



WILLIAMSBURGH

HOUSING ASSOCIATION LTD

DEVELOPMENT POLICY

Title	DEVELOPMENT POLICY
Purpose	This policy is to give guidance on the strategic objectives of the Housing Association in relation to the delivery of housing development projects.
Scope	<p>This policy is applicable to all housing developed by Williamsburgh Housing Association.</p> <p>The Association's Management Committee has responsibility for approving all key development stages.</p> <p>The Development Manager holds responsibility for implementing this policy</p>
Policy Statement	<p>Why we want to develop</p> <ul style="list-style-type: none"> • Williamsburgh Housing Association wishes to develop to meet it's Strategic Objectives. • To provide good quality, warm, affordable homes for those in housing need. • To provide homes and places that people wish to live. • To diversify our housing stock. <p>What we want to develop</p> <ul style="list-style-type: none"> • The Association will build new affordable homes that contribute towards meeting our strategic objectives, is financially viable and is aligned to Renfrewshire Council's Strategic Housing Investment Plan (SHIP). • We want to develop properties that people want to live in, by looking at the design of our properties internally, externally and the surrounding environment. • We will develop new properties with a high level of sustainability with an appropriate level of heating and insulation with the aim of protecting the residents from fuel poverty now and in the future. • We will look to install renewable technologies where appropriate and affordable. <p>How we will build</p> <ul style="list-style-type: none"> • The Association will consider which procurement route to choose for each new build development and obtain committee approval for each project. This will be based on considering the benefits and risks for each potential route and how best risk can be mitigated to the Association. • Any appointment of a consultant or contractor will be done in accordance with the Association's Procurement Policy.

Governance of the development process

- We will ensure that our Committee and senior staff have the appropriate skills, experience and governance knowledge to provide effective oversight of the development programme.
- Committee has responsibility for all development approval stages and overall development strategy and policy. (Appendix A)
- No project will be brought into the development programme and no contract will be awarded without first being approved by Committee.
- The Association will adopt the best practice principles laid out in the Scottish Housing Regulator's thematic study into the Development of Affordable Housing in Scotland (March 2017). (Appendix B)

How we will assess development sites

- New sites must meet the Association's strategic objectives, be located in an appropriate geographical area, be of a scale that is affordable and can be included with Renfrewshire Council's Strategic Housing Investment Plan.

How we will assess value for money

- At contract award stage each project will be assessed for value for money and that the project is achieving the lowest cost possible for the quality that is required. In addition to cost the community benefits being delivered through the contract will also be assessed.
- Each development will be highlighted and costed within the Association's five and thirty year financial plans.

How we will manage risk

- There is significant risk to the organisation in developing and this has to be taken into account throughout the development process.
- The Association will endeavour to mitigate these risks by maintaining and regularly reviewing a development risk register.
- Actively appraising the project throughout highlighting risks, attempting to avoid or minimise their impact on the project.

How we will assess financial viability

- Financial appraisals will be carried out at key stages as the project progresses eg feasibility, acquisition, planning, tender and post completion. The information available at each stage will inform decisions that require to be taken at the next stage of the process.

	<ul style="list-style-type: none"> • Financial appraisals will take into account: <ul style="list-style-type: none"> ○ the housing mix and resulting rent ○ the total estimated development cost including works, fees and land acquisition. ○ The ongoing management, maintenance and investment cost over a 30 year period. ○ Assumptions for inflation, loan interest rates (where appropriate), rental income with annual increases and an allowance for voids and bad debts. ○ • The financial appraisal will be used to calculate the funding requirements for the project including Affordable Housing Grant from The Scottish Government and the amount required from borrowing or the Association's own resources. •
Approval	Management Committee 9 th December 2020

APPENDIX A

COMMITTEE APPROVAL STAGES FOR DEVELOPMENT PROJECTS

Stage 1 – SITE IDENTIFIED/FEASIBILITY

Approval of feasibility study costs, proposed procurement route and proceed to acquisition stage

Stage 2 - ACQUISITION

Acquisition and updated appraisal report to Committee for approval to proceed with purchase of land/site for future development/land banking

Approval of acquisition, legal, initial site investigation, stakeholder engagement (where appropriate) and consultants' fees up to planning application stage

Stage 3 - PLANNING

Approval of planning application, proposed tenure mix, procurement strategy and consultants' fees up to tender award

Outline Design and Costings, Financial appraisal and Funding Arrangements, Project Programme & Target Milestones reviewed & updated

Stage 4 - CONTRACT AWARD

Approval of works costs as tendered, approval of full fees and all others costs contained in the financial appraisal

Tender Report to Committee and Costs/Risks Updated Contract Programme Confirmed

Stage 5 - PROJECT COMPLETION REPORT

Handover Final Account/HAG PC, Post Completion Review, Value for Money assessment

*Please note that the order of these approvals may change as the result of the procurement route adopted.

APPENDIX B

Best Practice Principles as set out in The Scottish Housing Regulator's study into the Development of Affordable Housing in Scotland.

STRATEGY

We will be clear about why we are developing and how development fits within our overall business strategy

RISK

We will be aware of the inherent risks in our plans, identify and manage development risks, including specific risks associated with different tenures.

PRODUCT

We will have a robust understanding of housing need and demand for the area where we plan to develop and use this to design and build sustainable homes.

CAPACITY

We will have the appropriate organisational capacity, corporate structure people and/or partnerships in place to effectively manage new development.

GOVERNANCE

We will ensure that our Committee and senior staff have the appropriate skills and experience and that our governance arrangements provide proper oversight of our development programme.

APPRAISAL

We will carry out robust appraisals at key stages of the development process to make sure that development proposals are viable, represent value for money and capture whole life costs.

FUNDING

We will have an appropriate funding strategy which ensures access to sufficient resources as they are required and have a clear understanding of the impact of development on future cash flows.

PROJECT MANAGEMENT

We will ensure that appropriate project management processes are in place and integrated across the organisation.

PROCUREMENT

We will have a strategic approach to procurement that is kept under review, complies with relevant legislation, is tailored to the particular needs of our organisation and helps us select the most appropriate procurement option.

Stakeholders

We will actively manage and build constructive relationships with our stakeholders including tenants, service users, funders, regulators, local authority/RSL partners, contractors and The Scottish Government.