



## **BUSINESS AND FINANCE SCRUTINY COMMITTEE**

### **Minutes of a meeting of the Business and Finance Scrutiny Committee held on Tuesday 5 March 2024 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG**

**Present:** Councillors C R Turley (Chair), Z Hannington (Vice-Chair), A J Burford, F Doran, S Syrda and P Thomas

**Also Present:** Councillor N A M England (Cabinet Member: Finance, Customer Services and Governance)

**In Attendance:** A Lowe (Director: Policy & Governance), S Yarnall (Democracy Officer (Scrutiny)), K Callis (Housing Investment Programme Service Delivery Manager) and J Dunn (Director: Prosperity & Investment)

**Apologies:** Councillor G Luter

#### **BFSC17 Declarations of Interest**

None.

#### **BFSC18 Minutes of the Previous Meeting**

**RESOLVED** – that the minutes of the meeting 9 January 2024 be confirmed and signed by the Chair.

#### **BFSC19 Housing Investment - Annual Update**

The Director: Prosperity & Investment and Service Delivery Manager: Housing Investment Programme provided an annual update on the Housing Investment Programme following a recent presentation to Cabinet at its meeting on 4 January 2024. The Housing Investment Programme was established in 2015 and was in its ninth year of operation. The objectives of the programme had remained the same since its creation, which included raising the standards of rental provision in the Borough.

To date there were 485 homes that had been developed with a further 359 that were planned or in delivery, making a total of 844 homes with 124 of these being classed as affordable homes, with the programme having supported the delivery of a further 399 affordable homes on sites jointly developed alongside a Housing Association partner. Nuplace had been firmly established as a leading brand and landlord of choice for renters in the Borough. This was evidenced with the annual tenancy survey where 96% of



tenants said they would recommend Nuplace to friends and family. There was a circa of 1,350 people that were living in a Nuplace property across ten sites.

Members were informed of the recent achievements of the Housing Investment Programme and Nuplace. One of which was that voids for the financial year 2022/24 had been contained at approximately 1.91% and below the budget assumption of 3.16%. The programme had delivered a capital growth on the £66.8 million invested to 31 March 2023 with a capital value of £86.7 million.

The presentation summarised the opportunities and challenges in terms of the housing market and future development of the programme. This was outlined in four main areas; the construction industry, legislative changes; financial markets and the housing market. The construction industry presented an increase in construction costs with an increase in labour and materials as well as price fluctuations which would lead to uncertainty. Recent legislative changes presented opportunities and challenges. This included an end to no fault evictions, a decent home standards and increased fire safety. The financial market had indicated that interest rates were rising and remained high. In relation to house prices, Members were advised that there had been a strong increase which was followed by a recent decline. There had also been a strong increase in relation to private rents from 18% to 23% over the last five years.

Members were informed of the growing portfolio which included properties that were completed, in delivery and/or planned. These included sites such as Southwater Way where 46 homes were completed in August 2022. Some of the in delivery properties included The Gower, St Georges which would include 13 dwellings for Nuplace and the creation of a community hall and parish council offices with a scheduled completion for the end of 2024. The portfolio outlined future projects such as the Station Quarter development that sought 117 low carbon town houses and apartments for Nuplace. The target for Station Quarter was due to start July 2024 with a completion of Spring 2026.

The presentation outlined Telford & Wrekin Homes. The vision of Telford & Wrekin Homes was to invest in and protect the existing housing stock through high quality renovations, to further spread the work of the programme and to provide a “home for life” for tenants. This included a focus on providing housing options for a range of priority clients which included young people, veterans and care leavers. This was achieved through a streamlined approach to acquisition and refurbishment with support from the Wrekin Housing Group. There had been a total of 52 properties acquired from Wrekin Housing Group to support Telford & Wrekin Homes as well as other housing initiatives being promoted by the Council. The portfolio included the Theatre



Quarter in Oakengates which commenced in November 2023 with handovers projected by mid-2025.

The portfolio generated a monthly gross income of approximately £340k and the voids for 2023/24 were currently held at 1.38%. Members were informed that officers were actively managing bad debts which included payment plans to support tenants. Expenditure of maintenance was at 10.33% turnover for the year ended 31 March 2023 and it was currently at 12.5% for 2023/24.

A case study was presented to Members that illustrated the importance of housing security for families, especially for a family that had children with SEND needs, which used a Nuplace property.

The programme highlighted the social and added value to support local businesses and local people. This included supporting apprenticeship, employment and training opportunities for tenants and workers especially care leavers. Other areas of social and added value of the programme were highlighted such as tackling homelessness and addressing the climate emergency. The ways in which the programme addressed social and added value had been reported quarterly to the Board.

The presentation concluded by examining the financial impacts since the programme was formed in 2015. This included that the total investment since the start of programme amounted to £132.9 million. There was £66.1 million that remained unallocated for future schemes. The Council had invested capital into the company through either debt or equity finances and demands a commercial return. There had been a cumulative net incremental income of £9.7 million to the Council since 2015/16 along with an additional £4 million through Council Tax and New Homes Bonus since 2016/17.

The Director: Prosperity & Investment suggested a site visit to Members to the Donnington Nuplace site to observe the achievements of the programme. Members were open to the site visit and further information on when the site visit would take place would be communicated to Members.

Following the presentation, Members raised a number of questions.

*Did the programme have the resources to adapt to future challenges that come with future growth?*

The Service Delivery Manager: Housing Investment Programme assured Members that the approach to managing the portfolio was continuously reviewed with additional resources secured as required. . The team work closely with colleagues in the authority who provide tenancy and property management services to provide support and plan for any issues that might occur.



*The 485 homes that had been developed were quoted to generate £4 million in income with £3 million in the Council budget earmarked for future development, has the budget factored accounted for rental increase costs?*

The budget had factored the increase in rents of 1.1% per annum although tenancy agreements allow for an increase greater than this. Officers were currently working with tenants to help manage the increase of rents and to provide further support.

*Were the houses as part of Nuplace built on brownfield sites?*

Members were advised that the houses for Nuplace were built on brownfield sites.

*Voids were associated with unoccupied properties, why were there voids in general being quoted?*

Voids reflected the rental market and it was illustrated that there would be certain level of voids as tenants moved from one property to another.

*What proportion of tenancy of Nuplace properties were not current residents of Telford and Wrekin?*

The Service Delivery Manager: Housing Investment Programme advised that the statistics would be circulated to Members following the meeting.

The Chair thanked the Director: Investment & Prosperity and the Service Delivery Manager: Housing Investment Programme for presenting the annual update to the Committee and welcomed the proposed site visit to the Donnington Nuplace site.

## **BFSC20 Work Programme Review**

The Director: Policy & Governance provided the work programme review to the Committee. The work programme outlined the work that the Committee had completed, including the review of the Council's budget, and the work that was yet to be scheduled, majority of which were workshops to be arranged. The Committee were informed that this was the last meeting of the municipal year and that the items to be scheduled would take place in the next municipal year.

It was highlighted that the work programme allowed for this as it was now a two year work programme. If there were further changes to the work programme the Committee would be informed accordingly. Members were advised that the item in relation to the LEP would be a movable item as it was



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impacted by national changes and Members would be kept updated as this developed.

**BFSC21 Chair's Update**

The Chair had no further updates for the Committee.

The meeting ended at 6.40 pm

**Chairman:** .....

**Date:** Date Not Specified