



Borough of Telford and Wrekin

Cabinet

Thursday 4 January 2024

Housing Investment Programme Update

Cabinet Member:	Cllr Lee Carter - Cabinet Member: Place (The Economy & Neighbourhood Services), Cllr Richard Overton - Deputy Leader and Cabinet Member: Homes & Enforcement
Lead Director:	David Sidaway – Chief Executive
Service Area:	Prosperity & Investment
Report Author:	Kate Callis - Housing Investment Programme Service Delivery Manager
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Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	SMT - 7 November 2023 Business Briefing - 14 December 2023 Cabinet - 4 January 2024

1.0 Recommendations for decision/noting:

It is recommended that Cabinet:-

- 1.1 That Cabinet note progress made in relation to the delivery of the Housing Investment Programme.
- 1.2 That Cabinet note financial performance for the year 2022/23 and the impact of Nuplace's operations on the Council's budget position.

2.0 Purpose of Report

2.1 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. Nuplace Ltd is the Council's chosen delivery vehicle for the programme, incorporated in 2015 and in its eighth year of operation. 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;
- Regenerate brownfield and stalled sites; and
- Transform existing housing stock through the delivery of the Telford & Wrekin Homes Programme.

The vision for the Telford & Wrekin Homes programme was set out in the Cabinet report of June 2021 with clear objectives to;

1. 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 recently adopted Housing Strategy,
2. Further spread the good work of the Housing Investment Programme and Nuplace in raising standards in the private rented sector across the Borough through demonstrating high quality property and tenancy management on a broader geographic scale, and
3. Provide a "home for life" for our tenants with a focus on providing housing options for a range of priority client groups, including for example care leavers and people providing low level care, key workers, young people and veterans. This links directly to the Council's Housing Strategy which seeks to ensure that all people have access to safe and appropriate housing which enables them to live independently and maximise their potential. As such this housing will be linked to allocation policies for these key groups and be available on private rent and affordable basis as appropriate.

- 2.2 This report provides an update on progress against planned developments identified within the Business Case approved at Cabinet in November 2020 and last reported on to Cabinet in May 2022. It also provides an update on the performance of the property and tenancy management service as well as financial out turn for Nuplace for 2022/23.

3.0 Background

- 3.1 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, the vehicle used to deliver the Housing Investment Programme, was incorporated in April 2015.**
- 3.2 This report provides an update on achievements since the last update report to Cabinet in May 2022, along with progress made against pipeline developments included within the Business Case approved as part of the November 2020 Cabinet report.
- 3.3 **As of the date of this report, Nuplace's housing portfolio comprises of 485 homes, with a further 359 planned or in delivery, bringing the portfolio to 844 homes.**
- 3.4 Of these, **124 are affordable homes, available at discounted rents**, with the housing investment programme also enabling the delivery of a further 399 affordable dwellings by housing association partners.
- 3.5 Works are now complete at Southwater Way, **Nuplace's low carbon town centre scheme. Whilst works are underway for a further 99 homes across three sites, comprising** Wild Walk Muxton off Donnington Wood Way (66 dwellings as part of a wider development of 329 new homes), The Gower, St Georges (13 dwellings, alongside offices for St Georges & Priorslee Parish Council and a new community hall) and New College (20 low carbon dwellings). The Nuplace 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 Standard, whilst the scheme at the Gower will see a Grade 2 listed building refurbished and brought back into use.
- 3.6 A total of **19 properties have now been successfully refurbished** and brought back into use as part of the Telford & Wrekin Homes Programme with a pipeline of properties currently undergoing feasibility. Of these, the majority have been acquired by Nuplace from Housing Association partner, WHG, alongside Council side acquisitions to support a range of priorities including providing accommodation for rough sleepers, refugees, and temporary accommodation, with a total of 52 properties having been purchased to date with a further 15 under offer.

- 3.7 **Planning permission has been secured for a further 155 new homes, comprising** Station Quarter (117 apartments and town houses), the former Abacus Nursery at Ketley Bank (21 new build homes alongside 7 dwellings within the retained historic building) and Oakengates Theatre Quarter (10 one and two bedroom apartments above refurbished commercial units), with a planning application submitted for refurbishment works to 1 Walker Street, Wellington, which will see the creation of 9 Nuplace apartments within this historic building.
- 3.8 Nuplace’s portfolio continues to grow, **offering people a broad range of property types and sizes, in locations across the Borough.**
- 3.9 Nuplace has firmly established itself as a leading brand and a landlord of choice for renters as evidenced by the results of Nuplace’s third annual tenancy survey, which confirmed that **95% of tenants said they would recommend Nuplace to friends and family.**
- 3.10 Nuplace now have circa **1,350 people living in properties** across ten sites.
- 3.11 Lettings across the portfolio remain strong, with **voids for the financial year 2022/23 contained at approximately 1.91%, which is below the budget assumption of 3.16%.**
- 3.12 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 off Donnington Wood Way.
- 3.13 Through bespoke Social Value Plans, developed on a site by site basis, projects are contributing positively towards strategic and local social value outcomes linked to **employment, training, apprenticeships, supply chain development and the delivery of a range of community projects.**
- 3.14 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 £9.7m to the Council to 2022/23.**
- 3.15 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 £4m up to 31 March 2023.**
- 3.16 Against the **£66.8m invested to 31 March 2023** the Nuplace asset portfolio has a capital value of **£86.7m, representing a 28% increase.**

4.0 Summary of Main Proposals

4.1 Housing Market Context

Since the last report to Cabinet in May 2022, the construction industry, financial and housing markets have continued to undergo considerable turbulence with both positive and negative effects on delivery. Key factors are summarised below:

4.1.1 Construction Industry:

Construction Costs: Inflation within the construction industry has continued to lead to unprecedented increases in material prices and construction costs, but also considerable uncertainty, with prices fluctuating wildly during 2022. Whilst there has been some improvement in 2023, material prices remain considerably higher than they were prior to the Covid pandemic and the commencement of Ukraine conflict with this reflected in construction costs and tendered rates being applied to pipeline schemes. Allowances made for inflation at pre construction and construction stage have placed additional pressures on scheme viability with any elongation to the programme compounding this.

Legislative Changes: The introduction of new Part L (Conservation of Fuel & Power) and Part S (Infrastructure for the Charging of Electric Vehicles) building regulations, whilst anticipated, have added further complexity to the design process with the industry struggling to adapt to these changes, especially in relation to new Part L given the government's late release of the approved modelling system (SAP). In addition, a number of new Fire Safety Legislative changes came into force on 1st October 2023, many of which have design implications, especially in relation to multi occupancy dwellings, such as those planned at Station Quarter. This again has required amendments to design to ensure compliance with this new legislation.

Not only have there been changes in the construction industry, impacting on the delivery of housing, up and coming legislative changes in the housing market and particularly the private rented sector have the potential to drive significant change. The Renters Reform Bill, introduced to parliament in May 2023 and expected to be enacted in 2024, is perhaps one of the most significant pieces of legislation for private renters and landlords in the past 30 years with the main headline being the proposed abolition of section 21 (so-called "no fault" evictions). In addition the Bill sets out proposals for rolling, periodic tenancies, new rules for pets in lets, a new property ombudsman, and a new property portal. It is also anticipated that the Decent Homes Standard, currently only applicable to social rent properties, will be extended to include properties in the private rented sector. Both pieces of legislation seek to improve standards for private renters, given the growing number of people in this sector. Nuplace are well placed to respond positively to these changes given our focus on the delivery of high quality properties that provide a "home for life" and a top class tenancy management service.

4.1.2 Financial Markets:

Interest Rates: Over the past 24 months, interest rates have continued to rise steadily putting considerable pressure on the cost of borrowing and therefore investment appraisals. Whilst there is some stability returning, interest rates are not expected to reduce in the near term. This is reflected in higher costs of borrowing being incurred during the construction period as well as over the life time of developments.

4.1.3 Housing Market:

House Prices: House prices have risen steadily over the past 18 months on the whole, with this being reflected in the increased valuation of the portfolio undertaken at financial year end overall. However, interest rates will inevitably slow this upward trend with house sales within the borough slowing as they are nationally.

Private Rents: There has been a significant increase in private rents across the Borough over the past 5 years with average rents for a 2 bedroom house increasing by 16% between 2018 and 2022, with this being 23% for a 3 bedroom house, with the rate of growth being most significant since 2021. This rental growth has brought benefit when establishing viability for pipeline schemes and has been essential in order to counteract, to a certain extent, pressures associated with construction costs and interest rates.

Within this context, the development team have worked hard to drive schemes forward, developing innovative solutions with partners to support delivery and ensure the objectives contained within the November 2020 Business Case continue to be achieved. Section 4.2 below outlines achievements since the report of May 2022.

4.2 Achievements to Date - Schemes Completed & Under Development

Table 1 below summarises schemes completed (green), now in delivery (amber) or at feasibility stage (blue), with the remainder of Section 4.2 providing a more detailed update against each scheme.

Table 1: Housing Investment Programme Schemes

Site	1 bed	2 bed	3 bed	4 bed	5 bed	Total	Affordable Units by Nunlace	Affordable Units by Others	Adaptable / Accessible (M4(2) & M4(3)b)	Low Carbon (P/EV)	Future Homes Standard	Status
Pool View (Randlay)	0	13	18	0	0	31	0	0	0	0	0	Completed 22/07/2016
Woodland Walk (Madeley)	0	13	85	3	0	101	0	0	0	0	0	Completed 22/10/2016
The Oaklands (Dawley)	0	32	15	0	0	47	0	0	0	0	0	Completed 11/05/2018
Miners Walk (Madeley)	0	36	17	0	0	53	0	0	0	0	0	Completed 31/08/2018
Blossom Walk (Hadley)	0	19	6	0	0	25	3	0	0	0	0	Completed 12/03/2018
Springfields (Newport)	0	25	8	0	0	33	33	0	0	0	0	Completed 18/04/2018

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Coppice Court (Snedshill)	0	21	13	5	0	39	6	0	0	0	0	Completed 10/05/2019
Rowan View (Snedshill)	0	10	21	6	0	37	0	39	0	0	0	Completed 09/04/2021
Maple Fields (Dothill)	4	15	20	15	0	54	2	0	19	0	0	Completed 08/02/2021
Southwater Way (Malinslee)	4	18	16	8	0	46	11	0	0	46	0	Completed 26/08/2022
Telford & Wrekin Homes (Complete)	0	1	16	1	1	19	10	0	0	0	0	Completions since 2022
Wild Walk (Donnington)	4	26	21	15	0	66	0	186	18	66	18	Works commenced November 2021 - 64 of 329 plots complete
The Gower (St Georges)	0	13	0	0	0	13	0	0	0	0	0	Works commenced October 2023
The College (Wellington)	0	8	12	0	0	20	0	102	0	20	0	Works Commenced October 2023
Former Abacus Nursery (Ketley Bank)	1	15	12	0	0	28	7	0	5	21	0	Start on Site - December 2023
Station Quarter (Telford Town Centre)	53	54	10	0	0	117	0	72	29	117	0	Start on Site - January 2024
Telford & Wrekin Homes (Pipeline)	0	25	50	15	6	96	48	0	0	0	0	Acquisitions being actively pursued.
Oakengates Theatre Quarter (Oakengates)	7	3	0	0	0	10	0	0	0	10	0	Works commenced November 2023, first handovers April 2024
1 Walker Street (Wellington)	9	0	0	0	0	9	4	0	0	9	0	Planning Application submitted September 2023
Total	82	347	340	68	7	844	124	399	71	289	18	
Percentage	10%	41%	40%	8%	1%	100%	15%		8%	34%	2%	

4.2.1 Southwater Way

Having started on site in January 2021, the scheme at Southwater Way was successfully completed in August 2022. As the first Nuplace scheme to contribute more directly towards the Council's low carbon agenda, this scheme has been well received by renters with all properties being reserved within 3 months of launch. The scheme provides PV panels and electric vehicle charging points to all properties and estimates suggest that a tenant of a 3 bedroom home could save as much as

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£900 per year in energy bills¹ and reduce the building's carbon footprint by more than 400kg of carbon emissions annually – the same amount of CO₂ that's emitted by driving 1,900 miles in a diesel car.

The scheme was supported by £460k for brownfield land grant funding, secured from West Midlands Combined Authority.

Development Photos:



4.2.2 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. Works have progressed exceptionally well since commencement with 64 of the 329 homes having been completed so far including 21 open market sales dwellings and 43 affordable dwellings. The first 30 Nuplace dwellings are expected to be completed by May 2024 and were launched to market in early September with 17 properties being reserved on the first day, showing the continued appetite for Nuplace's quality homes and lettings service. This landmark scheme has been supported through grant funding, secured from the Local Enterprise Partnership as part of the Stronger Communities Package.

¹ compared to a comparable home using fossil fuels, based on projected energy prices for 2022/23



Development Photo – as at Oct/Nov 2023:

4.2.3 The Gower, St Georges

Following the completion of an enabling works package, works commenced in earnest at the Gower in October 2023. During the 68 week construction programme, this iconic Grade II listed building will be refurbished to provide new offices for St Georges & Priorslee Parish Council and a new community hall, alongside three x2 bedroom apartments, ensuring that this important heritage asset, which has lain vacant for a number of years, is brought back into sustainable use. Alongside this, the scheme will deliver a further ten x2 bedroom new build dwellings to the rear of the existing building.

Having entered into an Agreement for Lease with the Parish Council earlier this year, the Council and Nuplace continue to work productively with the Parish Working Group to ensure opportunities for use of the building by the community are maximised.

Development Photos:



View: Rear of the building showing foundations to new build dwellings



View: Rear of the existing building showing substructure brickwork to new build dwellings



View: Front of the building with reduced level to formation



View: Front of building showing entrance widening

4.2.4 The College, Wellington

Located on the site of the former New College, Wellington, this scheme builds on the strong partnership established at Wild Walk, and involves the delivery of 20 new homes for Nuplace, alongside a retirement living scheme, comprising of 64 apartments and 10 bungalows, for Wrekin Housing Group as well as 28 homes for the YMCA within the existing building, for which works started on site in April 2023. All of the homes delivered for Nuplace meet Nationally Described Space Standards and the new Part L building regulations, which requires the property to deliver a 30% reduction in carbon emissions compared to the previous Part L. This is being delivered through upgrades to the fabric of the building (cavity widths, thickness and type of insulation) combined with PV panels. In addition, each property benefits from an EV charging point. Works commenced on the scheme in October 2023 with Nuplace's first plot handover's expected in October 2024, prior to full scheme completion in November 2024.

Development CGI's & Progress Photos (Nov 2023):



Housing – Nuplace Ltd

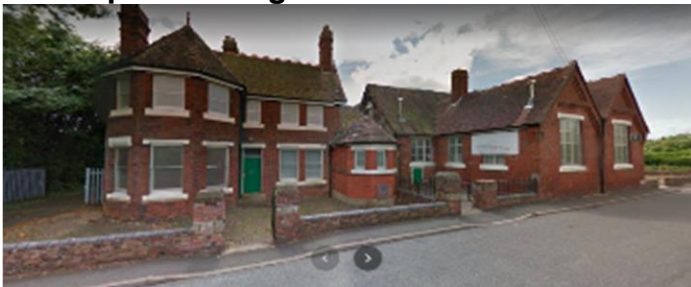


Access to Nuplace dwellings from Regent Street

4.2.5 Former Abacus Nursery, Ketley Bank

Planning permission for this scheme, comprising of 21 new build homes alongside the creation of 7 dwellings within the existing historic building, was granted in June 2023 with works due to start on site in early 2024. The scheme will preserve this important community asset and deliver high quality, low carbon housing with all properties having EV chargers and all new build dwellings benefitting from PV panels. Of the 28 dwellings, 7 will be available at affordable rents, with the scheme also including 5 bungalows, which will be prioritised for people over the age of 55 or with a demonstrable need for accessible housing. Given some significant abnormal costs associated with this site in terms of ground conditions but also the refurbishment of the existing building, viability is being supported through the use of WMCA grant for which a decision is expected before the end of the year².

Development Images:



View from Main Road: Front of the existing building



View from Bank Way: Rear of development



View: from the western boundary



View: Internal view of the site from the south

4.2.6 Station Quarter, Telford Town Centre

Planning consent for this major regeneration scheme has now been granted with the first phase to involve the delivery of 189 dwellings alongside other major investment in a Digital Skills Hub, hotel and public realm improvements. The delivery of a “city living” offer within the town centre will help to diversify and sustain the town centre, and has the potential to catalyse wider housing development within the core of the town. Of the 189 dwellings proposed, 117 of these will be for Nuplace,

² The report will be updated prior to Cabinet if a decision on grant is received before then.

available on a private rent basis, alongside 72 dwellings for affordable housing partner Legal & General Affordable Homes (L&GAH).

The Nuplace component comprises of 84 apartments (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. The proposals 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) and contemporary design inside and out with open plan layouts which meet Nationally Described Space Standards providing 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.

The homes have been designed to be energy efficient in order 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, coupled with an efficient fully electric heating strategy. Electric vehicle charging points will be installed throughout along with significant safe storage for bikes to further encourage sustainable travel.

This scheme has experienced significant budget pressures in the context of rising construction costs and the delivery plan for the scheme was amended in early 2022 with a move away from a single contractor in order to secure cost savings. Scheme viability is contingent upon both Nuplace and L&GAH securing grant funding from WMCA and following approval of an Expression of Interest for funding submitted in January 2023, a full application is now under review, with a decision anticipated by the end of the year. Subject to grant approval, works are due to commence in Spring 2024 with the first dwellings available for occupation in Autumn 2025.³

Development CGI’s:



View:Nuplace apartment block and digital skills hub



View:Low rise residential and associated open space

³ The report will be updated prior to Cabinet if a decision on grant is received before then.



View: Nuplace apartment, residents lounge



View: Interior design within apartment

4.2.7 Telford & Wrekin Homes

Telford & Wrekin Homes (TWH) builds on the success of Nuplace's new build programme and invests in and protects our existing housing stock through high quality renovations. The vision for the programme was set out in the Cabinet report of June 2021 with clear objectives to;

- 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 recently adopted Housing Strategy,
- Further spread the good work of the Housing Investment Programme and Nuplace in raising standards in the private rented sector across the Borough through demonstrating high quality property and tenancy management on a broader geographic scale, and
- Provide a "home for life" for our tenants with a focus on providing housing options for a range of priority client groups, including for example care leavers and people providing low level care, key workers, young people and veterans. This links directly to the Council's Housing Strategy which seeks to ensure that all people have access to safe and appropriate housing which enables them to live independently and maximise their potential. As such this housing will be linked to allocation policies for these key groups and be available on private rent and affordable basis as appropriate.

To date, acquisitions have focussed on redundant stock from Wrekin Housing Group (WHG) with Nuplace having acquired and undertaken works directly on the first 12 properties and more latterly acquired properties following refurbishment by WHG. This intervention has prevented properties going to auction and potentially being sold to unscrupulous landlords. Instead properties undergo extensive refurbishment to raise property standards and ensure dwellings provide a good quality home for tenants which are safe, free from legacy issues and do not represent a maintenance liability moving forward. Nuplace, the Council and WHG have now developed a streamlined process by which properties are offered and reviewed for their suitability for TWH, temporary accommodation or to meet any other housing needs such as refugee settlement. Where properties are of interest, works are scoped and costed with, subject to viability, an offer then being made for the acquisition of the property once refurbishment works have been completed.

Once handed over the properties are rented for a mixture of private and social rents, with a number of the properties providing invaluable move on accommodation for people in temporary housing.



Moving forward the programme will continue to focus on bringing redundant properties back into use, tackling empty properties, and intervening in the private rented sector where existing landlords are encouraged to sell as a result of the impending Renters Reform Bill. This presents a new opportunity for Nuplace to acquire properties alongside additional planned acquisitions from Housing Association partners.

4.2.8 Oakengates Theatre Quarter

Being delivered alongside the TWH programme, this scheme involves the delivery of 10, one and two bedroom apartments on the first floor of an existing building owned by the Council. Proposals form part of a wider scheme to regenerate the Limes Walk area of Oakengates to create a vibrant Theatre Quarter and transform previously underutilised ancillary space above commercial units, into use as high quality homes. The housing mix, directly responds to housing need, particularly in relation to the delivery of one bed apartments, for which there is a documented shortfall across the Borough. An EPC rating of A is being targeted through upgrades in the thermal performance of the walls coupled with the provision of solar panels to be installed on the roof. Planning consent for the scheme was granted in February 2023 with works commencing on site in November 2023. The first properties are due to be handed over to Nuplace in April 2024.



Development CGI: Theatre Square with Nuplace apartments at first floor

4.2.9 1 Walker Street, Wellington

Also being delivered alongside the TWH programme, this scheme includes the refurbishment of this iconic listed building within the centre of Wellington to create 9 one bedroom apartments above retail / commercial space on the ground floor. This challenging scheme is supported through grant funding from the Towns Investment Fund and is part of wider regeneration proposals planned in Wellington. A planning application for the scheme was submitted in early September 2023, with this being the first key step in bringing this scheme forward.



View: One Walker Street, Wellington

4.2.10 Summary of Delivery

As set out in the preceding paragraphs, despite some challenging contextual factors at large in the construction and housing industry over the previous year, considerable progress has been made to move projects from feasibility into delivery. This has required the delivery team to think innovatively in terms of delivery strategy and grant opportunities, but will ultimately mean that in 2024, Nuplace will have 263 dwellings under construction, across 7 sites.

4.3 Housing Management / Tenant Satisfaction

Despite a growing and ageing portfolio, the quality of the tenancy and property management services remains strong, as does the financial performance of the portfolio, with this section providing an update on operations.

4.3.1 Occupancy Levels and Voids

Occupancy levels have remained very high across the portfolio over the past year with voids at 1.91% for the year 2022/23, which remains below the business case assumption of 3.16%. This reflects:

- Buoyancy in the housing market, especially within the 'for rent' sectors over the past financial year, resulting in low levels of turnover and rapid reservations when properties are vacated;
- 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 section 4.3.4 below for details);
- The streamlined approach to re-let including exit inspection, re-let works and advertisement; and
- The strong reputation Nuplace have established, which keeps demand for properties high.

4.3.2 Rent Levels & Bad Debt

Nuplace's housing portfolio generates a monthly gross income of approximately £340k. Rents continue to be adjusted in line with market conditions upon re-let although rents have been held in 2023 in acknowledgement of the cost of living pressures being faced by many tenants. A rent increase is expected to be implemented in January 2024.

Overdue debts continue to be actively managed with payment plans in place with the majority of tenants with debt reducing month on month, although in some cases very slowly. Despite this, there are a small number of tenants (existing and historical) where debt is significant or increasing month on month and there is limited engagement to reduce this. Collectively this debt amounts to circa £38k at 31 March 2023. Where tenants have moved out, tracing agents have been appointed in order to try to start the debt recovery process and where tenants are in situ, legal proceedings have commenced to obtain possession.

4.3.3 Property Maintenance

Reactive maintenance continues to be carried out on properties in accordance with Nuplace's Key Performance Indicator requirements. As the properties age, with the first properties now over seven years old, planned and reactive maintenance work is expected to increase, some of which is routine, for example electrical and gas inspections, and some of which is in response to issues raised by tenants or identified as part of re-let works.

During the period to 31 March 2023, the cost of asset and site maintenance was £407,000, 10.33% of annual turnover, which is within budgeted levels. The expenditure represented:

- Planned maintenance (including carpets, redecoration and gardens): 6.61%
- Reactive maintenance: 2.15%
- Statutory works (gas and electrical inspections): 1.57%

In addition, further remedial works are planned for gardens to rectify issues associated with drainage. The specification of materials and works has, wherever possible, been reviewed on more recent schemes to address issues and reduce reactive maintenance spend with positive effects. Examples including selection of an alternative carpet specification, additional drainage installations and topsoil to gardens (beyond NHBC guidelines) and a revised detail to shower enclosures to prevent any water ingress and damp issues.

4.3.4 Tenant Satisfaction

Nuplace’s annual tenant satisfaction questionnaire was undertaken at the end of 2022 and whilst there was a lower response rate (23%) than in the previous year (36%), the results were again very strong. **71% of tenants considered their Nuplace homes as a “Forever Home” with a whopping 95% of tenants stating they would recommend Nuplace to friends and family.** 96% of tenants also stated they would consider moving to another Nuplace home if their needs changed.

Based on the information received from the questionnaire, we now estimate that **approximately 1,350 people live in Nuplace homes.** Of these;

- 50% have lived in their Nuplace home for >2 years.
- 84% moved to their Nuplace home from elsewhere in the Borough, with 16% being new to the Borough.
- 75% moved to their Nuplace home from a different rental property with people moving to upsize (33%) and downsize (32%).
- 55% of tenants live with their families.
- 38% of tenants said that they choose to rent with 49% renting because they can’t afford to buy.

Nuplace Tenant Case Study

“A Home for Life”



Simon, Mandy and their 19-year-old daughter Emma moved into one of the very first Nuplace homes in Randlay back in 2015.

Simon told Nuplace why this was such an important move for him and his family and why they’ve never looked back.

“Back in 2015 we were renting a property in Aqueduct when suddenly we were hit with the news our current landlord was selling the property we had lived in. We always knew this was a risk but seeing notice given in writing made it a really worrying time for us.”

“Our first priority moving home was our daughter Emma. Emma has autism so finding a place to suit Emma and somewhere which offered us some security was all we wanted.

“As soon as we found out Nuplace was owned by the council we were filled with relief. I just remember thinking we had potentially found our forever home. Any minor issues have always been rectified quickly and the team are so understanding of Emma’s needs which is invaluable to us.

“From our neighbours to the location of the development here in Randlay, we feel so lucky to have found Nuplace. We rarely drive to the town centre as it’s much easier to walk and we’ve also completed the couch to 5k since living here as the park is right on our doorstep.

“I’d recommend Nuplace to any family who are looking for a sense of security.”

Nuplace strive to deliver continuous improvement and are always looking for opportunities to improve the specification of properties and customer experiences in response to feedback. One of the most frequently reported issues has historically been with poor drainage in gardens. In response to this, last year Nuplace undertook a programme of remedial works to a number of existing gardens across the portfolio, with more planned for 2024. Alongside this, specification changes have been introduced to gardens to supplement drainage and support the establishment of a healthy lawn. Nuplace will continue to review the impact of these improvements over the forthcoming 12 months. Alongside this, Nuplace’s tenant satisfaction survey for 2023 is now live and will provide valuable insights into our tenant profile, property requirements, strengths and areas for improvement to focus on in 2024.

The introduction of a new property management system, anticipated in January 2024, will enable tenancy issues to be managed in a more streamlined way, supporting our tenants to self-serve wherever possible.

4.3.5 Social & Added Value

Working with our construction partner Lovell Partnerships Ltd, Nuplace have delivered some fantastic social value outcomes over the course of the seven year partnership. Lovell have built a strong supply chain, maximising spend with local contractors and suppliers, have invested in apprenticeships and supported the Council’s upskilling and employment initiatives. Wherever possible, social value budgets have been pooled in order to maximise outcomes, such as at Wild Walk, where a £45,000 social value budget has been established through contributions from partners Lovell, WHG and Nuplace. This is being used in part to deliver a “Hands on Help” scheme focussed on delivering works to local community facilities. These include:

- Redecorating various community facilities to bring units back into life.
- Installation of new accessible and energy efficient doors to Donnington and Muxton Community Library

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- Providing new interactive learning facilities by recycling building materials at Donnington Wood Infant School.
- Reinstating damaged existing surfaces, such as paving slabs.

In addition to this, with a pipeline of schemes recently started or due to start on site (The Gower, The College, Former Abacus Nursery and Station Quarter), Nuplace, the Council, Lovell and where applicable, affordable housing partners such as WHG, have been working in collaboration to develop a co-ordinated approach to the development, management and monitoring of social value. The proposal being to align this to the well-recognised TOMS framework, which has an established set of indicators for monitoring a range of social value outcomes. A “top ten” set of TOMS indicators have been established, aligned to corporate and partner objectives, with social value funds to be deployed to support these. These focus on apprenticeships, employment, training and supporting our care leavers (green), maximising local spend (purple), initiatives to support and strengthen the local community (red), tackle homelessness (blue) and address the climate emergency (yellow).

TOMS Indicator		Funding
NT1	No. of local direct employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter	Business as usual
NT3	No. of employees (FTE) hired on the contract who are long term unemployed (unemployed for a year or longer) as a result of a recruitment programme	Centralised Social Value Fund
NT4/ NT4A	No. of employees (FTE) hired on the contract who are Not in Employment, Education, or Training (NEETs) as a result of a recruitment programme	Centralised Social Value Fund
	No. of 16-25 y.o. care leavers (FTE) hired on the contract as a result of a recruitment programme	
NT10	No. of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+	Business as usual
NT18	Total amount (£) spent in LOCAL supply chain through the contract	Business as usual
NT24	Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, etc.)	Locally Invested Social Value Fund
NT25	Initiatives to be taken to tackle homelessness (supporting temporary housing schemes, etc.)	Centralised Social Value Fund
NT28	Donations or in-kind contributions to local community projects (£ & materials)	Locally Invested Social Value Fund
NT29	No. of hours volunteering time provided to support local community projects	Business as usual
NT53	Innovative measures to safeguard the environment and respond to the climate emergency to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.	Business as usual

With a clear focus on employment and training, proposals are for the establishment of a “Construction Hub” to be located within Station Quarter for the duration of the development programme. This flexible space will provide opportunity for people seeking employment and training to learn more about job opportunities in the

construction and housebuilding sector and access training provided by Telford College. In doing so the facility will support upskilling and employment and seek to address skills shortages and gaps in the construction industry.

From a funding perspective, these targets fall into three categories:

- **Business as Usual:** These are social value outcomes which the organisations are already striving to achieve, for which specific and ambitious targets will be set, but for which no further funding is needed.
- **Centralised Social Value Fund:** These are social value outcomes for which additional funding is required. It is proposed that 50% of the social value funding arising from any project is top sliced and held within a central fund to support these initiatives. This could be “topped up” through other fund raising initiatives.
- **Locally Invested Social Value Fund:** These are social value outcomes for which additional funding is required and which are local to the project. It is proposed that the remaining 50% of the social value funding is deployed to support these initiatives. Where possible, local projects will be identified using the Council’s [Social Value Swap Shop](#).

With this framework in place, project specific social value plans are being developed and will be monitored quarterly to ensure targets are being met.

5.0 Alternative Options

5.1 Given this is an update report to the approved Business Case for the Housing Investment Programme alternative options haven’t been considered.

6.0 Key Risks

6.1 With the Housing Investment Programme now well-established, risk factors have to some extent reduced, as assumptions within the original and subsequent Business Cases have been tested and refined.

6.2 Despite this, risks are still present and arise due to a range of external factors as identified at Section 4.1 of this report. In order to manage risks, risk registers are developed on a project by project basis with risks formally reported to the HIP Programme Board and considered as part of investment decisions.

7.0 Council Priorities

7.1 The proposals within this report directly contribute to the following Council Priority

- **All neighbourhoods are a great place to live.**
In addition to meeting general housing need the Programme specifically supports:
 - 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 and social 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.

8.0 Financial Implications

- 8.1 The total investment since the company was formed in 2015 amounts to £132.9m. Of this, £66.8m has been spent as at 31 March 2023, with a further £3.3m allocated to sites in development. Against the £66.8m invested to date the Nuplace asset portfolio has a capital value of £86.7m, representing a 28% cumulative increase in value.
- 8.2 £66.1m remains unallocated for future schemes with the schemes identified in Table 1 of this report totalling approximately £66m 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.
- 8.3 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 if there are 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.
- 8.4 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 £9.7m 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 £4m to 31 March 2023.

9.0 Legal and HR Implications

- 9.1 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.

10.0 Ward Implications

- 10.1 Nuplace are operating in a range of locations across the Borough and in doing so are regenerating stalled and brownfield sites whilst delivering homes that improve housing standards in terms of the property itself but also the management services.

11.0 Health, Social and Economic Implications

- 11.1 Our homes provide more than a roof over our head, they are a place that offers safety, stability and security, provides for household needs and is well connected to community, work and services.

Through the direct delivery of well-designed and maintained homes, in sustainable locations, Nuplace is providing people with the base from which they can build and maintain healthy and prosperous lives. With over 1,350 people now living in Nuplace homes, this positive impact is significant and contributing directly to the wellbeing of the Borough's residents. The delivery of accessible and adaptable accommodation at sites such as Maple Fields, Dothill and Wild Walk, Muxton, and on pipeline schemes at Station Quarter and Ketley, allocated to occupiers who are over 55 or have a demonstrable need, will ensure that people with a range of needs that cannot be met by mainstream housing, have the same access to a home which directly meets their needs and supports independent living.

The delivery of high quality housing is also key to limiting further strain on the public purse, with it being estimated that every £1 spent on providing quality housing delivers nearly £2 of benefit through costs avoided to public services including health, care and crime costs.

12.0 Equality and Diversity Implications

- 12.1 Through the delivery of high quality housing across a range of tenures including affordable, social and private rent, alongside the construction of homes which are accessible and adaptable, the HIP is ensuring that people with a range of needs and in a range of financial circumstances can remain living independently at home.

13.0 Climate Change and Environmental Implications

- 13.1 As set out in the report, Nuplace is committed to contributing towards the Council's low carbon agenda and is seeking to lead the way in delivering low carbon, low energy developments.

14.0 Background Papers

Housing Investment Programme – Business Case for Investment
5 November 2020

Housing Investment Programme – Telford & Wrekin Homes 10 June 2021

Housing Investment Programme Update 19 May 2022

15.0 Appendices

- A Housing Investment Programme Update

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	27/10/2023	31/10/2023	EH
Director	31/10/2023	31/10/2023	JD