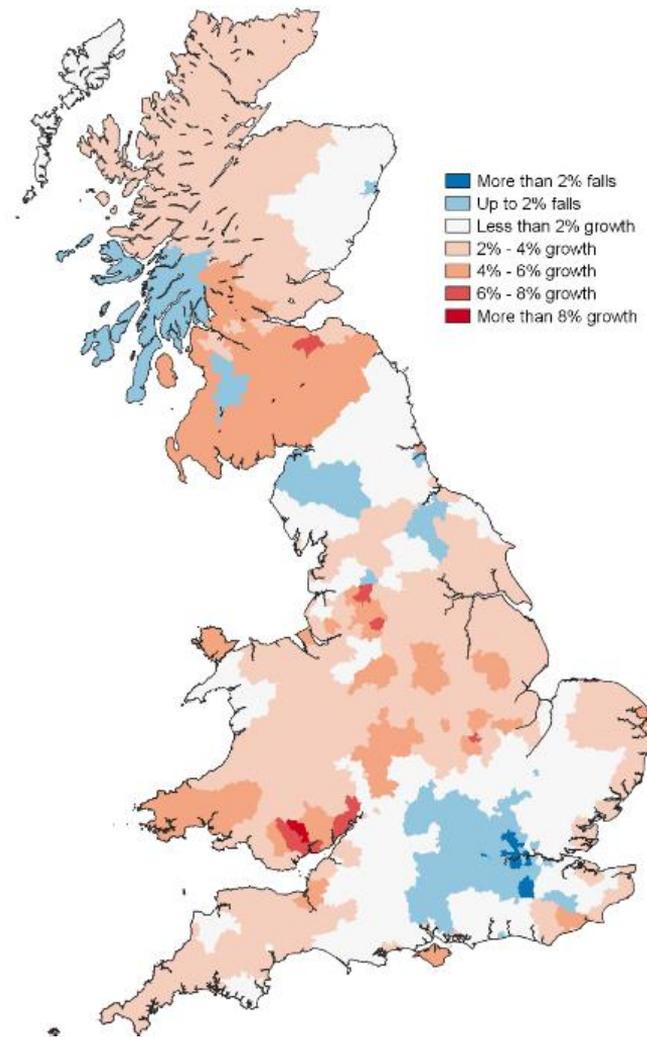
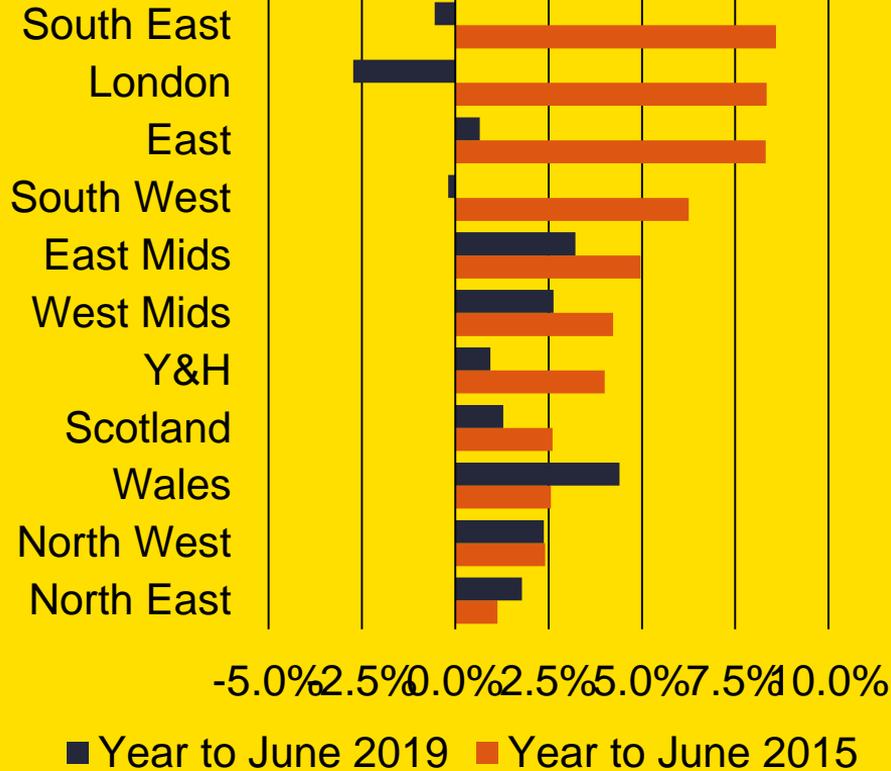
November 2019



# What's going on in the housing market?



# The housing market cycle rumbles on

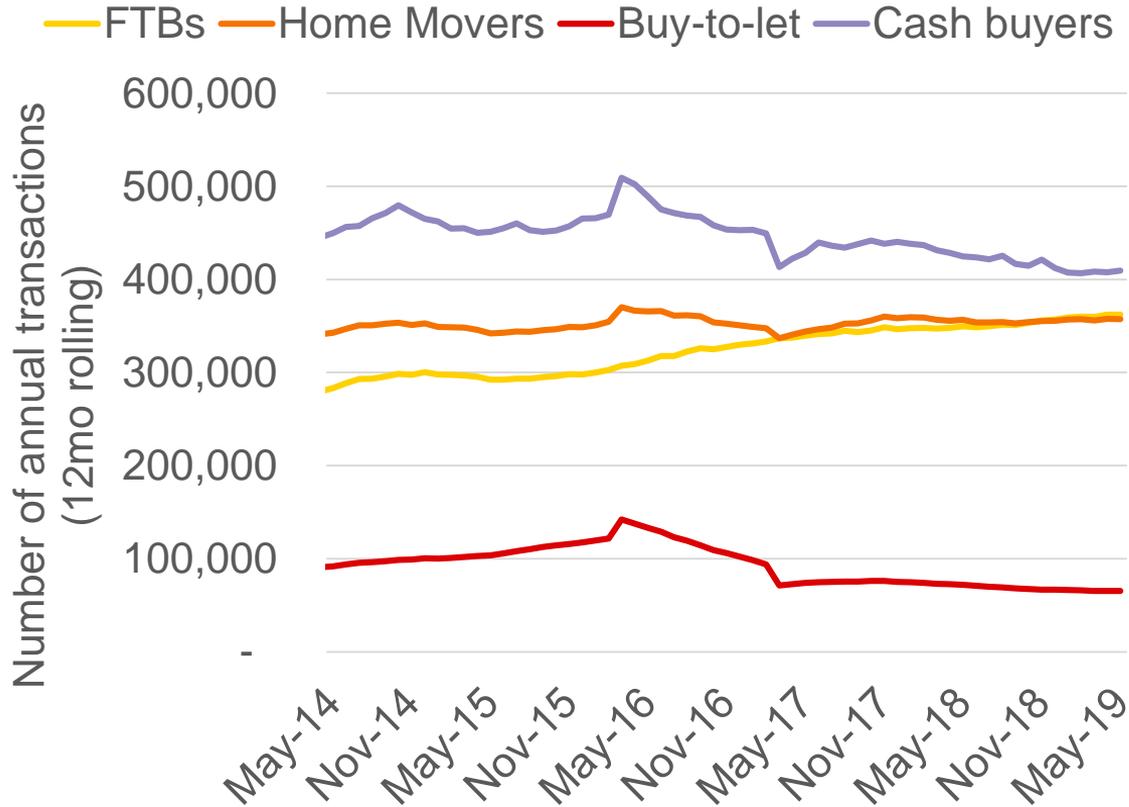


- 2015 Q1
- 2015 Q2
- 2015 Q3
- 2015 Q4
- 2016 Q1
- 2016 Q2
- 2016 Q3
- 2016 Q4
- 2017 Q1
- 2017 Q2
- 2017 Q3
- 2017 Q4
- 2018 Q1
- 2018 Q2
- 2018 Q3
- 2018 Q4
- 2019 Q1
- 2019 Q2



# Market increasingly driven by First Time Buyers

supported by higher LTVs and Help to Buy



Support from Help to Buy & higher LTVs

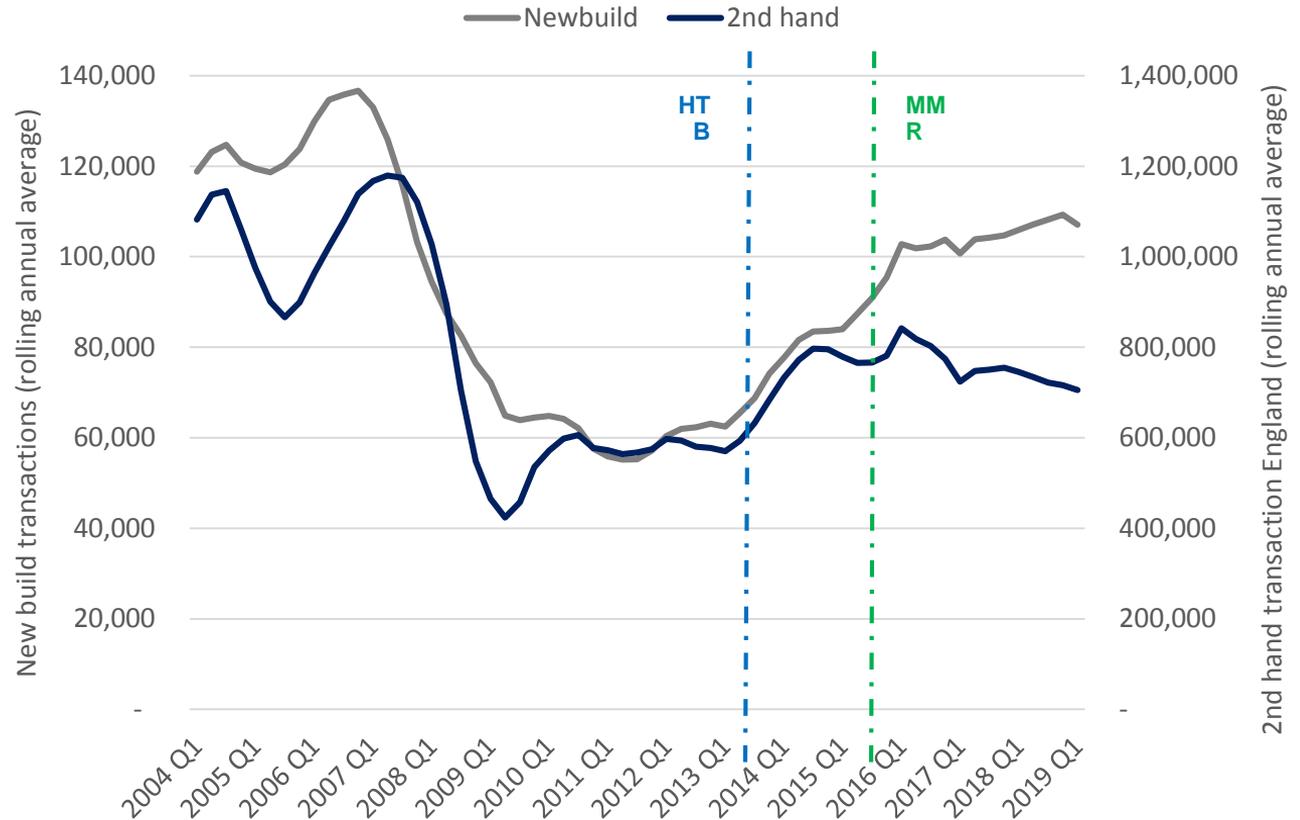
**14%**  
FTB increase in 3yrs to Jun-19

**-49%**  
Mortgaged BTL in 3yrs to Jun-19

# Help to Buy has supported rising new homes sales volumes

at a time when mortgage availability, market sentiment and SDLT have constrained second hand volumes

- 35% of new homes sales supported by HtB
- Since Q4 2014
  - New build sales up 28%
  - S/h sales down 11%
- Of the 35%:
  - 40% would not have bought without HtB
  - 70% bought a larger home



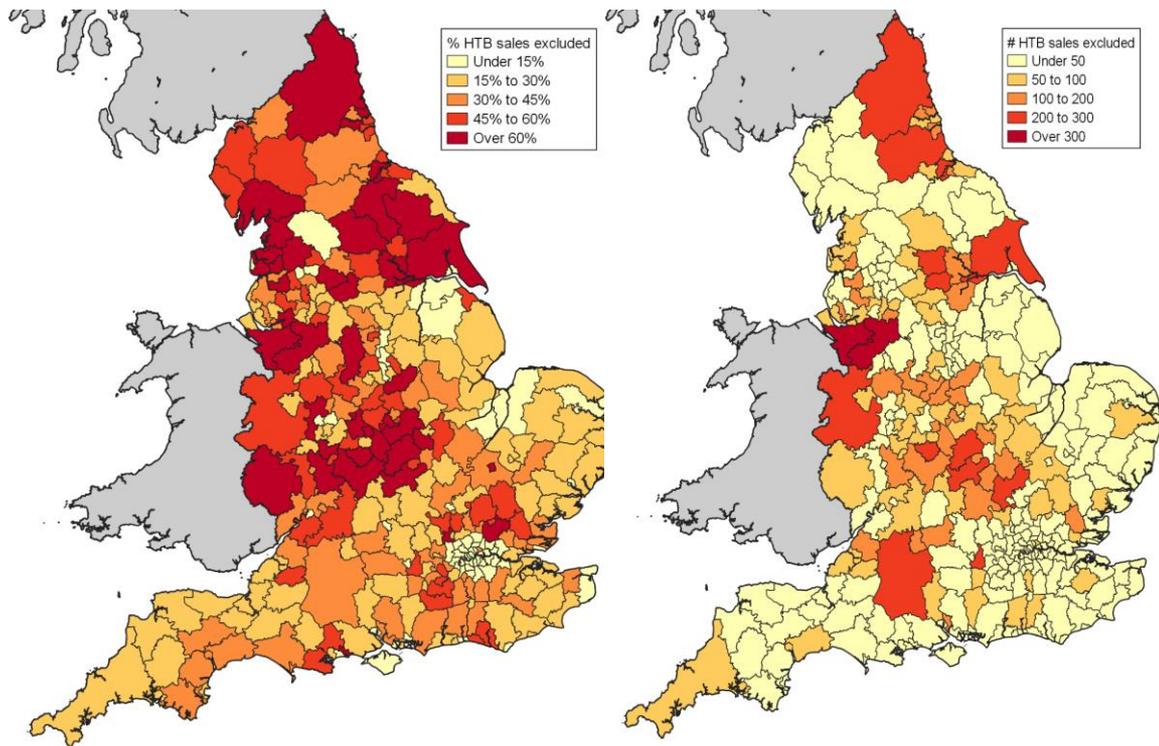
# Impact of Help to Buy tapering 2021-23

likely to be greatest in higher value parts of lower value regions

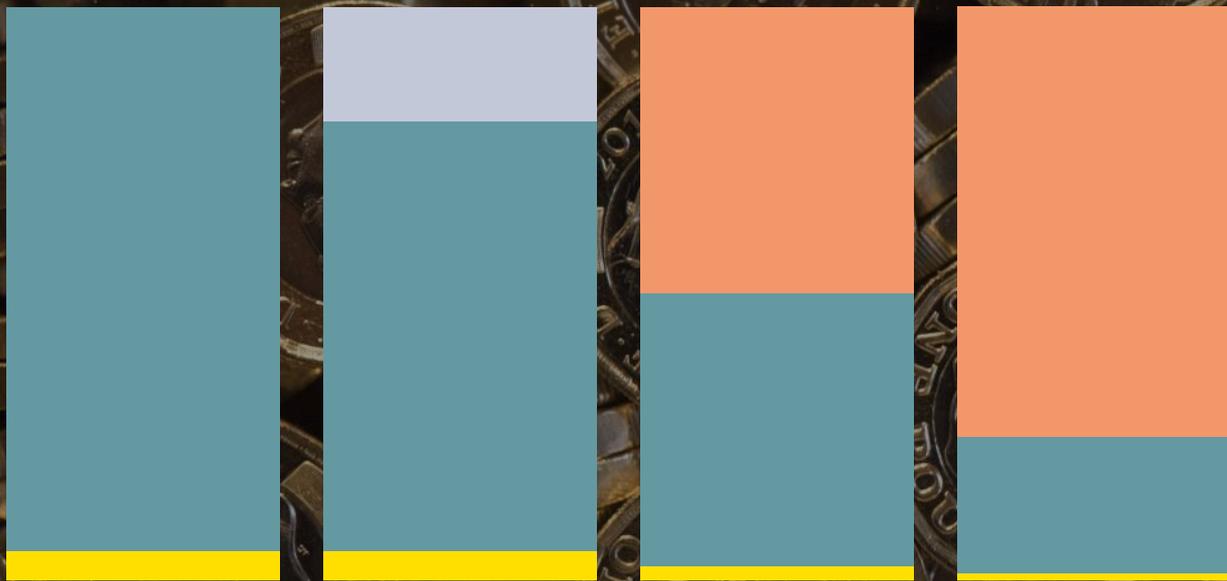
Potentially affecting 34%  
of current Help to Buy  
transactions

100% of home movers  
(18% of HTB purchasers)

Value caps reduced from  
£600K to  
£438K in South East  
£407K in East  
£256K in West Midlands



# Shared ownership: Deposit requirements for SO are even lower than HtB



*The end of Help to Buy could increase Shared Ownership demand by over*  
**15,000**  
*homes per year*

# 1.1m

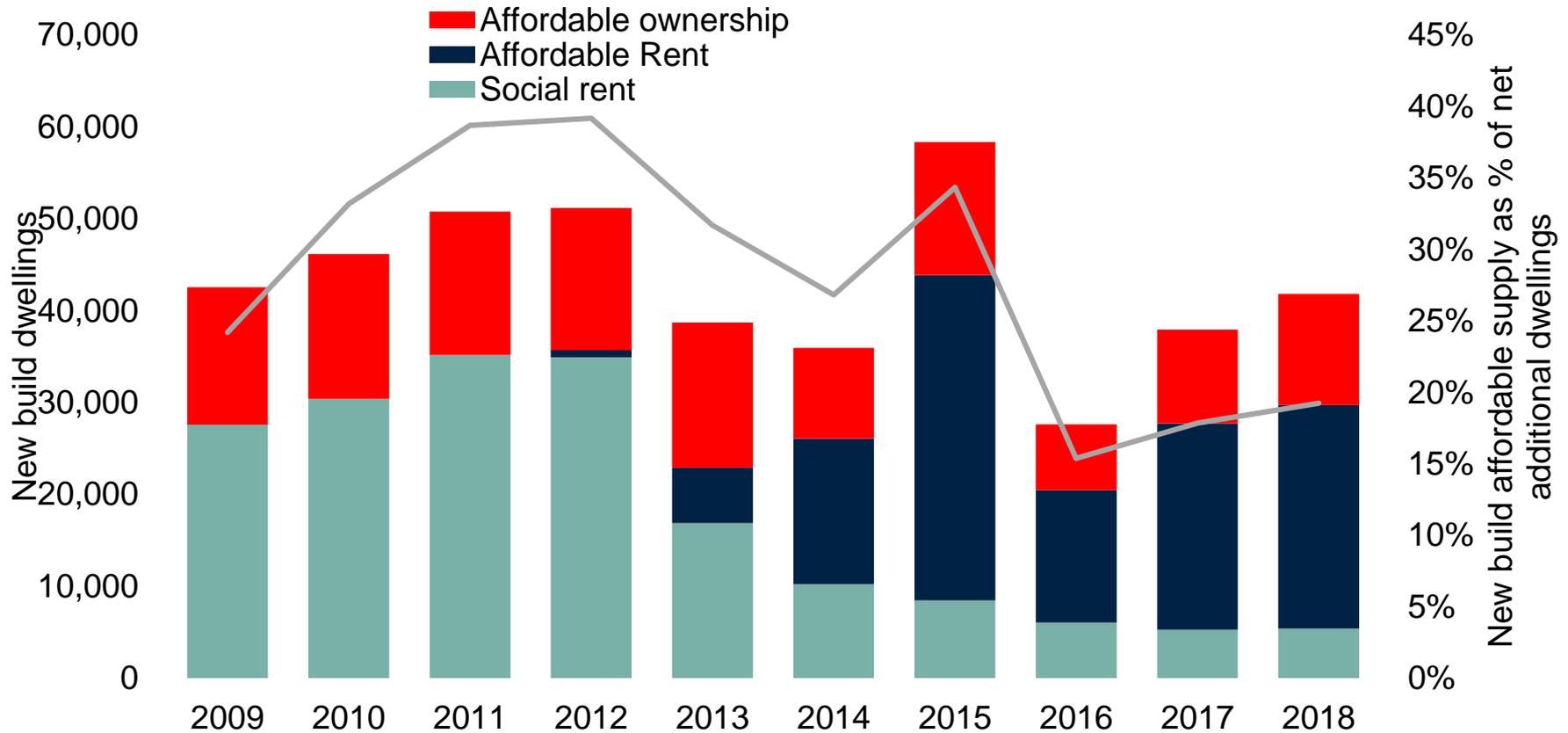
households on local authority **waiting lists** in England in April 2018.

An **annual shortfall** of at least

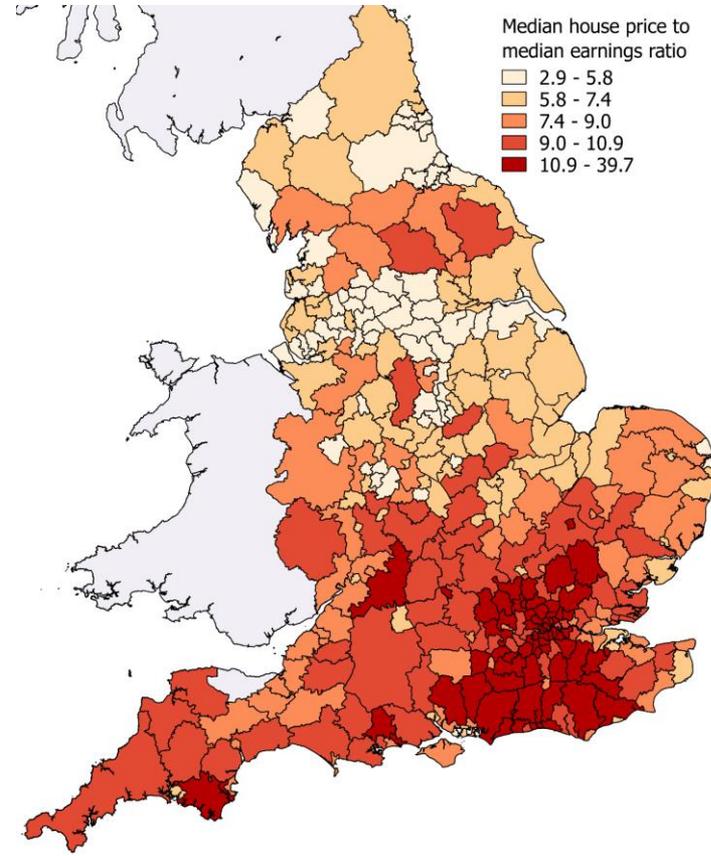
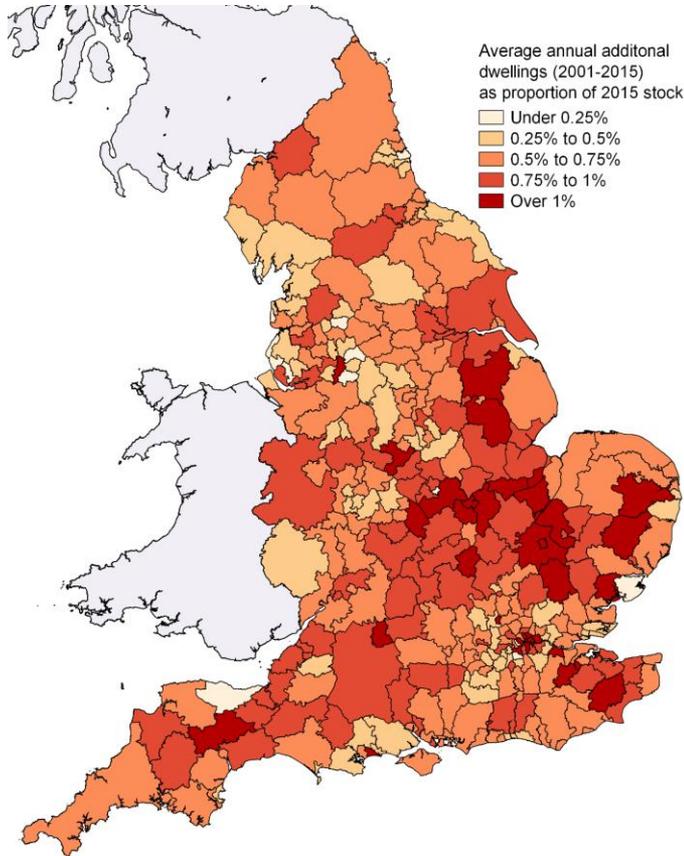
# 60,000

affordable homes per year

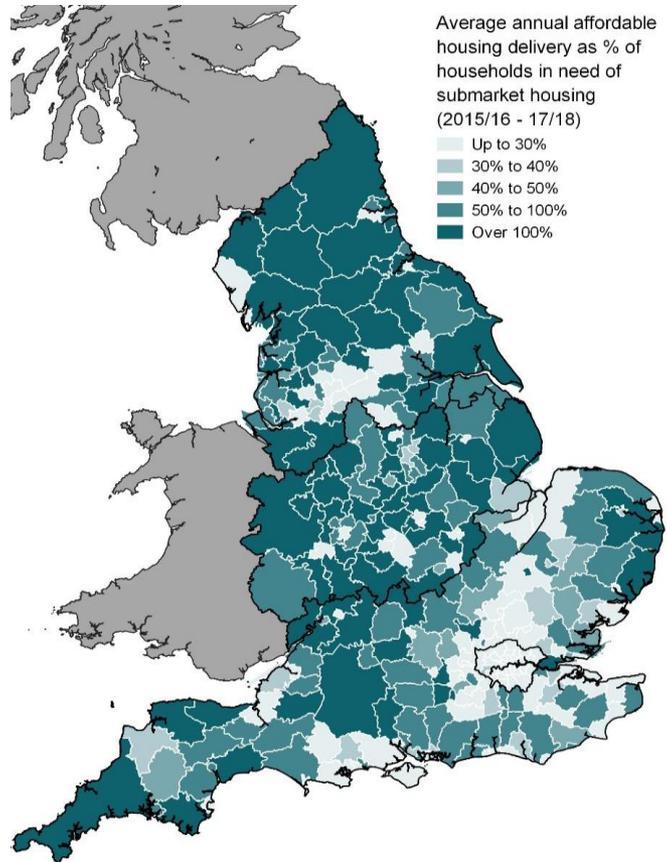
# Affordable housing completions



# Housing supply has not responded to excess demand

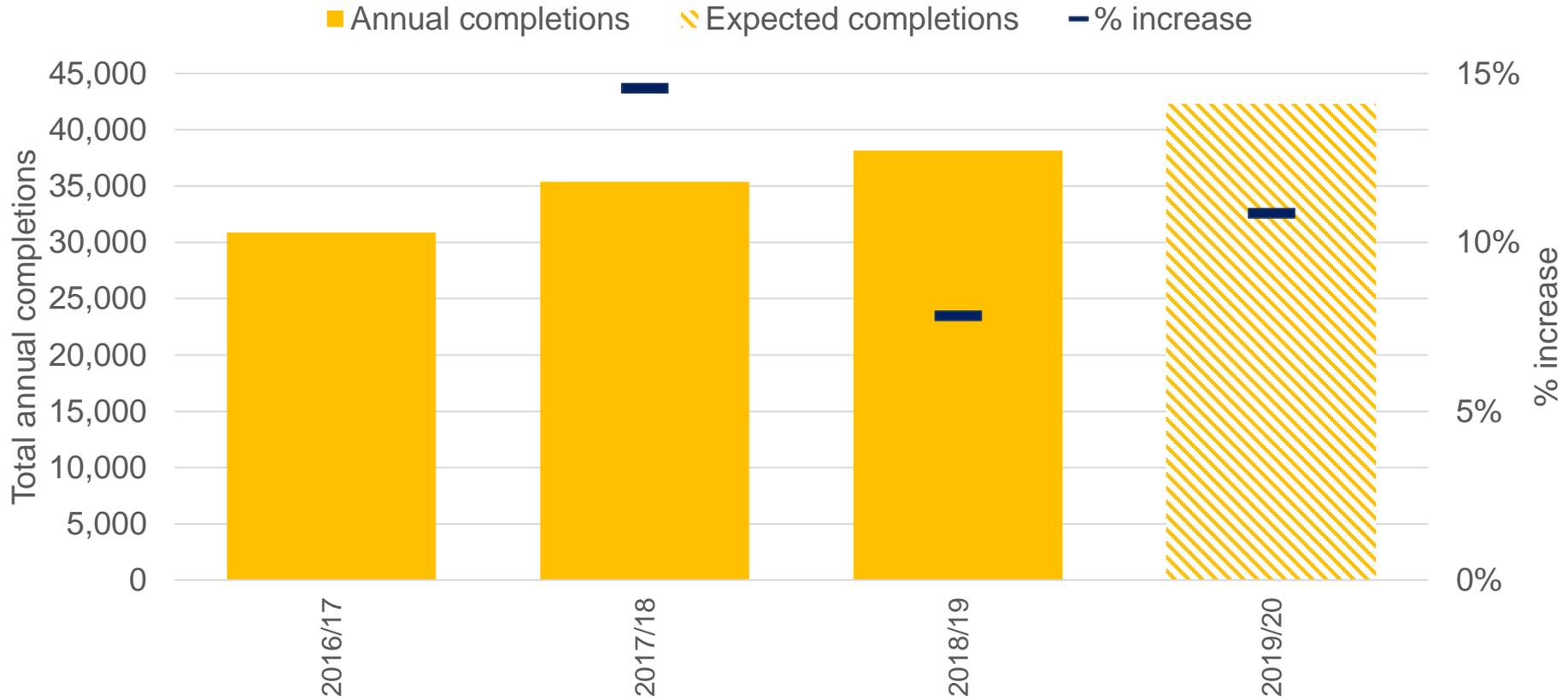


# The need for sub-market housing in London and the South is acute

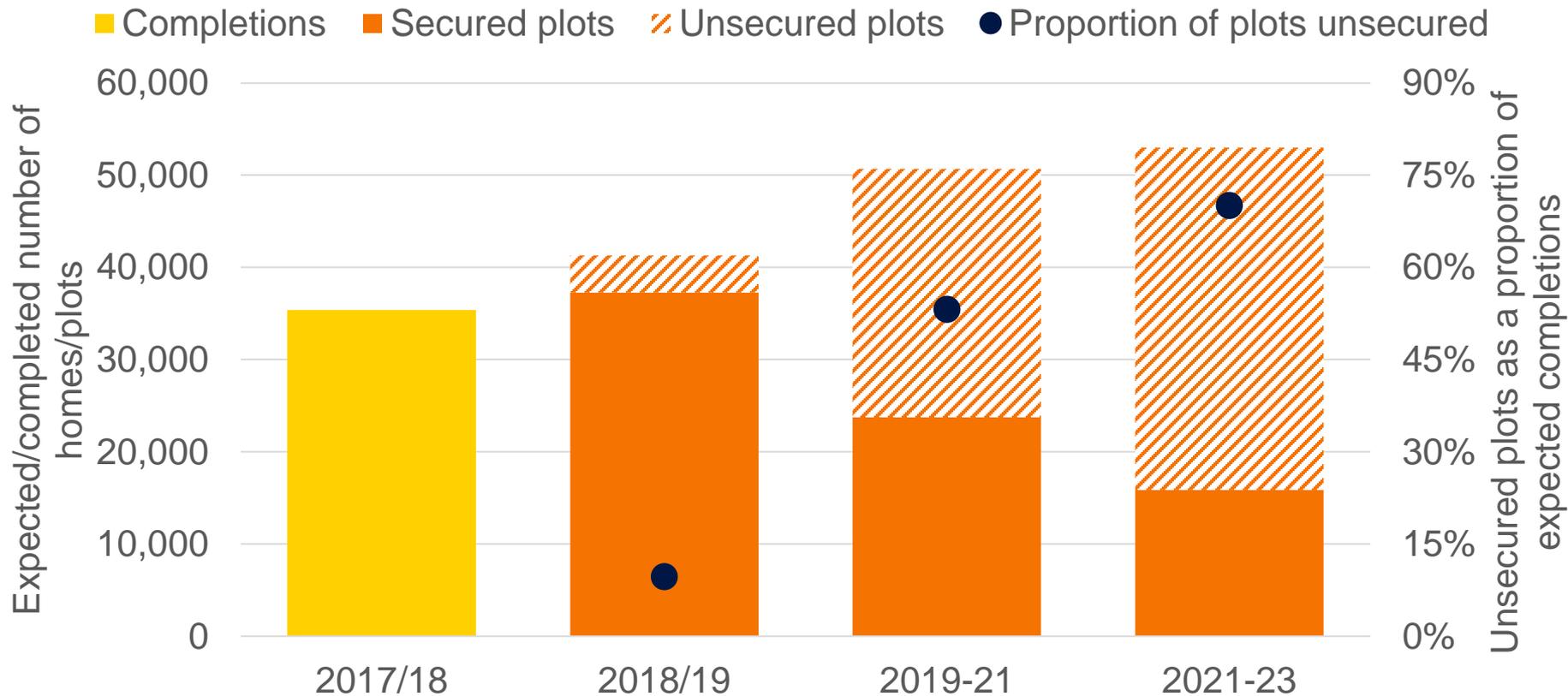


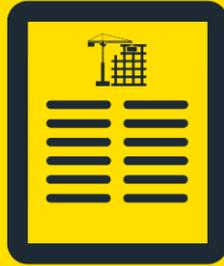
	Households in need of sub-market housing per annum	Average annual delivery 2015/16-17/18	Shortfall
London	42,500	5,600	36,900
South	34,100	14,700	19,400
Midlands	10,200	7,700	2,500
North	9,600	8,800	800

# Uptick in housing association development



# 138,000 plots needed for HAs to reach ambitions





**Section 106**  
Cost  
Competition  
Quality



**Development  
Control**  
Planning environment  
Policy environment

**86%** of housing associations surveyed believe availability of land as the biggest constraint to development

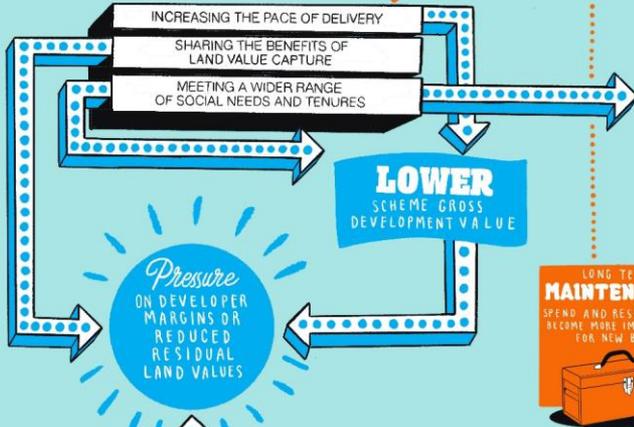
**35%** have some strategic land

Of these, the proportion with capacity for **over 100 units** has gone from 52% to **68%**

Of the remainder **13%** were looking to acquire some in 12 months **last year**

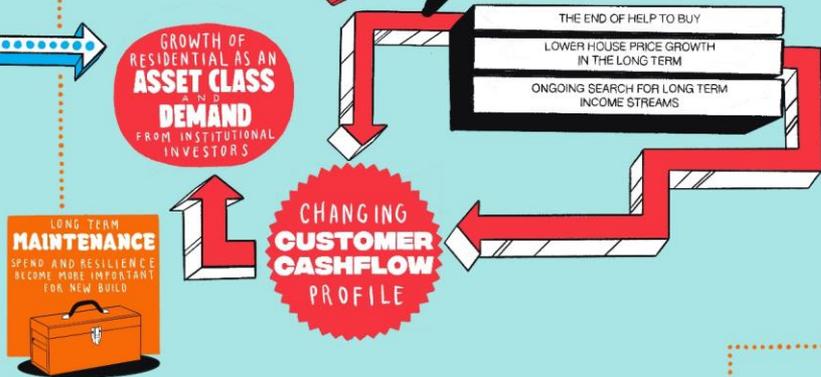
That figure has **doubled to 26%**

# POLITICAL Factors



MMC WILL NOT BE THE MAJOR DISRUPTOR BUT WILL PROVIDE A WAY OF MITIGATING AGAINST THE IMPACT OF THESE OTHER DISRUPTIVE FACTORS

# FINANCIAL Factors



# HIGHER BUILD COSTS

# ENVIRONMENTAL FACTORS

- MEETING CARBON EMISSION TARGETS
- MITIGATING AGAINST CLIMATE CHANGE RISKS, SUCH AS FLOODING

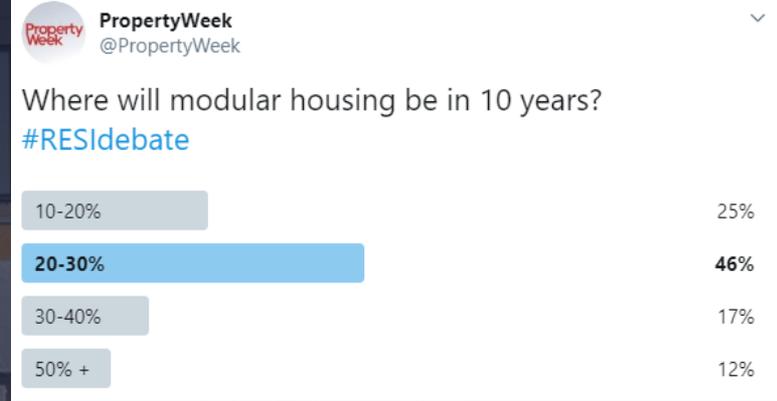
# Tech revolution?

15-20%  
homes built  
using MMC...

Annual  
capacity  
today is  
11,000...

...but only  
5% using  
modular

...but with  
ambitions to  
grow to  
28,000



# Responding to the challenge together

## Homes England

Certainty  
Flexibility  
Cashflow  
Land

## Local Authorities

Land  
New found  
funding capacity

## Housing Associations

Funding capacity  
Skills, expertise  
and resources

## Private Sector

Funding capacity  
Spread of risk  
Accelerate  
delivery

*“There is enough housing crisis to go around”*

# Conclusions

The sector has renewed sense of social purpose

Tenant welfare continues to be a top priority

FPRPs and Local Authorities can make a meaningful contribution to housing delivery

Access to land remains the biggest constraint on development but the policy environment is changing

The potential for partnerships across the sector needs unlocking for a step change in housing delivery



**Josh Rose-Nokes**

**Research**

**0207 409 5907**

**[Josh.rosenokes@Savills.co](mailto:Josh.rosenokes@Savills.co)**



**Shane Hughes**

**Housing**

**0207 877 4592**

**[Shughes@Savills.com](mailto:Shughes@Savills.com)**



**Robert Pert**

**Housing**

**0203 107 5498**

**[Rpert@Savills.com](mailto:Rpert@Savills.com)**