



Borough of Telford and Wrekin

Cabinet

Thursday 5 December 2024

Telford Land Deal Update

Cabinet Member:	Richard Overton - Deputy Leader and Cabinet Member: Highways, Housing & Enforcement
Lead Director:	James Dunn - Director: Prosperity & Investment
Service Area:	Prosperity & Investment
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Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	SMT – 5 November 2024 Business Briefing – 21 November 2024 Cabinet - 5 December 2024

1.0 Recommendations for decision/noting:

- 1.1 That Cabinet notes the outcomes achieved during the 2023/2024 financial year and overall, since the Land Deal commenced in 2015.
- 1.2 That Cabinet delegates authority to the Director: Prosperity & Investment to negotiate the terms of any extension to the Land Deal as set out in section 4.21 in consultation with the Deputy Leader & Cabinet Member: Highways, Housing & Enforcement.
- 1.3 That Cabinet delegates authority to the Director: Policy & Governance to take all the necessary steps to give effect to the proposals set out in this report.

2.0 Purpose of Report

2.1 The purpose of the report is to set out the continued achievements of the Telford Land Deal which, with support from the Councils Growth Fund and the Invest Telford business pledge, is delivering new and higher skilled local jobs, creating growth and security in the local supply chain alongside new homes and is central to the Council's Strategy to Protect, Care & Invest into Creating a Better Borough.

3.0 Background

3.1 The Council entered a unique 10-year Land Deal with Homes England (HE) (formerly known as Homes & Communities Agency) which took effect from April 2015. This is set to see land receipts from the sale of agreed HE land assets in Telford recycled back into the local area, supporting the delivery of new homes, jobs and commercial floor space over the life of the Deal.

3.2 This report focuses on the delivery up to the end of March 2024 which signifies nine years in. The Land Deal has continued its success. The unique model allows the disposal of public land (former new town assets set aside for development) through upfront investment into site preparation and marketing of sites. Underpinned by the Council's business support offer of Invest Telford and through its Growth Fund, it has delivered an acceleration in commercial and residential sites sold and raised land values.

3.3 Under the Land Deal, the Council has taken ownership of all residual non developable land from Homes England. This has provided the additional opportunity to substantially enhance and grow the Borough's provision of Green Network and Local Nature Reserves alongside providing support to a range of programmes including the Great Crested Newt District Licencing Scheme, carbon offsetting and Biodiversity Net Gain.

4.0 Summary of main proposals

4.1 Summary of Outputs since the start of the Land Deal and for 2023/2024

Outputs

Since start of the Telford Land Deal

Gross sales income £60.3m	Profit share to council (gross) £16.2m	Jobs 2473
Commercial floor space 199,278sqm (2,145,010sqft)	Housing units 1583 (684 affordable)	Brownfield land developed 36.7 ha (90.7 acres)
Private sector investment £496m	Business rates £1,267,750 pa	Council tax £2,611,950 pa

Outputs

Year 2023/2024

Gross sales income £11.7m	Profit share to council (gross) £5.97m	Jobs 240
Commercial floor space 35,407sqm (381,117sqft)	Housing units 48 (0 affordable)	Brownfield land developed 2.15 ha (5.3 acres)
Private sector investment £55m	Business rates £189,820 pa	Council tax £79,200 pa

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- 4.2 During the financial year 2023/2024, the Telford Land Deal has delivered the sale of 2 commercial sites and 1 residential site. This has achieved a gross sales income of £11.7m. These sales will support the delivery of new employment floor space (EFS) of 35,407m² (381,117sqft), anticipated job numbers of c.240 and 48 new homes.
- 4.3 During the last nine years, the Deal has cumulatively delivered the sale of a total of 34 commercial sites and 25 sites for residential development, achieving a gross sales income of £60.3m. The sites have enabled the delivery of EFS of 199,278sqm (2,145,010sqft), 1583 new homes and supported commercial premises delivering 2473 new jobs, many in engineering and manufacturing adding skilled job opportunities for the Borough's communities.
- 4.4 The financial successes of the Land Deal have meant that a cumulative profit of £19.1m has been achieved by the Land Deal partners up to 31 March 2024. The Council's proportion of this cumulative profit share is £16.2m, (£14.2m after £2m agreed set aside for constrained/liability sites).
- 4.5 The Council has in 2023/24 completed the reinvestment of £3.3m of its profit share alongside its Growth Fund to support the delivery of 24 industrial units at Hortonwood with the creation of Orchard Business Park. The profit share has helped in the viability of the scheme the Council has delivered; schemes such as these are rarely brought forward by the private sector due to the cost of the development. The scheme however is critical in supporting the growth of small businesses and addressing the gap in available stock within Telford. The project completed in Autumn 2023 and is now fully let to a range of existing and expanding Telford businesses alongside new companies moving into the Borough. One such business is Replenished Ltd, a new business dedicated to reducing packaging waste through refill and reuse systems.




Mark Winsper, Managing Director of Replenished Ltd, said: "Our business is growing and the move to our new unit at Orchard Business Park has enabled us to grow further. It's a very exciting time for the company".

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- 4.6 More recently, the Telford Land Deal Board endorsed the decision of the Council to spend profit share monies to support the viability of projects being delivered through the Towns Investment Fund.
- 4.7 This included approval to spend £3m of its profit share as part of the Towns Investment Fund project at Oakengates. This project started on site in September 2023 and delivering new homes, refurbished retail units and quality public realm/event space in the heart of Oakengates.
- 4.8 Approval is also in place for the Council to spend profit share monies within Telford Town Centre at Station Quarter. This investment will support the delivery of enhanced access routes and high-quality public realm across the area and the new 4000sqm (43,055sqft) Digital Skills and Enterprise Hub (The Quad) accommodating a coordinated offer for both education and flexible space for new businesses.
- 4.9 During 2024/25, the sale of 1 commercial site has completed, achieving an additional gross sales income of £0.07m. This development will deliver additional EFS of 9,760sqm (105,055sqft) and anticipated job numbers of c.20. Whilst classed as a commercial site, the Council has acquired it to facilitate the development of a new school: an extension to the special education provision at Queensway North school at Hadley.
- 4.10 The Deal alongside the Council's Invest Telford business pledge and the Council's ability to provide land, build and lease bespoke properties and offer a full turnkey solution funded through its Growth Fund still continues to drive a high number of investment enquiries. There continues to be a pipeline of enquiries from companies wishing to relocate to Telford or expand their operations.
- 4.11 The delivery of Ni.Park is another success with the Land Deal supporting the delivery of the 10ha employment site at Newport. The first phase of development comprising 24 small business units completed in October 2021 was supported by funding through the Growth Fund and Land Deal profit share. All units are let and proving popular with small agri-tech businesses who have the opportunity to link with Harper Adams University. Phase 2 is now completed, also delivered through the Growth Fund with support from land deal profit share and provides three units totalling 2,787sqm (30,000sqft). One development plot at Ni.Park has been sold to RVW Pugh Ltd an agricultural machinery supplier who are nearing completion of their development. The remainder of land is available for turnkey solutions to address occupier's requirements. Delivered in association with Harper Adams University, overall, the park has the capacity to provide circa 38,000m² (409,028sqft) of EFS.
- 4.12 T54 continues to thrive with job numbers increasing within the businesses located there and as well as Magna Cosma, having invested over £90m into the area since landing in Telford and just announcing a new advanced automation capability, there have been other investments each securing jobs for the borough. Torus now occupy 3 buildings adding to their growing success.

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- 4.13 Hortonwood West, another of the Council's prime business parks has been highly successful. Nine years into the Deal and the estate is now completed with Rosewood Pet Products Ltd, Eden Horticulture, Baker Bellfield, Craemer UK Ltd, 15 Council owned starter units, Kensa Creative and more recently UPS and CEL Group all in occupation. Plot 8 at the entrance to the site is a recently completed construction for Bruderer, relocating from Luton. A video featuring Rosewood which showcases their growing business at their purpose built facility at Hortonwood West can be seen here  ['Click here to watch the video'](#). The Council's own development of 15 small start-up business units which utilised Land Deal profit share and the Council's own Growth Fund, is fully let with regular enquiries received and a waiting list. Since the start of the Land Deal 9 years ago, this new 55-acre industrial park has succeeded in providing much needed employment land and floor space enabling 339 jobs and delivered 34,852m² (375,143sqft) of Employment Floor Space.
- 4.14 The residential market in Telford over the last 9 years of the Land Deal has been buoyant and has seen significant new interest from new developers and Registered Providers all keen to gain a foothold in the Telford residential market. 2023/24 saw the disposal of the northern parcel of The Hem to Vistry Partnerships, following on from the completion of the sale of the southern parcel the previous financial year. The Hem is one of the largest sites within the Land Deal with an allocation for residential development through the 2018 adopted Local Plan (having historically been identified for housing through a New Town allocation) bringing forward 350 homes. The first homes are due to be ready for occupation in December 2024.
- 4.15 Other residential sites such as Old Park and Pool Hill Road D have progressed and are either complete or on programme, both notable successes for the Land Deal's first 9 years.
- 4.16 Nuplace Ltd, the Council's wholly owned housing company, is progressing development at Donnington with 45 housing units completed out of 66. The wider site supports a development in conjunction with Lovells and Wrekin Housing Group with a scheme of 329 units comprising a mix of private rented sector specialist accommodation, affordable, open market sale and a Care Village. The Council secured £3.3m of funding via the Marches Local Enterprise Partnership to deliver enabling works to support delivery of this sustainable development with properties having PV panels and EV charging points.
- 4.17 The Land Deal has allowed the upfront work to de-risk challenging residential sites by obtaining planning consents, undertaking necessary infrastructure works and ecological works making them more attractive to the market.
- 4.18 During the last 9 years the Land Deal has driven significant local employment opportunities both in construction and long-term jobs with an increase in higher skilled jobs and new apprenticeships, the number of jobs enabled through the Deal to date is 2473.
- 4.19 The Council continues to monitor jobs safeguarded and created and to work proactively with businesses to provide assistance with training, apprenticeships and recruitment. One example is the Employment and Skills Plan that Vistry have committed to as part of The Hem development, and which is monitored externally

throughout the life of the development. The Council has continued to provide advice on apprenticeships and provided recruitment support through the Work Local initiatives holding employment fairs within community buildings and targeted marketing of local residents. Building on the 'Wheels 4 Work' pilot, the Council has developed and funded the Express 100 service which is a bus route operating across Telford, targeting the business parks and aligning with the shift patterns of businesses. The Council has commissioned a number of videos to showcase businesses across the borough such as Rosewood (Hortonwood West) and InComm (T54). A number of businesses feature in the Council's Economic Development Strategy which was officially launched in 2023/24. In addition, social value offers have been supported by businesses who are occupying accommodation following developments on the Land Deal sites.

4.20 In March 2024 the Marches LEP, who have been an integral part of the Land Deal Board, ceased trading and transferred all its functions to a Joint committee made up of Shropshire Council, Telford and Wrekin Council and Herefordshire Council, in line with the UK Governments plans for devolution. The three partners have agreed that Land Deal Profit Share monies held by the LEP will be returned to the Council. Outputs will continue to be monitored by the Joint Committee with the functions of the Land Deal Board being delegated to the Council and Homes England.

4.21 Land Deal Extension

As the Land Deal draws nearer to the end of its 10 years and in accordance with the terms of the legal agreement, the partners are negotiating and agreeing an extension to the Deal to continue with the success and bring forward the small number of sites that remain. It is proposed that the detailed terms of the new arrangements be delegated to the Director of Prosperity & Investment in consultation with the Deputy Leader & Cabinet Member: Highways, Housing & Enforcement to finalise the terms of the extension and then for the Director of Policy & Governance to execute the necessary documents needed.


4.22 Details of the achievements for 2023/24 are included in the annual Status Report produced under the Land Deal for the Ministry of Housing, Communities & Local Government (MHCLG) (**Appendix A**).

4.23 The Land Deal is making significant differences to the people living and working in Telford. Examples of how investment has benefitted individuals are highlighted in **Appendices B, C and D**

4.24 Specific examples of disposals and projects delivered through the Land Deal in 2023/24 include:

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<p>The Hem, Nedge</p> <p>Residential</p>	<p>Circa 40.47 ha (100 acre) development site with outline planning consent for 350 homes.</p> <p>Disposal of the Northern parcel (2nd phase) completed October 2023.</p> <p>Infrastructure and first units progressing to delivery programme.</p>	
<p>Plot 11E, Hortonwood.</p> <p>Employment</p>	<p>A new headquarters for DHL Ltd of 5,785 sqm (62,269sq.ft) of floor space and enabling 140 jobs.</p> <p>Completion June 2023</p>	
<p>Orchard Business Park</p> <p>Employment</p>	<p>Orchard Business Park – completed September 2023.</p> <p>24 units comprising 5858sqm(63054sqft) in total and now fully let and enabling 75 jobs.</p>	

Station Quarter	Digital Skills Hub - completed September 2024.	
Education & Employment	37,344 sq.ft across 5 Floors including ground floor café. Partnership collaboration (HAU, Telford College and Enterprise Space)	

5.0 Alternative Options

5.1 This is an update report on the Telford Land Deal. The Council has obligations pursuant to the Land Deal agreement to undertake the works documented in this report.

6.0 Key Risks

- 6.1 The use of uplift monies provides the opportunity for investment to support further growth initiatives, including investments into strategic infrastructure and supporting developments. The Land Deal is based on the devolution to the local area (Telford & Wrekin Borough), of both risk and reward. Homes England receive the 2015 book values for all sites sold before net receipts are shared. On the majority of sites, the actual land receipt achieved will be higher than the Homes England book value due to investment into infrastructure etc. and the added value created through obtaining necessary planning permission.
- 6.2 A further risk is the failure to dispose of the sites in accordance with the anticipated values or phasing of delivery to market after the Council has incurred significant capital expenditure. This could for example arise should local or national economic factors impact on the demand for developable land. This risk is mitigated by close scrutiny of the investments being proposed, the market and the role of the Land Deal Board (where the Council is represented by the Member for Highways, Housing & Enforcement agreeing to each land disposal).
- 6.3 The Land Deal is supported by a risk register and regularly updated milestones which also link into Homes England's project management land disposal processes. The monitoring of land disposals and any changes to milestones dates are reported to the bi-weekly project team and to the Land Deal Board on a quarterly basis.
- 6.4 The extension to the Land Deal will continue to be monitored by the Council using the current project management arrangements in place.

7.0 Council Priorities

7.1 The schemes supported pursuant to the Land Deal support the following Council priorities:

Everyone benefits from a thriving economy.

All neighbourhoods are a great place to live.

7.2 The investment delivered through the Land Deal will have a positive impact across the Borough, helping to deliver new infrastructure, deliver new jobs and new homes, support businesses to grow and new investment which will support action to reduce unemployment, increase economic independence and address social inequality.

8.0 Financial Implications

8.1 The original Land Deal funding model set out the following in terms of the allocation of the Profit Share generated through the Land Deal:

Profit Share Homes England	15%
Profit Share TWC	85%
Within 85% TWC Profit Share	First £2m earmarked for constrained /liability sites. 15% to the Marches LEP

8.2 Over the first 9 years of the deal (until end of 2023/24) the total Profit Share delivered was £19.1m (after reimbursement of costs incurred). The Telford and Wrekin gross share was £14.2m after the £2m set aside for constrained/liability sites, and £2.1m distributable to the Marches LEP. Under the Land Deal agreement, The Land Deal Board has final authority to determine investment of both the TWC and Marches LEP Profit Share. Going forward, the newly formed Joint Committee has agreed to pass unspent LEP profit share monies to the Council to be spent in line with the Land Deal Board approvals.

8.3 The Investment and Disposal plan is continually reviewed with agreement of the Land Deal Board and work will be undertaken to keep updating the future projections to take into account the agreed changes together with the projections relating to the Land Deal extension.

9.0 Legal and HR Implications

9.1 The Council has the power to carry out the activity referred to in this report, obtained through various legislation Legal Services will continue to provide advice and support in connection with the Land Deal as and when necessary.

10.0 Ward Implications

10.1 The Land Deal is borough wide and impacts across all wards.

11.0 Health, Social and Economic Implications

- 11.1 The investment delivered through the Homes England Land Deal will have a positive impact across the Borough, helping to delivery new infrastructure, deliver new jobs and new homes, support businesses to grow and new investment which will support action to reduce unemployment, increase economic independence and address social inequality.

12.0 Equality and Diversity Implications

- 12.1 The impact of the Land Deal will benefit people with a range of protected characteristics (specific aspects of a person's identify defined by the Equality Act 2010).
- 12.2 The Land Deal advances equality of opportunity, by accelerating the delivery of good quality housing, increasing the choice of housing available locally and delivering a percentage of affordable homes, supporting existing and new businesses, accommodating new jobs and economic independence.

13.0 Climate Change and Environmental Implications

- 13.1 The Land Deal and the developments that are brought forward have been innovative to date incorporating electric vehicle charging points and solar panels ahead of the statutory requirements. Residential developments are assessed using the Building for Healthy Life principles and seek to incorporate over and above the standard climate change requirements through building regulations.

14.0 Background Papers

- 1 Cabinet – 17 October 2013
- 2 Cabinet – March 2015
- 3 Full Council – 3 March 2016, CB-79
- 4 Cabinet – 13 July 2017
- 5 Full Council – 21 September 2017, CB-42
- 6 Cabinet - 12 July 2018
- 7 Full Council - 26 July 2018
- 8 Cabinet – 2 January 2020
- 9 Full Council – 23 January 2020
- 10 Cabinet – 18 February 2021
- 11 Full Council – 4 March 2021
- 12 Cabinet – 7 October 2021
- 13 Full Council – 18 November 2021
- 14 Cabinet – 13 October 2022
- 15 Full Council – 10 November 2022
- 16 Cabinet- 19 October 2023
- 17 Full Council – 30 November 2023

15.0 Appendices

- A Ministry of Housing, Communities & Local Government (MHCLG)
2023/2024 Status Report for the Telford Land Deal.
- B CEL Group - Focus on apprenticeships
- C Old Park – Delivery of Affordable Homes
- D Replenished – Orchard Business Park

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Legal	16/09/2024	03/10/2024	EH
Director	17/10/2024	18/10/2024	JD
Finance	17/10/2024	18/10/2024	DR