

Housing Investment Programme Update

Business Briefing

14th December 2023

Programme Objectives:

- 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;
- To **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;
- To **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;
- To **generate a long term income stream** for the Council that can contribute towards the protection of frontline services otherwise affected by budgetary constraints;
- To **stimulate local economic growth** through job creation during both the construction and operational phases of the Programme;
- To **regenerate brownfield and stalled sites**; and
- To **breathe new life into existing housing stock through delivery of the Telford & Wrekin Homes programme.**



A place to call home

Our achievements so far...

- 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.**
- Nuplace's portfolio continues to grow, **offering people a broad range of property types and sizes, in locations across the Borough.**
- #
- 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.
- 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.**
- Nuplace now have circa **1,350 people living in our Nuplace properties** across ten sites.



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Our achievements so far...

- **Voids for the financial year 2022/23 contained at approximately 1.91%, which is below the budget assumption of 3.16%.**
- **23 acres of brownfield land regenerated, with a further 38 acres currently being regenerated at Wild Walk Muxton, addressing sites that might otherwise blight communities.**
- **Social Value Plans developed and monitored on a site by site basis contributing towards corporate objectives linked to employment and apprenticeships and local objectives to support community regeneration.**
- **Generated a cumulative net incremental income of £9.7m to the Council since 2015/16 along with an additional £4m through Council Tax and New Homes Bonus since 2016/17.**
- **Delivered capital growth on the £66.8m invested to 31 March 2023 the Nuplace asset portfolio has a capital value of £86.7m, representing a 28% increase.**

Housing Market Context: Opportunities & Challenges

Construction Industry:

- Construction Costs: Unprecedented increases in labour and materials, price fluctuation and uncertainty

Legislative Changes:

- Part L (Fuel & Power), Part S (Electric Vehicle Charging), Fire Safety
- Renters Reform Bill; end to no fault evictions, Decent Homes Standards

Financial Markets:

- Interest Rates: Rising and remaining high

Housing Market:

- House Prices: Strong increase followed by recent decline
- Private Rents: Strong increase of between 18% to 23% over the previous 5 years.



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Our Growing Portfolio: Schemes Completed, in Delivery or Planned

Site	1 bed	2 bed	3 bed	4 bed	5 bed	Total	Affordable Units by Nuplace	Affordable Units by Others	Adaptable / Accessible (M4/2) & M4/1/1	Low Carbon (PV/EV)	Future Homes Standard	Status
Pool View (Randley)	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
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%	

Our Growing Portfolio



Southwater Way

- 46 homes completed August 2022.
- £460k WMCA Brownfield Land Grant.
- First low carbon scheme.
- £900p.a. reduction in fuel bills for ave. x3 bed house.



Wild Walk, Donnington

- 329 dwelling exemplar mixed tenure scheme.
- 66 dwellings for Nuplace (low carbon, Future Homes, accessible).
- 17/30 reserved on first day of launch.
- Delivery supported through stronger communities funding.



The Gower, St Georges

- Incredibly challenging refurbishment of Grade 2 listed building.
- 13 dwellings for Nuplace.
- Community hall and Parish Council Offices.
- Agreement for Lease signed.
- Works completing end 2024.



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Our Growing Portfolio



The College, Wellington

- Ambitious mixed tenure housing & regeneration scheme.
- 20 low carbon, private rent dwellings for Nuplace.
- Commenced on site Oct 2023, 1st handovers Oct 2024.
- Scheme completion Oct 2025.

Former Nursery, Ketley Bank

- Regeneration scheme delivering 28 Nuplace dwellings.
- Private rent, affordable, low carbon, accessible.
- Planning secured June 2023.
- Works to commence in December 2023.
- £448k grant sought from WMCA.

Station Quarter

- Transformative mixed tenure scheme.
- 117 low carbon town houses & apartments for Nuplace.
- Planning secured Sept 2023.
- Delivery strategy redefined to deliver cost savings.
- Funding sought from HE/WMCA.
- Target start Jan 2024 with completion Summer 2025.



Our Growing Portfolio – Telford & Wrekin Homes

The Vision:

- To invest in and protect our existing housing stock through high quality renovations.
- To further spread the good work of the Housing Investment Programme and Nuplace in raising standards in the private rented sector;
- To 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,

How

- Streamlined approach to acquisition & refurbishment with WHG.
- Total of 52 properties acquired from WHG to support TWH, as well as council wide initiatives; move on accommodation, foster, empty properties.



**TELFORD
& WREKIN
HOMES**

Our Growing Portfolio



Theatre Quarter, Oakengates

- Transformation of underutilised ancillary space into x10 apartments for Nuplace.
- Low carbon, EPC A homes.
- Planning consent secured Feb 2023.
- Works commenced November 2023, est handover Spring 2024.



1 Walker Street, Wellington

- Regeneration of iconic listed building.
- Delivery of x9 one bed apartments.
- Directly meeting housing need.
- Planning application submitted Sept 2023.



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Managing the Portfolio

- The portfolio generates a **monthly gross income of approximately £340k.**
- **Void held at 1.91% for the year 2022/23** which is well below the business case assumption of 3.16%.
- **Bad debt is actively managed with payment plans in place.** Circa £38k is being pursued via legal proceedings / court etc.
- **Expenditure on maintenance was 10.33% of turnover** for the year ended 31 March 2023, which is within budgeted levels but is expected to increase as the portfolio ages.
- Planned maintenance expenditure on gas and electrical inspections, remedial works to gardens, tree management.

Tenant Profile and Satisfaction

- Satisfaction survey issued in December 2022 and completed by 23% of tenants.
- 95% said they would recommend Nuplace to their friends and family.
- 71% of tenants considered Nuplace as their “forever home”.
- 1,350 people are estimated to be living in Nuplace homes.
- 38% of tenants said choose to rent with 49% renting because they can’t afford to buy.
- Areas for improvement identified as; response time to enquiries, gardens, flooring specification and rent prices.
- Commitment to continuous improvement including remedial works to gardens and specification upgrades.



A place to call home

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.”

Social & Added Value

- Social Value Plans developed on a site by site basis.
- Social Value budgets to support “top 10” corporate and local initiatives with a focus on:
 - Apprenticeships, employment, training and supporting our care leavers.
 - Maximising local spend.
 - Supporting and strengthening the local community.
 - Tackling homelessness.
 - Addressing the climate emergency.
- Formal reporting quarterly against targets.



Financial Impact

- 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.
- **£66.1m remains unallocated for future schemes** with the schemes. Capital is allocated to sites based upon feasibility criteria.
- The **Council invests capital into the Company through either debt or equity finance** and demands a commercial return on both. 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.
- Generated a cumulative **net incremental income of £9.7m** to the Council since 2015/16 along with an **additional £4m through Council Tax and New Homes Bonus** since 2016/17.

Recommendations

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