Telford & Wrekin Co-operative Council

Protect, care and invest to create a better borough

Borough of Telford and Wrekin

Business & Finance Scrutiny Committee

Wednesday 5 November 2025

Update on Growth Fund Investment into Industrial Premises

Cabinet Member:	Cllr Ollie Vickers - Cabinet Member: The Economy & Transport
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:	Business & Finance Scrutiny – 5 November 2025

1.0 Recommendations for noting:

1.1 The outcomes of Growth Fund investments as set out in this report.

2.0 Purpose of Report

2.1 To update the committee on the Council's Growth Fund investments in new industrial premises, which continue to generate higher-skilled local employment, strengthen and expand the local supply chain, and support the Council's strategic commitment to Protect, Care, and Invest in building a better Borough.

3.0 Background

3.1 The Council's Growth Fund allows the Council to support economic growth. Through the fund the Council offers a full turnkey solution to support inward investment, generating jobs and positively contributing to the local economy.

3.2 The Fund has supported a range of commercial developments such as Rosewood Pet Products and Eden Horticulture Ltd at Hortonwood West and the expansion of

TAFE at Ni.Park. Growth Fund Investments at Ni.Park have also supported the growth of companies such as HCI Systems and ITConsec Ltd and in response to the lack of supply, delivered a range of units to support small businesses at Leasows Court, Telford. The newest developments at Orchard Business Park and Ni.Park have continued to respond to the gap in provision, delivering a range of smaller, high spec premises to the market.

3.3 To date the Growth Fund (a combination of prudential borrowing and external Homes England Profit share), has invested £30.5m (£24.7m prudential borrowing and £5.8m HE profit share) to deliver new industrial premises in the borough. Cumulatively, this £30.5m investment committed to date through the Growth Fund is estimated to deliver an ongoing gross return on prudential borrowing of 7.76%. The additional rental income as well as the additional business rates of approximately £0.4m is being invested directly into delivering front line services across all the Borough's communities including older people being supported in residential care or alternatively older people being supported with domiciliary care to remain in their own homes.

3.4 In addition to the revenue return the investments have also seen capital growth of £6.41m above the Councils investment.

4.0 Summary of main proposals

4.1 First launched in November 2015, the Growth Fund enables the Council to capitalise on investment demand enabling the Council to acquire land and property, build premises, invest in strategic infrastructure, and strengthen and diversify the Council's Property Investment Portfolio. The Growth Fund enables the Council's Estates and Investments team to react to secure inward investment opportunities and address gaps in the market. It allows the Council to react to new potential investments that assist in growth of the Borough and support businesses and jobs. This unique Council approach and willingness to invest in acquiring land, property or infrastructure is enhanced by our ability to design, build, deliver and provide ongoing building management and business support.

4.2 In 10 years over £30.5m has been committed into a range of industrial investments which are anticipated to help deliver approximately 415 new and safeguarded jobs. These investments are forecast to generate an average ongoing gross return on prudential investment, of 7.76%, (3.08% net of borrowing costs, at an assumed all in rate of new borrowing of 4.68%), excluding additional business rates income which will be generated.

4.3 The Council's ability to provide land, build and lease properties and offer a full turnkey solution funded through its Growth Fund alongside the Council's Invest Telford business pledge and the Telford Land Deal continues to drive a high number of investment enquiries. The Borough continues to attract significant interest from all sectors.

4.4 The Council has continued its investment into smaller business units to support business start-ups and provide grow on space. A development of 24 units at Hortonwood, known as Orchard Business Park, is the latest high-quality estate.

The units range from 136sqm (1463sq ft) to 976sqm (10,502sqft) and have the benefit of solar panels and EV charging points.

Ni.Park also continues to thrive with the large majority of the 24 units let to businesses linked to the Agri industry. With investment through the Land Deal and Marches LEP funding, the completed infrastructure unlocked land with the ability to provide circa 38,000sqm (409,000sqft) of new employment floor space providing opportunities for companies leading in this sector. This first phase of development included enhanced sustainable measures including the provision of EV charging points and solar panels to each unit. A second phase of development, providing three larger units of 930sqm (10,000sqft) are also equipped with solar panels and EV charging points for tenant use and provide high quality industrial space.

4.5 There continues to be a demand from local companies requiring new premises to expand into and wishing to remain in Telford such as ATW Couriers who moved from Leasows Court to a larger unit at Orchard Business Park and KDS Solutions Ltd, also now trading at Orchard Business Park alongside their original premises at Hortonwood.

4.6 The investments coming forward are still dominated by new investors entering the Borough or existing companies expanding taking additional floor space/premises and is not leading to a major displacement of local companies from other local estates. The void level for industrial premises across all the Borough's estates remains low with Telford & Wrekin Council currently holding nominal voids across the 350 + industrial units within the Property Investment Portfolio. The demand for starter units and grow-on space remains strong as is evidenced through the continuing enquiries for the Councils properties.

4.7 A recent market report of Telford's industrial sector by local agents highlights the limited availability of new and very modern stock at all size ranges with an ongoing shortage of units less than 4000sqm (40,000sqft). However, whilst there are some speculative schemes coming forward from developers which will assist in plugging the supply gap, demand is still outstripping supply.

4.8 The scale of investment continues to see the Borough established as a major inward investment destination and is delivering infrastructure and jobs that are key to the Council's commitment to 'Protect, Care and Invest to create a Better Borough'.

4.9 In addition to the revenue return from investment the Fund is driving additional fee income to the Council through design, project management and planning reflecting the attraction to companies of the Council being able to provide turnkey development solutions tailored to investors needs.

4.10 Recent examples of investments delivered and underway through the Council's Growth Fund include:

Phase 1 Ni.Park, Newport

24 units were completed in Phase 1, many of whom work in partnership with Harper Adams University. Delivered through the Growth Fund, this first phase provides new employment space totalling 3838 sqm (41,311ft2) for a range of occupiers particularly start-ups and smaller businesses.

Phase 2 Ni.Park, Newport

3 units of 930sqm (10,000sqft) were completed in September 2023 providing additional floor space on Ni.Park and potential grow-on space for the occupiers of Phase 1.

All units in both Phase 1 and 2 have been delivered with solar panels and EV charging points, this was ahead of building regulation requirements and provides sustainable units for businesses.

Orchard Business Park - Plot 12 Hortonwood 40

24 new industrial units were completed in September 2023 totalling 5600sqm (60,000sqft). The investment delivers a long-term revenue return to the Council alongside additional business rates and provides additional stock for Telford where there is currently a lack of industrial units of this size. The Council identified a gap in the local market for these small industrial units. The site was purchased from Homes England through the Telford Land Deal.

Future Investments

4.11 As part of the Councils continued commitment to the Property Investment Portfolio, we continue to review opportunities including the delivery of industrial units.

5.0 Alternative Options

5.1 This is an update report on the Growth Fund – there are no alternative options.

6.0 Key Risks

6.1 The risks associated with each individual investment through the Growth Fund are considered as part of the business case approved as part of the decision making process. Where investment is proposed the assessment will be made as to whether the market intervention is required together with an assessment of the level of demand/risk.

6.2 The development of additional units for the market and an ability to support those wishing to invest in commercial property individually or alongside the Council supports growth in new premises and jobs.

7.0 Council Priorities

7.1 The developments supported pursuant to the Growth Fund support following Council priorities:

Everyone benefits from a thriving economy.

All neighbourhoods are a great place to live.

7.2 The investment delivered through the Growth Fund will have a positive impact across the Borough, helping to delivery new infrastructure, deliver new jobs, 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 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. Business cases are approved by the Director, Prosperity and Investment in consultation with the Director, Finance, People and IDT, the Cabinet Member for Finance, Governance and Customer Services and the Cabinet Member for Economy and Transport.

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 a number of pieces of legislation, particularly the general power of competence under the Localism Act 2011. Legal Services will continue to provide advice and support in connection with the Growth Fund as necessary.

10.0 Ward Implications

10.1 The Growth Fund is borough wide and impacts across all wards.

11.0 Health, Social and Economic Implications

11.1 The investment delivered through the Growth Fund will have a positive impact across the Borough, helping to delivery new infrastructure, deliver new jobs and support businesses to grow. New investment 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 Growth Fund 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 Growth Fund advances equality of opportunity, by accelerating and supporting the delivery of good quality commercial property, increasing the choice available locally, supporting existing and new businesses, accommodating new jobs and economic independence.

13.0 Climate Change and Environmental Implications

13.1 The Growth Fund 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.

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, CAB-35
9 Full Council – 23 January 2020
10 Cabinet - 18 February 2021, CAB-52
11 Cabinet - 19 October 2023

15.0 Report Sign Off

Signed off by	**Date sent**	**Date signed off**	**Initials**
Director	22/10/2025	22/10/2025	JD
Finance	22/10/2025	24/10/2025	DR
Legal	22/10/2025	24/10/2025	EH