

TELFORD & WREKIN COUNCIL

CABINET

19 MAY 2022

HOUSING INVESTMENT PROGRAMME UPDATE

REPORT OF THE CHIEF EXECUTIVE

LEAD CABINET MEMBERS – CLLR RICHARD OVERTON & CLLR LEE CARTER

PART A – SUMMARY REPORT

1.0 SUMMARY OF MAIN PROPSALS

- 1.1 The Housing Investment Programme (HIP) was established to deliver a portfolio of properties for private and affordable rent, responding to the Borough's housing needs, including the availability of accessible and adaptable housing, driving up the quality of the rental sector, regenerating brownfield land and creating local jobs. The programme also generates a long term income stream for the Council which is used to protect frontline services. **Nuplace Limited, the Council's wholly owned housing company, and vehicle used to deliver the Housing Investment Programme, was incorporated in April 2015.**
- 1.2 This report provides an update on achievements since the last update report to Cabinet in November 2020, along with progress made against pipeline developments included within the Business Case approved as part of the November 2020 Cabinet report.
- 1.3 **As of the date of this report, Nuplace's housing portfolio comprises of 442 homes, with a further 442 planned or in delivery, bringing the portfolio to 884 homes.**
- 1.4 Works are ongoing at Southwater Way, **Nuplace's low carbon town centre scheme** and the first 12 **Telford & Wrekin Homes** are undergoing refurbishment and due to be completed in April/May 2022.
- 1.5 Planning permission has also been secured for a further 79 properties at Donnington Wood Way (66 dwellings as part of a wider development of 329 new homes) and The Gower, St Georges (13 dwellings). Properties at Donnington Wood Way include 18 accessible and adaptable dwellings, specifically for people with a range of mobility issues as well as 18 low carbon homes built to Future Homes Standards. These properties build on the successful delivery of accessible dwellings at Maple Fields in Dothill and low carbon homes currently being delivered at Southwater Way.
- 1.6 Nuplace's growing portfolio now provides a range of homes across the Borough with houses available within **North and South of Telford, including properties in Newport.**
- 1.7 Nuplace has established itself as a leading brand and a landlord of choice for many renters. In our satisfaction survey conducted in December 2021, **96% of tenants said they would recommend Nuplace to friends and family.**
- 1.8 Nuplace now have circa **1,200 people living in properties** across ten sites.
- 1.9 Lettings across the portfolio remain strong, with **voids for the financial year 2021/22 contained at approximately 1.35%, which is below the Budget assumption of 3.1%.**

- 1.10 The programme has resulted in **over 23 acres of brownfield land being regenerated, addressing sites that might otherwise blight communities**, with a further 37.66 acres currently being regenerated at Wild Walk Muxton.
- 1.11 The programme is also delivering added value in terms of **local employment, apprenticeships, supply chain development and the delivery of a range of community projects**.
- 1.12 Nuplace generates income to the Council from a variety of sources, including services supplied and interest on debt finance. **Since 2015/16 Nuplace has generated a cumulative net incremental income of £7.8m to the Council to 2021/22.**
- 1.13 The Council also benefit from Council Tax and New Homes Bonus as appropriate on the housing stock delivered. **This is estimated to have generated an additional £3m up to 31 March 2022.**
- 1.14 Against the **£62.2m invested to 31 March 2022** the Nuplace asset portfolio has a capital value of **£79.6m, representing a 26% increase**].

2.0	RECOMMENDATIONS
2.1	That Cabinet note progress made in the delivery of the Housing Investment Programme.
2.2	That Cabinet note financial performance for the year 2021/22 and the impact of Nuplace's operations on the Council's budget position.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	All neighbourhoods are a great place to live.
	Will the proposals impact on specific groups of people?	
	Yes	In addition to meeting general housing need the HIP specifically supports: <ul style="list-style-type: none"> • Older people and people with mobility issues through the delivery of specialist and supported housing. • People on lower incomes through the delivery of homes at affordable rents. • People with emergency and priority housing needs such as people leaving care or the armed forces, through its Allocation Policy linked to Telford & Wrekin Homes.
TARGET COMPLETION/ DELIVERY DATE	Indicative timescales for the delivery of pipeline schemes is included within Section 4.0 of this report.	
FINANCIAL / VALUE FOR MONEY IMPACT	Yes	Refer to Section 5.0.
LEGAL ISSUES	Yes	As this is an update report there are no direct legal implications arising, however, ongoing legal support continues to be provided as and when required.

OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Refer to Section 6.0
IMPACT ON SPECIFIC WARDS	No	Borough wide

PART B – ADDITIONAL INFORMATION

4.0 INFORMATION

- 4.1 The Housing Investment Programme (HIP) is a strategic programme, established to meet identified housing need through the delivery of a portfolio of properties for private and affordable rent. The programme seeks to;
- Respond to the borough’s housing need for quality rental homes and places to live and support the Council’s ambitious growth agenda and major investment into the Borough;
 - Raise the standard of rental provision in the Borough, both in terms of the quality of the rental homes and the quality of the landlord service;
 - Enhance the Council’s knowledge and expertise of housing delivery and management, through the use of in-house resources to undertake the development, management and maintenance of the portfolio of rental properties;
 - Generate a long term income stream for the Council that can contribute towards the protection of frontline services otherwise affected by budgetary constraints;
 - Stimulate local economic growth through job creation during both the construction and operational phases of the Programme; and
 - Regenerate brownfield and stalled sites.
 - Breathe new life into existing housing stock

Nuplace Ltd is the Council’s chosen delivery vehicle for the programme, incorporated in 2015 and in its seventh year of operation.

- 4.2 This report provides an update on progress against planned developments as well as pipeline developments identified within the Business Case approved at Cabinet in November 2020 and summarised in Table 1 below. It also provides an update on the performance of the property and tenancy management service as well as financial out turn for Nuplace for 2021/22.

Table 1: Pipeline Schemes – Business Case November 2020

Site Name	Number of Dwellings	Land Ownership	Status
Donnington Wood Way, Muxton	70	TWC	Brownfield
Telford & Wrekin Homes	100	TWC	Brownfield
Former New College, Wellington	21	TWC	Brownfield
Former Charlton, Dothill	40	TWC	Brownfield
The Gower, St Georges	19	TWC	Brownfield
Main Road, Ketley Bank	20	TWC	Brownfield
Station Quarter, Telford Town Centre	50	TWC	Brownfield
	320		

4.3 Achievements to Date - Schemes Completed & Under Development

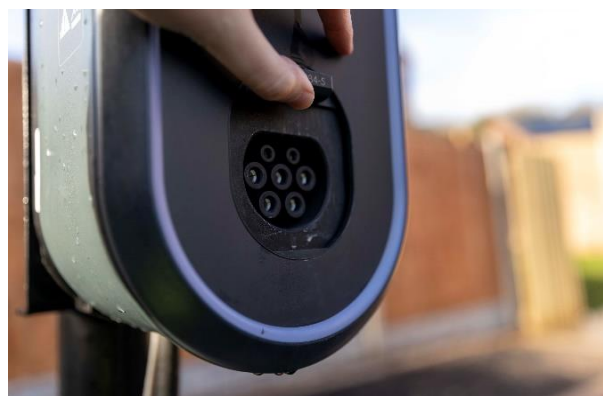
The programme is continuing to perform consistently well against objectives outlined above and the Business Case approved at Cabinet in November 2020. Key achievements are outlined in Section 1.0 of the report. Table 2 below summarises schemes completed (green) or now in delivery (amber).

Table 2: Housing Investment Programme Schemes Completed (green) or in Delivery (amber)

Site	1 bed	2 bed	3 bed	4 bed	Total	Adaptable / Accessible	Low Future Homes Standard	Affordable Units	Low Carbon (PV/EV)	Completion Date
Pool View (Randlay)	0	13	18	0	31	0	0	0	0	22/07/2016
Woodland Walk (Madeley)	0	13	85	3	101	0	0	0	0	22/10/2016
The Oaklands (Dawley)	0	32	15	0	47	0	0	0	0	11/05/2018
Miners Walk (Madeley)	0	36	17	0	53	0	0	0	0	31/08/2018
Blossom Walk (Hadley)	0	19	6	0	25	0	0	3	0	12/03/2018
Springfields (Newport)	0	25	8	0	33	0	0	33	0	18/04/2018
Coppice Court (Snedshill)	0	21	13	5	39	0	0	6	0	10/05/2019
Rowan View (Snedshill)	0	10	21	6	37	0	0	0	0	18/02/2021
Maple Fields (Dothill)	4	15	20	15	54	19	0	2	0	09/04/2021
Southwater Way (Malinslee)	4	18	16	8	46	0	0	11	46	
Wild Walk (Donnington)	4	26	21	15	66	18	18	0	66	
The Gower (St Georges)	0	13	0	0	13	0	0	0	0	
Telford & Wrekin Homes	0	1	10	1	12	0	0	6	0	
Total	12	242	250	53	545	37	18	61	112	
Percentage	2%	44%	46%	10%	100%	7%	3%	11%	21%	

Rowan View & Maple Fields: The schemes at Rowan View and Maple Fields were successfully completed in February 2021 and April 2021 respectively, adding a further 91 properties to the portfolio. These schemes were completed within budget, despite delays arising from the closure of these sites at the outset of the covid pandemic. The accessible and adaptable dwellings at Maple Fields have been well received with bespoke adaptations having been undertaken on five of the properties during construction to meet tenants' requirements and support independent living. This is in addition to a further five adaptations, funded through Disabled Facilities Grant, undertaken on properties across the portfolio.

Southwater Way: The scheme at Southwater Way, commenced on site in January 2021 and is Nuplace's first scheme to contribute more directly towards the Council's low carbon agenda through the inclusion of PV panels and electric vehicle (EV) charging points to all properties. These enhancements reduce energy consumption, lower the development's carbon footprint and at the same time reduce energy bills for occupiers, which is a huge bonus given rising energy prices. These benefits have been enabled in part through funding from the West Midlands Combined Authority which was secured to resolve viability issues associated with this development arising from the brownfield nature of the site.



Southwater Way has been Nuplace's fastest letting scheme to date, with over 140 applications received within four weeks of launching. This reflects the continued confidence placed in Nuplace as a leading developer and property manager as well the scheme's sustainable credentials both in terms of low carbon design and location, in the heart of Telford Town Centre and its amenities. As of the date of this report, 22 of the properties have been completed and are occupied with the development due to be fully complete in July 2022.

Case Study: A Nuplace at Southwater Way:

A family of four from Lightmoor were one of the first families to move into their new home in Southwater. Mum of three, Jayne told us:

"As soon as I saw the Southwater Way development, and how centrally located the new homes were, I knew it was the right time to move home. In the end it didn't just come down location. Having not long purchased my first electric car, once I learnt that the new homes came with fully installed car charging points, at no extra hassle or cost to me, I was sold instantly. The solar panels will be new to us as a family. This is incredibly innovative and something I am really looking forward to benefiting from. With my children all of different ages we couldn't choose a better location – it is spot on for us all. My older children can use nearby public transport links to get to college, university and work - plus my younger son and I will be able to walk straight to Telford Town Park. This is something we are very much looking forward to enjoying."

[Watch this short video](#) of the first tenants moving into new homes at Southwater Way in February 2022



Wild Walk, Muxton: The Wild Walk scheme off Donnington Wood Way in Muxton commenced on site in November 2021, after securing planning permission in August 2021. This 329 dwelling scheme is an exemplar, mixed tenure development, being brought forward through a partnership between the Council, Nuplace Ltd, Lovell Partnerships Ltd and Wrekin Housing Group.

Seeking to contribute directly towards the Council's recently adopted Specialist & Supported Housing Strategy as well as its low carbon commitments the scheme will deliver:

- 66 homes for private rent for Nuplace (70 assumed at Business Case stage) including 18 accessible and adaptable dwellings.
- 18 Nuplace homes to Future Homes & Buildings Standards which will see an 80% betterment on carbon emissions than homes delivered under current regulations.
- 186 (57%) affordable and 'rent to buy' homes for Wrekin Housing Group, including a 76 apartment Extracare scheme with dementia care wing and a 20 apartment retirement living block.
- 77 homes for open market sale for Lovell.
- A total of 36% of dwellings across the scheme built to accessible and adaptable standards, enabling people to live independently for longer.
- Ultra efficient homes throughout which exceed current building regulations including PV technology, solar heating of water, car charging points, upgraded fabric in walls, floor and roof, waste water heat recovery.
- A 40% net gain in biodiversity through the adopted drainage and landscaping strategy.
- The regeneration of a 15.24ha brownfield site, heavily constrained by past mining activity.

This landmark scheme has been supported through grant funding, secured from the Local Enterprise Partnership as part of the Stronger Communities Package. The first plots are due to be handed over in early 2023 with handover of Nuplace's properties expected in Summer 2024, due to their location within the site. Despite the long lead in times, significant interest has already been received in the site but applications will only be invited as we get closer to completion dates.



The Gower: Full planning and Listed Building Consent was secured for the scheme at The Gower, St Georges in December 2021. The scheme comprises of the refurbishment of this iconic Grade II listed building to provide new offices for St Georges & Priorslee Parish Council and a new community hall, alongside three x2 bedroom apartments with a further ten x2 bedroom new build dwellings to the rear of the existing building. The number of dwellings for Nuplace has reduced from the 19 assumed at Business Case stage, to 13 following refinement to the masterplan in response to site investigation findings and discussions with the Local Planning Authority. The proposals will bring this important heritage asset, which has lain vacant for a number of years, back into sustainable use.



View: 10no. 2bed dwellings to the rear of existing building



View: Internal refurbished community hall

Enabling works have commenced with the erection of hoarding, Japanese knotweed removal and drilling and grouting underway. Works are due to start in earnest in July 2022 subject to discharge of the remaining planning conditions.

All of the above schemes are being delivered by Lovell Partnerships Ltd, Nuplace's appointed development partner. They continue to deliver a high quality service, despite the additional challenges imposed by the Coronavirus pandemic and the associated inflationary increases arising from this. In December 2021, the Lovell site team at Southwater Way were awarded the LABC Bricks Site Recognition Award certificate for their quality of workmanship and site management.



Telford & Wrekin Homes: Telford & Wrekin Homes (TWH), is focussed on refurbishing existing properties for rent, and was established in late 2020 and ratified at Cabinet in May 2021. TWH seeks to build on the success of Nuplace’s new build programme and invest in and protect our existing housing stock through high quality renovations which help to address issues of poor housing in communities, ensuring that we are making the best use of our existing homes, in accordance with a key objective of the Council’s Housing Strategy.

The pipeline for investment has been increased from 100 dwellings within the approved Business Case to circa 134, up to 2024/25, now representing an investment of £19.70m. The first 12 properties have now been acquired from Wrekin Housing Group (WHG) and are undergoing refurbishment works including the installation of new kitchens, bathrooms, full redecoration, new carpentry and flooring, landscaping and external works, whilst also addressing issues such as damp and electrical issues to ensure that the properties are compliant, free from legacy issues and don’t represent a maintenance liability moving forward.

Photos of property in Sunnyside, Coalbrookdale, before and after refurbishment works by TWH



A further 36 properties are programmed for acquisition in 2022/23, with the purchase of the first 7 properties from WHG having now been approved. Nuplace are continuing to explore different routes to acquisition including; working with the Council’s Empty Properties Officer to bring long term vacant properties back into use, purchase at auction and from other Housing Association partners and investment in residential refurbishments as part of regeneration schemes such as Oakengates Local Centre.

The demand for TWH is evident with over 400 people signed up to hear more about the properties. A marketing plan is in place to effectively manage the release of properties to the market.

The TWH programme is underpinned by a rent setting and allocation policy which seeks to ensure that a proportion of TWH homes are let at levels no more than Local Housing Allowance (LHA) rents. In advance of advertising these properties on the Nuplace website, we will seek to match these homes to those people identified by the Council as being in housing need, with a

focus on identified priority groups such as care leavers. Where a suitable match can't be found, properties will be advertised on the Nuplace website with precedence given to other priority groups such as key workers and former members of the armed forces.

4.3 Achievements to Date – Pipeline Schemes

The following schemes have been progressed over the previous 18 months:

Former Abacus Nursery, Ketley Bank: The masterplan for this scheme has been further developed and refined to encompass pre-application comments from the Local Planning Authority and is now shown to deliver 27 new homes including 7 within the existing building alongside 20 new build homes on land to the rear. The development seeks to safeguard this important heritage asset within the community of Ketley Bank and provide new homes which meet housing need. Development proposals include 5 accessible and adaptable bungalows, which will be prioritised for people over the age of 55 or with mobility issues as well as 6 homes to be let at affordable rents. The scheme was recently presented to the Town Council alongside public consultation undertaken in March 2022. A full planning application is due to be submitted imminently to enable a start on site in August 2022.



Station Quarter, Telford Town Centre: The residential led regeneration of Station Quarter, the area of land between Telford Town Centre and Telford Railway Station, is a priority for the Council and has gained traction following the provisional award of Towns Investment Funding in 2021. The masterplan identifies potential for the delivery of up to 770 town houses and apartments of which circa 200 are proposed to be delivered within the first phase, due to commence on site in Spring 2023. Of these 117 are to be brought forward by Nuplace, alongside 86 affordable units by a Housing Association partner.

The Nuplace component comprises of 84 apartments, comprising of 48 x1 bed and 35 x2 bed within a 5 storey block facing onto Ironmasters Way, and 33 properties comprising 18 x2 bed and 10 x3 bed town houses and 5 x1 bed mezzanine apartments, facing onto Lawn Central and on the former Boyd House site. The number of properties to be delivered for Nuplace has

increased significantly from the 50 assumed at Business Case stage. This increase has been supported through further market appraisal work undertaken by build to rent specialists Cortland, who have been appointed by Nuplace to provide advice on unit number, mix, layout, specification and achievable rents. This increase also supports the delivery of a high density development, befitting of the site's town centre location and will deliver a scale of development which underpins this market making scheme.

The proposals are intended to represent a departure from Nuplace's suburban offering, whilst maintaining the high standards in terms of build that Nuplace tenants have come to expect. Properties will benefit from close proximity to the rail and bus services (reducing reliance of private car ownership), communal gardens and contemporary design inside and out with open plan layouts which meet Nationally Described Space Standards and provide flexibility in terms of use and occupancy. The properties have been specifically designed to appeal to young people, with for example all two bedroom apartments within the apartment block, benefitting from two bathrooms to facilitate flat sharing. However, the diversity of properties on offer will also encourage a mixed community which will support people of all ages and circumstances. A number of accessible and adaptable dwellings are also incorporated into the properties across the private rent and affordable dwellings.

We are also striving to ensure that homes are as energy efficient as possible in order to reduce the development's carbon footprint as well as fuel costs for occupiers. A fabric first approach is being adopted across the scheme, delivering improvements in terms of insulation to walls, floors and ceilings. This will be coupled with air source heat exchangers and PVs with there being no gas to the development in recognition of future legislative changes in this regard. Electric vehicle charging points will be installed throughout along with significant safe storage for bikes to further encourage sustainable travel.

The Towns Investment Funding will support the delivery of a serviced and remediated development plot for the residential proposals with an Expression of Interest also submitted to the WMCA for funding to further support delivery on this brownfield site (viability for this scheme is challenging given the cost inflation currently being experienced in the construction industry). Nuplace are working with the appointed contractor Willmott Dixon, supported by cost consultants Gleeds, to ensure that the scheme submitted to planning is viable and sustainable.

The programme is to progress with the scheme to planning, with a planning application anticipated in late summer to enable a start on site in Spring 2023. Dwellings are expected to be handed over and available for let by the end of 2024.





Former New College, Wellington: The Nuplace component of the scheme comprises of 22 dwellings (revised from 21 assumed within the Business Case), which form part of a much larger proposal involving the delivery of a retirement living scheme comprising of 64 apartments and 10 bungalows for WHG, and 26 units of younger peoples accommodation for the YMCA. The Nuplace development layout has been revised to accommodate community parking in order to alleviate pressures associated with existing on road parking. A planning application was submitted in April to facilitate a start on site in Autumn 2022.

Former Charlton School, Wellington: This was identified as a pipeline site within the approved Business Case with Nuplace intending to take circa 40 dwellings as part of the wider development mix. However the site was ultimately sold to Vistry, who are delivering properties for open market sale. The £6.1m provisionally allocated to this scheme has been reallocated to support the delivery of units for Nuplace elsewhere in the borough via a turnkey solution.

A summary of Nuplace's current delivery programme, as compared to the Business Case position is presented below:

Site Name	Number of Dwellings	Land Ownership	Status	Capital Cost (£)	Est. Start	Est. Completion	Status
Donnington Wood Way, Muxton	66	TWC	Brownfield	10,350,000	Nov-21	Sep-24	On Site
Telford & Wrekin Homes	134	TWC	Brownfield	19,700,000	Apr-22	Mar-25	On Site
Former New College, Wellington	22	TWC	Brownfield	3,740,000	Oct-22	Oct-23	Initial Conditions Approved
Former Charlton, Dothill							No longer being taken forward.
The Gower, St Georges	13	TWC	Brownfield	2,100,000	Apr-22	Apr-23	On site
Main Road, Ketley Bank	27	TWC	Brownfield	4,877,000	Aug-22	Aug-23	Initial Conditions Approved
Station Quarter, Telford Town Centre	117	TWC	Brownfield	19,259,500	Feb-23	Dec-25	Initial Conditions to be approved
Turn Key Scheme	39	Third Party		7,191,000	TBC	TBC	Initial Conditions to be approved
	418			67,218,200			

4.4 Housing Management / Tenant Satisfaction

Occupancy Levels and Voids

Occupancy levels have remained very high across the portfolio over the past two years with voids held at 1.36% for the year 2020/21 and 1.35% for the year 2021/22, which is well below the business case assumption of 3.1%. This reflects a range of market and operational factors including;

- A general reduction in the turnover of tenants, especially over the first part of the coronavirus pandemic,
- Buoyancy in the housing market both within the 'for sale' and 'for rent' sectors,
- High levels of tenant satisfaction in relation to the quality of the properties and the management service, as demonstrated by the recent Tenant Satisfaction Survey (see below);
- The streamlined approach to re-let including exit inspection, re-let works and advertisement,
- The strong reputation Nuplace have established, which keeps demand for properties high. Properties that do come up for re-let are reserved quickly meaning that despite turnover, voids are remaining low. Nuplace currently have waiting list of over 100 for properties.

Rent Levels & Bed Debt

Nuplace's housing portfolio has grown to 446 units at the date of this report and generates a monthly gross income of approximately £300k.

Rents continue to be adjusted in line with market conditions upon re-let whilst rents for retained tenants have been held for the previous two years in acknowledgment of the additional financial burden arising from the coronavirus pandemic. With restrictions ending, Nuplace implemented a rent increase for existing tenants of 1.7% from 1st April 2022. This increase remains below that occurring regionally and nationally.

Overdue debts within the company have increased over the previous 12 months. This is to a large extent a result of a small proportion of tenants struggling to pay rent as a result of the pandemic. Payment plans are in place with tenants and reviewed monthly. The bad debt provision will be reassessed at the year end and increased as appropriate within Nuplace's accounts.

Property Maintenance

Reactive maintenance continues to be carried out on properties in accordance with KPI requirements. As the properties age, with the first properties now over 5 years old, planned maintenance work is expected to increase with painting of front doors, across a number of our earlier estates, planned for 2022/23. In addition, further remedial works are planned for gardens to rectify issues associated with drainage. Expenditure on maintenance was 7.2% of turnover for the year ended 31 March 2022, which is within budgeted levels.

Tenant Satisfaction

Following on from the success of the Nuplace tenant's questionnaire launched in 2020, a further questionnaire was issued in November 2021, seeking to gain a better understanding of our tenant profile as well as gauge levels of satisfaction with Nuplace properties and the tenancy and property management service. A total of 156 tenants completed the survey, 32% more than in 2020. Of these **96% said they would recommend Nuplace to their friends and family**. When asked 'what would you change about Nuplace?' some really positive responses were received;

- Nothing - they're all amazing

- Nothing - always so friendly and helpful!
- I think the service is very good especially in the difficult times we've had with the pandemic.
- I've found over the past few months the management and repairs teams have seriously improved and we get things sorted super quick with no issues!
- I would honestly say we have had the best experience with living in a Nuplace home. They are so proactive especially with repairs or supporting with questions we have so I don't feel there needs to be any improvements
- Very happy with the support we have in place. Excellent communication with the team and property management officers. Rented from Nuplace now for 5 years and find it to very stress free.
- I love our Nuplace home and have been impressed by its management and repair process with problems sorted quickly
- I am happy and really impressed with the home. It is beautiful and spacious I just wish it had built in closets. The repair services are very good.
- My person of contact Georgina is amazing and so helpful.

75% of tenants told us Nuplace is their forever home.



96% of tenants would recommend Nuplace to their family and friends.



Based on the information received from the questionnaire, we now estimate that **approximately 1,200 people live in our Nuplace homes**. Of these;

- 47% have lived in their Nuplace home for >2 years.
- 54% live with their families.
- 20% moved to their Nuplace home from outside of Telford.
- 75% moved to their Nuplace home from a different rental property.
- 37% of tenants stated they rent because they cannot afford to buy a home.
- 36% of tenants said that renting just suits them (for a different reason other than financial).

With a growing portfolio of properties, we continue to refine processes to ensure that the tenancy and property management services are proactive and efficient. In 2022 the tenancy management team will be adopting a new property management database which will enable tenancy issues to be managed in a more streamlined way, supporting our tenants to self-serve wherever possible.

Social & Added Value

Nuplace continue to work proactively with their appointed contractors and their supply chain to deliver social added value through construction projects:

- At Coppice Court, Snedshill, Lovell have worked with St Georges & Priorslee Parish Council to install a new community bench within green space to the rear of the development site.
- At Southwater Way, representatives from Nuplace, Lovell and Lovell's plumbing contractor undertook a litter pick around the site as a thank you to the local public house for use of their car park through the period of construction. All parties also donated a total of £1,250 to their chosen charity.



- At Donnington Wood Way, budgets from Lovell, WHG and Nuplace have been pooled to create a £45,000 social value budget which will be used throughout the 3 year construction programme to support a range of educational and community based programmes.
- Also at Donnington Wood Way, Lovell committed at tender stage to ambitious targets regarding the use of local labour and suppliers and through extensive work with the supply chain during the pre-construction period have been successful in securing 70% of all work from a 25 mile radius, with all brickwork for the scheme being procured from Borough based contractor, Prestige.
- Lovell have also donated the contents of two of their show homes from the West Midlands region to the Council for care leavers. Lovell also signed up to the Care Leaver's Covenant at the event held on 11 February.

Image: Lovell Show Homes donation open morning. [Ben's reaction to receiving the items can be watched here.](#)



Social value opportunities will continue to be identified as the pipeline schemes are delivered.

5.0 FINANCE

- 5.1 The Councils Medium Term Financial Strategy 2022/23 -2025/26 approved at Full Council on 3 March 2022 included an additional £20m investment in Nuplace bringing the total investment since the company was formed in 2015 to £130.9m. Of this, £62.2m has been spent as at 31 March 2022, with a further £3.3m allocated to sites in development. Against the £62.2m invested to date the Nuplace asset portfolio has a capital value of £79.6m, representing a 26% cumulative increase in value.
- 5.2 £65.3m remains unallocated for future schemes. The schemes identified in the table above total £67.2m (and include £1.9m for Telford and Wrekin Homes in delivery) and as such can be delivered within this remaining allocation. Capital is allocated to sites based upon feasibility criteria with the rate of return for each investment being dependent upon a range of parameters and reviewed by the Council's Finance department on a case by case basis.
- 5.3 The Council invests capital into the Company through either debt or equity finance and demands a commercial return on both. The rate of return on debt finance is assessed at the point in time loans are established taking into account the current market factors. The hurdle rate for the long term rate of return on equity finance is set at 6%. The Section 151 Officer will be consulted on any changes to the commercial terms of the funding as set out in the Housing Investment Programme Board, Terms of Reference, and the amendment will be approved by the HIP Board. Further capital spend can only be undertaken once the loan facilities have been executed.
- 5.4 Nuplace generates income to the Council from a variety of sources, including services supplied and interest on debt finance. Since 2015/16 Nuplace has generated a cumulative net incremental income of £7.8m to the Council. The Council will additionally benefit from Council Tax and New Homes Bonus as appropriate on the housing stock delivered. This is estimated to have generated an additional £3m to 31 March 2022.

6.0 IMPACT ASSESSMENT

- 7.1 As the HIP has become established, risk factors have largely reduced as assumptions within the original Business case have been tested and refined.

7.0 PREVIOUS MINUTES

Housing Investment Programme Cabinet Report	25 April 2013
Housing & Property Investment Programme Cabinet Report	24 July 2014
Housing Investment Programme Full Council Report	11 September 2014
Housing Investment Cabinet Report	8 January 2015
HIP, Southwater Development Options Cabinet Report	19 March 2015
Housing Investment Programme Update	25 March 2016
Housing Investment Programme Update	29 June 2017
Housing Investment Programme Update	12 July 2018
Housing Investment Programme Update	02 January 2020
Housing Investment Programme – Business case for Investment	5 November 2020
Housing Investment Programme – Telford & Wrekin Homes	10 June 2021

Report prepared by Kate Callis, Service Delivery Manager - Housing Investment Programme