

TELFORD & WREKIN COUNCIL

CABINET 2ND JANUARY 2020

CREATING A BETTER BOROUGH - THE TELFORD LAND DEAL AND GROWTH FUND

REPORT OF ASSISTANT DIRECTOR: BUSINESS, DEVELOPMENT & EMPLOYMENT

LEAD MEMBERS CLLR DAVID WRIGHT AND CLLR LEE CARTER

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN UPDATE

- 1.1 This report highlights the continued achievements of the Telford Land Deal and the Council's Growth Fund investments which are delivering new and higher skilled, local jobs, creating growth and security in the local supply chain alongside new homes, and are central to the Council's Strategy to Protect, Care & Invest into creating a better Borough.
- 1.2 The Council entered into a unique 10 year Land Deal with Homes England (HE) (formerly known as Homes & Communities Agency) in March 2016 ('the Deal'). This is set to see £44.5m of 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.
- 1.3 Now four years in, the Deal has continued its success despite national uncertainties in the inward investment market. The unique model which allows the disposal of public land through upfront investment into site preparation and marketing of sites, is underpinned by the Council's Enterprise Telford investment offer through its £50m Growth Fund, and has delivered an acceleration in commercial and residential sites sold and raised land values.
- 1.4 Through the Land Deal alone up to the end of 2018/19 the Borough has seen the development of **21 new commercial sites and 10 sites for residential development delivering 617 new homes and 1114 new jobs. The Deal has delivered a gross sales income of £27.3m and attracted private sector investment of over £200m.**
- 1.5 **A further 4 commercial sites and 5 residential sites are due to be delivered in 19/20 delivering a further 375 jobs and 144 new homes and generating an additional gross sales income of £5.9m.**
- 1.6 The financial successes of the Deal has meant that a **local profit share of of £3.3m** has been achieved up to 31 March 2019. **During 18/19 a proportion of this profit share was reinvested back into delivering 15 new incubation units and grow-on space (Leasow's Court) for small companies at Hortonwood West, future proofing employment and growth.**

Kevin Paton-Feaver, of Empire Medals and Training, said:

"We wanted to offer businesses and consumers a greater choice of framing options and a speedy turnaround. We needed a larger, self contained unit that offered flexibility and value for money. This was just what Leasow's Court offered. We have dramatically improved our productivity and created another full time post and we also plan for an apprentice to start with us very soon."

David Vicarey, of Sprinkler Tech Ltd, said:

"The move to Leasow's Court will enable us to expand other avenues of the business due to the increase in space. Over the next year, this could see 3 further staff employed at our unit with additional employment predicted in our installation teams."

- 1.7 The Council's £50m Growth Fund which enables the Council to provide land, build and lease bespoke properties and offer a full turnkey solution, continues to drive a high number of investment enquiries drawing in new businesses and enabling others to expand and grow locally. The Fund has supported commercial opportunities including Southwater as well industrial employers such as Rosewood Pet Products and Eden Horticulture Ltd at Hortonwood West. **Cumulatively, the £43m investment to date through the Growth Fund is estimated to deliver an ongoing gross return of 7.3%, 4.8% after borrowing, the majority linked to long term lettings of up to 15 years.**

Across both the Land Deal and the Growth Fund the developments will generate business rates of circa £1.75m pa and council tax of circa £760,000 pa. The additional rental income and additional business rates retained by the Council are being invested directly into delivering front line services across all the Borough's communities. For example, this funding in 2019/20 equates to 58 older people being supported in residential care or alternatively 136 older people being supported with domiciliary care to remain in their own homes.

- 1.8 The Borough continues to attract significant interest from the automotive and advanced manufacturing sector, and more recently companies connected to battery and automotive light weighting together with the food and agricultural industries. There has been a significant increase in indigenous companies requiring new premises to expand e.g. Craemer at Hortonwood West.
- 1.9 Investment through the Deal and utilising the Growth Fund is supporting the delivery of new floor space at Ni-Park, a new Agri Tech flag ship employment park for the Borough set to consolidate the Borough's reputation as an investment hotspot in this growing global sector. Planning permission was granted in August 2019 and work has now commenced on site. The Park will provide space for a range of potential occupiers including start-ups, smaller businesses and larger occupiers within the Agri Tech sector. Being marketed by DiT, as a national High Potential Opportunity site for Agri Tech, the site is being brought forward in partnership with Harper Adams University and their Agri-Tech Centre of Excellence industry partnership.
- 1.10 High profile investments made through the Council's Enterprise Telford programme include Magna Cosma's new plant at T54 which opened in 2018 and has created 295 new jobs continue to prosper with Magna set to deliver another 300 jobs. Other high profile private sector investments include Polytec's new manufacturing plant at T54, now operational and set to deliver 243 new jobs and the Epwin Group's recent land acquisition at Hortonwood which will deliver 200 jobs in addition to their existing premises in Stafford Park. Construction works on the new Epwin development is also benefitting local companies.
- 1.11 Speculative investment is also on the rise showing continued confidence in the Telford market. This includes private sector acquisitions at Hortonwood West and Halesfield alongside the Council's own investment into two new large units at T54 on land acquired through the Land Deal.
- 1.12 Under the Land Deal, the Council has taken ownership of all residual non developable land from Homes England. This provides the additional opportunity to enhance and grow the Borough's provision of Green Network and Local Nature Reserves as well as providing opportunities for carbon offsetting aligning with the Council's commitment to zero carbon.

2 RECOMMENDATIONS

- 2.1 That Cabinet note the outcomes achieved since the Land Deal was completed and note the outcomes of the Growth Fund investments to date as set out in section 4 of this report.**

3 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?									
	Yes	<ul style="list-style-type: none"> • Protect and create jobs as part of a “business supporting, business winning council.” • Regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing • Ensure that neighbourhoods are safe, clean and well maintained 								
	Will the proposals impact on specific groups of people?									
	Yes	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.								
TARGET COMPLETION/ DELIVERY DATE	The use of profit share monies will occur during the 10 year Land Deal.									
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	<p>The original Homes England Land Deal funding model set out the following in terms of the allocation of the Profit Share generated through the Land Deal:</p> <table border="1"> <tr> <td>Profit Share Homes England</td> <td>15%</td> </tr> <tr> <td>Profit Share TWC</td> <td>85%</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td>Within 85% TWC Profit Share</td> <td>First £2m earmarked for constrained /liability sites 15% to the Marches LEP</td> </tr> </table> <p>Since the start of the Land Deal, Telford & Wrekin Council has spent some £16.4m in bringing forward sites for development. Over the first 4 years of the deal (until end of 2018/19) the total Profit Share delivered was £4.2 m The Telford and Wrekin gross share of which was £3.3m, £1.3m after the £2m set aside for constrained/liability sites. The Land Deal Board has final authority to determine investment of both the TWC and Marches LEP Profit Share.</p> <p>The Investment and Disposal plan is continually reviewed with agreement of the Land Deal Board and work will be undertaken to keep updating the 10 year projections to take into account the agreed changes.</p> <p>Full Council approved the increase in the Growth Fund to £50m and the associated prudential borrowing in November 2016. The Property Investment Portfolio (PIP) generates revenue income of in excess of £7.6m for the Council which supports a range of Council services. Currently investments totalling £43m have been approved against the approved fund of £50m. The investments approved deliver on-going income from rental streams and retained business rates which supports the Council’s budget and contributes to the delivery of savings.</p> <p>DR 26/11/19</p>	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
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LEGAL ISSUES	Yes	<p>The Telford Land Deal is an arrangement that has been entered into pursuant to the Council's powers under the Local Government Act 1972, the Local Authorities (Goods and Services) Act 1970 and Localism Act 2011. Legal advice will continue to be provided on an ongoing basis in relation to any specific issues and/or transactions that arise to continue to achieve the outcomes of the Deal.</p> <p>AL 29/11/19.</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	<p>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 will 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. 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 Leader) agreeing to each land disposal. The Land Deal Agreement also allows for early termination in the event that major economic shocks impacting in delivery arise.</p> <p>For the Growth Fund the risks associated with each individual investment are considered as part of the business case approved as part of the delegated decision making. Where speculative industrial unit development is proposed the level of risk associated with void periods increases even where you have a strong market. To minimise exposure there is a cap on revenue liability from speculative new build investments.</p> <p>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.</p>
IMPACT ON SPECIFIC WARDS	No	Borough wide impact.

PART B – ADDITIONAL INFORMATION

4. ACHIEVEMENTS

- 4.1 During the last four years and up to the end of 2018/19, the Deal has cumulatively delivered the sale of a total of **21 commercial sites and 10 sites for residential development, achieving a gross sales income of £27.3m**. The sites have enabled the delivery of Employment Floor Space of 82,848sqm (891,768sqft) and **617 new homes and supported commercial premises delivering 1114 new jobs**, many in engineering and manufacturing adding skilled job opportunities for the Borough's communities. These developments will generate business rates of circa £1.75m pa and council tax of circa £764,718pa based on actual figures and an assumption as to rating valuations where properties not yet rated.

- 4.2 For the financial year 2018/19 of the **Telford Land Deal, sales of 4 commercial sites and 1 residential development have been achieved.** This has generated a gross sale income of **£2.2m.** These sales will support the delivery of Employment Floor Space (EFS) of 11,880sqm (127,875sqft), anticipated **job numbers of 161 and 3 new homes** .These developments will generate business rates of circa £243,500pa and council tax of circa £3670pa based on actual figures and an assumption as to rating valuations where properties not yet rated.
- 4.3 Projections for 2019/20 are anticipated to deliver 4 commercial sites and 5 residential sites generating £5.9m in total and delivering 375 jobs and 144 new homes. The sites will deliver in total, additional EFS of 36,327sqm (363,723sqft)
- 4.4 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 bespoke premises, invest in strategic infrastructure, and strengthen and diversify the Council's Property Investment Portfolio.
- 4.5 The Growth Fund enables the Council's Estates and Investments team to react quickly to investment opportunities that come to the market and supports the growth of the property portfolio bringing additional essential income into the Council to support service delivery and providing a major attraction to investors looking for leasehold property. 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.
- 4.6 In 4 years over £43m has been committed into a range of investments which are anticipated to help deliver approximately 1000 new jobs and safeguard a further 250 jobs. These investments are forecast to generate an average ongoing gross return on investment, including additional retained business rates income of 7.3%, (4.8% net of borrowing costs, at an assumed rate of new borrowing of 2.5%). Through the investment of the full £50m the Council is on target to generate over £3m in additional gross income. The investment is also delivering growth in business rates income.
- 4.7 The Deal alongside the Council's Enterprise Telford business pledge, and the Council's ability to provide land, build and lease bespoke properties and to offer a full turnkey solution funded through its £50m Growth Fund, continues to drive a high number of investment enquiries. The Borough continues to attract significant interest from the automotive and advanced manufacturing sector together with the enquiries received from the agricultural and food industries.
- 4.8 The agri tech industry continues to thrive in Telford and the provision of Ni Park - a new Agri Tech Park has been identified as one of only 3 national High Potential Opportunity sites by DiT – the only one in Agri Tech. The Park, launched in concept at MIPIM 2019, received planning approval in August 2019 and started on site in November. Delivered in association with Harper Adams University with investment through the Land Deal, LEP funding and the Council's Growth Fund, it will provide circa 38,000m2 of EFS providing opportunities for companies leading in this sector.
- 4.9 There has been a significant increase in indigenous companies acquiring new premises to expand and wishing to remain in Telford such as Epwin Group PLC who have recently acquired land for expansion, to construct manufacturing floor space in addition to their existing premises.
- 4.10 Telford also continues to see significant business expansion at Hortonwood West with local company Craemer recently completing their new facility of 7183m2 and Kensa Creative expanding their creative design company from start up space to new contemporary premises.

Scott Clarke, managing director at Kensa said “Kensa has grown significantly year on year, quickly reaching the point where we can’t squeeze any more people into our current office space. As creatives, it has been out dream to not only own our own building, but to actually design and build it too. Thanks to a partnership with the Council’s own in-house property development consultancy team biT Group, who also happen to be one of our clients, we’ve been able to make it a reality and are looking forward to all the exciting possibilities this extra space will bring”.

- 4.11 The Council has also completed a development of 15 small start-up business units which utilised Land Deal profit share and the Councils own £50m Growth Fund, again responding to an identified gap in the small industrial unit market. The units have been extremely popular and are now 93% let. The units have attracted both Telford companies and companies outside the Borough.
- 4.12 The new developments are delivering additional business premises and avoiding the need for businesses to relocate outside of Telford. Since the start of the Deal 4 years ago Hortonwood West has been created, brought to the market and all plots are operational or under offer delivering 334 jobs and 33,392sqm (359,428sqft) Employment Floor Space.
- 4.13 The investments coming forward are still dominated by new investors entering the Borough or existing companies expanding to take 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 (TWC) currently holding nominal voids across the 300 + industrial units within the Property Investment Portfolio. The demand for starter units and grow-on space remains strong as evidenced through the pre-lets secured ahead of completion of the Councils new investment of the 15 units at Hortonwood West.
- 4.14 The scale of investment continues to see the Borough recognised as a major inward investment destination and is delivering infrastructure, jobs and homes that are key to the Council’s commitment to ‘Creating a Better Borough’. All remaining employment sites are either under offer or have serious interest illustrating the success of the Land Deal in bringing sites to the market and securing investors and developers. Six sites have been accelerated within the Land Deal programme due to the demand in the market, for example the disposal of plots to Craemer by 2 years and TWC plot 2 Hortonwood West by 1 year.
- 4.15 Both demand for new housing and supply of residential land remains buoyant in Telford with another year of high delivery in terms of numbers. This was reflected in Telford being identified as number 3 for housing growth in the Centre for Cities Report 2019. The Borough continues to see a range of tenures delivered with a good representation of major and regional house builders and a broadening representation of Registered Providers taking sites ensuring a range of affordable homes.
- 4.16 Four residential sites have been marketed during 2019/20 set to deliver up to 172 new homes. The sites received a significant amount of interest from local and national house builders and Registered Providers. These sites are a legacy of the original new town residential allocations with challenging site conditions. Through the Land Deal investment has been made to de-risk the sites and obtain planning permission making them more attractive to the market.
- 4.17 The Deal and the Growth Fund are also driving significant local employment opportunities both in construction and long term jobs with an increase in higher skilled jobs and new apprenticeships. The Council continues to monitor jobs safeguarded and created and to work proactively with businesses to provide assistance with training, apprenticeships and recruitment. For example the Council has worked in conjunction with Telford College and Magna Cosma to hold a recruitment open day with over 1000 attendees which resulted in all available roles being filled.

4.18 The Deal and the Growth Fund are also making significant differences to the people living and working in Telford with examples of how new housing and commercial investment has benefitted individuals.

4.19 In addition to the revenue return from investment the Fund is driving additional fee income to biT (the Council’s commercial Property & Building Design Consultancy) and apT (the Council’s commercial Development Consultancy), reflecting the attraction to companies of the Council being able to provide turnkey development solutions tailored to investors needs supported by a streamlined planning service. Circa £600,000 has been secured in fees to date via the Enterprise Telford offer.

4.20 Examples of Investments

4.20.1 Details of the achievements 2018/2019 are included in the annual Status Report produced under the Deal for the Ministry for Housing, Communities & Local Government (MHCLG) (Appendix 1).

4.20.2 Specific examples of investments delivered through the Deal and the Council's £50m Growth Fund include:

COMMERCIAL SITES		
Telford 54		
Plot 1C	<p>Gentech - who acquired the site in 2016 have now completed their construction of their new premises and are now operational. The new building amounts to 373m² (4014ft²) and will be used for the maintenance, repair and manufacture of agricultural production machinery.</p> <p>Completion of development 18/19</p>	
Plots 2 and 3	<p>Completion of a new 7734sqm (83,248 sqft) manufacturing plant at T54 by Polytec, delivering 100 new jobs in this first phase. The development will comprise 3 phases in total delivering 12,687sqm (136,561 sqft) of floor space and a total of 243 jobs. The initial investment is £20 million rising to £32 million at the end of the third phase. The new plant includes a new paint plant and assembly hall, this will progress to a manufacturing facility and finally an additional assembly hall over 3 phases</p>	

<p>Plot 5A and C</p>	<p>Land Deal sites acquired by the Council where through investment from the its £50m Growth Fund two new industrial units have been delivered totalling 4365sqm (46,984sqft) One unit is now let to an existing T54 occupier, Filtermist International Ltd to support a business expansion, and the other is available to let. The investment will deliver 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.</p> <p>Completion of development 18/19</p>	
<p>Plot 5B</p>	<p>Existing occupiers Torus have acquired the adjoining plot to their premises to support a business expansion which will deliver a unit circa 1000sqm (10,763sqft) for which planning has been granted.</p> <p>Completion of site purchase 18/19</p>	
<p>Plot 6</p>	<p>Completion of the new £80 million 24,163sqm (260,088sqft) plant at T54 by Magna International, delivering 295 new jobs in phase 1 with over 300 in future phases. Magna have also worked with the Council's recruitment service and Telford College holding an open day that attracted over 1000 participants and led directly to local recruitment. Now fully operational the Council continue to work with Magna covering all aspects from recruitment to site expansion proposals.</p>	
<p>Hortonwood West</p>		
<p>Plot 1</p>	<p>Contracts exchanged and planning expected during 19/20 for industrial floor space totalling 3716 sqm (40,000ft2)</p>	

<p>Plot 2</p>	<p>Land Deal site acquired by the Council for the development of 15 units for small businesses and grow-on space with investment through the £50m Growth Fund. The development has delivered 3254 sqm (35,025sqft) in total and is in direct response to market demand. 14 out of the 15 units are now let with a large number being pre-lets ahead of the completion of the construction.</p>	
<p>Plot 2a</p>	<p>Site sold to Kensa Creative Ltd, a small graphics and marketing company currently in Telford and who needed to expand. Their new development, now completed, comprises a new 418 sqm (4500sqft) unit.</p>	
<p>Plots 3,4 and 5</p>	<p>Site sold to Craemer UK Ltd, an existing Telford business for a new additional manufacturing facility which will deliver circa 14,000sqm (150,000sqft) in two phases. First phase of 7183sqm (77,317sqft) is now completed and operational. This facility is in addition to their existing premises and will allow Craemer to become the only producer of Eurobins in the UK enabling 70 jobs</p> <p>Completion of development 18/19</p>	
<p>Plot 6</p>	<p>Site sold to Baker Bellfield an existing Telford Business for new additional manufacturing facility delivering 1921sqm (20,677sqft). Baker Bellfield design and manufacture commercial furniture for the rail, airport, office and education sectors. This is an additional premises and is now fully operational and will allow the expansion of their production facility on Hortonwood.</p>	
<p>Plot 7</p>	<p>Contracts are exchanged and the purchasers are programmed to complete the land purchase imminently following the grant of planning permission. The site will comprise a 6553 sqm (70,000ft2) unit, built on a speculative basis to respond to the market.</p> <p>Exchanged contracts 18/19</p>	

Plot 8	Under offer	
Plot 9	Land Deal site acquired by the Council now comprising a completed 6262sqm (67,403 sqft) industrial building through investment from the £50m Growth Fund, to support the relocation of Rosewood Pet Products Ltd a Shropshire business creating 60 new jobs. Rosewood are growing and have requested to expand their racking internally as a consequence of winning major retail contracts nationally.	
Plot 10	Land Deal site acquired by the Council to construct a 3156sqm (33,970 sqft) industrial building with investment from the £50m Growth Fund The building is let to Eden Horticulture Ltd. Eden continue to grow and expand and have recently submitted proposals for additional storage on the site.	
Donnington Business Park		
Site 2 East	Site sold to Maidens, an existing Telford business, to create an additional storage and warehouse distribution centre of 2323 sqm (25,000sqft) together with storage of HGV vehicles	
Site 2 West	Land sale agreed with adjoining site owner, Wiseman Dairies, to support business consolidation and expansion proposals.	

<p>Hadley Park</p> <p>Hadley Park B</p>	<p>Site sold to Eurogarages for a mixed use development including petrol filling station, ancillary retail unit, drive through coffee shop and trade counter / light industrial units totalling 3431sqm (36,930sqft). Construction work has now commenced and is progressing well.</p> <p>Start on Site May 19</p>	
<p>Hadley Park E</p>	<p>Land sale agreed to provide 26 units comprising 5000 sqm (54,000 sqft) of industrial floor space. The construction of the units has commenced and reports from the developers are that a number have already pre-let showing a continued demand for smaller units in Telford to support the small business population.</p> <p>Start on Site May 19</p>	
<p>Rampart Way</p>	<p>Rampart way is on the edge of the centre of Telford and is a prominent commercial site. The completed development has provided a Costa Coffee, KFC and a unit let to Burger King. The new facilities are set to deliver 101 jobs with the Costa Coffee and KFC already trading.</p> <p>Completed 18/19</p>	
<p>Southwater Travelodge</p>	<p>In Southwater the Council has invested to deliver the new 68 bed Travelodge with ground floor retail unit alongside the new Southwater Square. This investment is set to deliver a 6% gross return including business rates supporting the day and night time economy of Telford. The hotel opened in August 2018.</p>	

<p>Ni-Park</p>	<p>Investment through the Land Deal and the Growth Fund is supporting the delivery of Ni-Park (Newport) a new Agri Tech flag ship employment park for the borough. Planning permission was granted in August 2019 with work now commenced on site. The Park will provide space for a range of potential occupiers including start-ups, smaller businesses and larger occupiers within the Agri Tech sector.</p>	
<p>Audley Avenue Industrial Units</p>	<p>In Newport the Council acquired the Audley Avenue Industrial Park using Growth Fund monies safeguarding the future of 13 businesses and more than 160 jobs.</p>	
<p>Hortonwood 45 and Unit 3 Stag Business Park</p>	<p>Further acquisitions have included existing property investments at Hortonwood 45 (let to CoFresco) and Unit 3 Hortonwood (Stag Business Park).</p>	
<p>RESIDENTIAL SITES</p>		
<p>Land at Snedshill</p>	<p>Sold to Nuplace Ltd for a development of 39 houses for market and affordable rent. The sale not only delivered a receipt into the Land Deal and element of profit share, but has enabled Nuplace and the Council to deliver an ongoing revenue stream through the rent of properties. Work started on site in March 2018 with all units pre-let within 4 weeks of launch to the market.</p>	

<p>Apley</p>	<p>Sold to Kier Living Ltd for the development of housing for sale with a range of 100 x 2-4+ bed houses. Twenty percent of the properties will be affordable and available to purchase via shared ownership. Work started on site in October 2017 and is progressing well.</p>	
<p>Priorslee</p>	<p>This site was sold to Lovell Partnerships for the development of 220 dwellings comprising a mix of 165 open market units, 45 affordable rental units and 10 shared ownership units to be delivered over a 5 year phasing plan. Work started on site in November 2017 and is progressing well.</p>	
<p>Horton Lane Plot B</p>	<p>Sold to a local small builder for 3 plots to build family housing. 1 unit is completed and the second is under construction.</p>	
<p>Plot C(1)</p>	<p>Sold to a local builder for a barn conversion development</p>	

5. Investment of Locally Retained Profit Share

- 5.1 The financial success of the Deal has meant that a cumulative profit of £4.2m has been achieved up to 31 March 2019. Telford and Wrekin Council's proportion of this cumulative profit is £3.3m, after a £236k distribution to the Marches LEP. Under the terms of the Deal the first £2m has to be set aside to support delivery of constrained/liability sites leaving £1.1m to reinvest into supporting further growth.
- 5.2 The key principles underpinning how the investment of local profit share will be made were agreed as part of the Land Deal. Central to these is that the investment directly supports the objectives of the Land Deal which is to deliver new homes, new jobs and increased commercial floor space. The Agreement also sets out:-
- That Investment supports wider policy objectives of the local authority, Homes England and Government to drive growth, economic development and regeneration
 - That the appraisal of proposals is proportionate to the level of investment being sought and sufficiently flexible to allow for a range of investment opportunities
 - That proposals be supported by a business case reflecting treasury guidelines
 - That investments accord with local authority procurement rules
 - That monitoring and evaluation of the impact of the scheme is in place
- 5.3 Delegated authority was previously agreed by Cabinet for the selection of projects for investment of profit share. The Land Deal Board, established as a requirement of the Deal to oversee its delivery, has the final authority to determine investment of profit share by the Council.
- 5.4 The first investment approved by the Board for an allocation from this profit share was £1.0m as part of a larger investment to develop the 15 small business starter units at Plot 2 Hortonwood West, Telford, referenced above.

6. Transfer of Residual Homes England Sites to TWC

- 6.1 A condition of the Land Deal was that TWC accepted the transfer of undevelopable sites owned by Homes England. In accordance with the Land Deal, this work was completed in March 2019 over three phases. This has been complex task due to the number of property titles involved. In the region of 700 property titles have been transferred in total each one being relatively straightforward to deal with.
- 6.2 The transfer of these assets was accompanied by a receipt of a dowry from Homes England.
- 6.3 Initial evaluation of the sites transferring indicated a need to spend an initial c.£750,000 from this receipt pot on the transferred sites with the majority of the spend being used to bring transferred roads up to an adoptable standard as well as a small proportion for general maintenance works. To date £150,000 has been spent and work is underway with highway engineers in respect of bringing the T54 estate road up to adoptable standard.
- 6.4 Given the strength of return on investment of the £50m Growth Fund and opportunities in the market, Cabinet approval was obtained to invest the balance of capital money into property asset(s), generating an ongoing revenue stream to meet ongoing revenue costs. A number of potential investments are currently being considered to provide this revenue stream.
- 6.5 The Council is currently exploring whether some of the transferred sites can be used to enhance and grow the Borough's provision of Green Network and Local Nature Reserves as well as providing support to the Great Crested Newt District Licencing Scheme and carbon offsetting.

7. **PREVIOUS MINUTES**

Cabinet – 11 January 2011, CB-110
Cabinet – 17 October 2013
Cabinet – March 2015
Full Council – 3 March 2016, CB-79
Cabinet – 13 July 2017
Full Council – 21 September 2017, CB-42
Cabinet - 12 July 2018

**Report prepared by Dawn Toy, Estates & Investments Service Delivery Manager:
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TELFORD Land Deal

MHCLG Status Report September 2019





Hadley Park B:
2,463 sqm (26,511 sqft) mixed use development

Apley:
Delivery of 100 residential units



Hadley Park E: 5,000 sqm (53,819 sqft) trade counter



Hortonwood West:
1,921 sqm (20,677 sqft) manufacturing plant



T54, Plot 1c:
373sqm (4,014 sqft) offices, warehouse and trade counter



Foreword:

The Telford Land Deal has established a new model for reinvestment of public land receipts into delivering new homes and jobs, raising land values and driving growth. Recognised by the Department of International Trade as ‘the beating heart of foreign direct investment right now’ through the strength of partnership with Homes England and the Marches Local Enterprise Partnerships (LEP) and the Council’s commitment to invest to secure business growth, we are seeing unprecedented opportunities being delivered in our Borough. Despite current uncertainties in the investment market nationally, Telford continues to focus on making it as easy as possible for investors to land – through the commitment of partners and the Deal’s ability to de-risk sites and bespoke opportunities – we continue to buck the trend.

During the last four years, the Deal has delivered gross land sales of £27.3 million enabling 1114 new jobs and 617 new homes. Through investments like Magna Cosma’s state of the art manufacturing plant we are seeing new, high skilled jobs in tier one automotive companies at the forefront of their field marking out Telford’s reputation as a key UK destination for inward investment in advanced manufacturing.

I am proud to see long standing companies like Craemer UK, Epwin and Maidens enabled to expand in the town growing their product range and business reach, through this Deal. Alongside this the Council has invested profit share earned through the deal providing opportunities for 15 local companies to access start up/incubation space supporting our commitment to grow local companies and job opportunities. Through this Deal we are seeing new homes for sale and for both private and affordable rent allowing local people to get onto the housing ladder and supporting the regeneration of our local communities. The residential market in Telford continues to grow with our reputation as a major growth centre recognised by our top ranking by the Centre for Cities for housing growth.

The Telford Land Deal is devolution in action directly benefitting communities across Telford and the Marches. It has exceeded Government capital receipt targets and is providing local profit share which we are investing straight back into delivering further growth.

Councillor Shaun Davies, Telford & Wrekin Council Leader

Following the introduction of the Telford Land Deal, Telford & Wrekin Council has successfully marketed and disposed of residential and employment development sites for Homes England within Telford, resulting in the delivery of new homes, inward investment, local business growth and employment opportunities for local people. Homes England is pleased to be working collaboratively with the Council on de-risking and releasing development sites to the market to deliver local economic and residential growth.

Karl Tupling, Markets, Partnerships and Place Director at Homes England

The ongoing success of the Telford Land Deal in delivering investment, jobs and opportunity to the town cannot be understated.

The Telford Land Deal is devolution in action – delivering above and beyond expectations with its success underpinned by the strength of the partnership between Telford & Wrekin Council, Homes England and the support of the Marches LEP.

Telford is now ranked number three by the Centre for Cities for Housing Growth and more than £236m has been attracted to the town since the deal was unveiled. It helped create the biggest foreign investment in the UK in the last decade when Magna Cosma opened its doors and has played a key role in helping develop the ambitious Newport Ni-Park.

Graham Wynn OBE, Chair, Marches Local Enterprise Partnership

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1. Summary of Achievements

1.1 Summary

The Telford Land Deal, established in 2015, has continued its success over the last 12 months despite uncertainties in the inward investment market nationally. The unique model which allows the disposal of public land through upfront investment into site preparation and marketing of sites, underpinned by the Council's Enterprise Telford investment offer, has delivered an acceleration in commercial and residential sites sold and raised land values. This has amounted to 25,045sqm (269,582sqft) of Employment Floor Space (EPS) and receipts of £3.4million delivered in advance of the original anticipated outputs set out in the Investment and Disposal Plan, in some cases by 2 years. The Land Deal has enabled the expansion of local companies, the supply of much needed commercial and residential properties to the Telford market and attracted over £200m of inward and foreign investment. The Telford Land Deal is devolution in action delivering above and beyond expectations with success underpinned by the strength of partnership between the Council and Homes England and the support of the Marches LEP.

The Deal and the strength of the partnership which underpins it has been recognised in a number of national awards – a national winner in the APSE Awards in the category of Best Collaborative Working Initiative and Highly Commended at the MJ local government achievement awards.

During the last four years, the deal has cumulatively delivered the sale of a total of 21 commercial sites and 10 sites for residential development, achieving a gross sales income of £27.3 million. The sites have enabled the delivery of EFS of **82,848sqm** (891,768sqft) and **617** new homes and supported commercial premises delivering **1114** new jobs, many in engineering and manufacturing adding skilled job opportunities for the Borough's communities.

Over the last 12 months (18/19) of the Telford Land Deal, the deal has delivered the sale of 4 commercial sites and 1 residential development. This has achieved a **gross sale income of £2.2 million.** These sales will support the delivery of Employment Floor Space (EFS) of **11,880sqm** (127,875sqft), **anticipated job numbers of 161 and 3 new homes.**

During the first and second quarter 2019/20, 2 commercial sites and 2 residential site sales have completed achieving a gross sale income to date of **£2.1** million. A further 4 commercial sites and 2 residential sites are currently being negotiated and are anticipated to achieve an additional gross sales income of **c.£4.6** million in 2019/20. These will deliver in total, additional EFS of **47,269sqm** (508,799sqft) and anticipated job numbers of **c.495** and **143** new homes.

Local Growth Funding via The Marches LEP has enabled £22.6 million highway infrastructure works under the Telford Growth and Eastern Gateway Packages. The infrastructure works have included increasing the capacity of Junction 4 at M54 to enable growth in that part of the Borough and also bringing services and infrastructure into the new industrial estate at Hortonwood West. Other works along the A442 include improvements to a number of roundabouts to create increased highway capacity in the north of Telford, supporting the release of commercial and residential land.

The Deal alongside the Council's Enterprise 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 £50m Growth Fund continues to drive a high number of investment enquiries. The Borough continues to attract significant interest from the automotive and advanced manufacturing sector, and more recently companies connected to battery and automotive light weighting. There has been a significant increase in indigenous companies requiring new premises to expand and wishing to remain in Telford such as Epwin Group PLC who have recently acquired land for expansion, to construct manufacturing floor space in addition to their existing premises.

The agri tech industry continues to thrive in Telford and the provision of Ni Park - a new Agri Tech Park has been identified as one of only 3 national High Potential Opportunity plots by DiT – the only one in Agri Tech. The Park, launched in concept at MIPIM 2019, received planning approval in August 2019 with start on site due in the Autumn. Delivered in association with Harper Adams University it will provide circa 38,000m² of EFS providing opportunities for companies leading in this sector.

The largest deal delivered to date has been the c£80m inward investment by Magna Cosma a Canadian tier 1 automotive company at T54, one of the Borough's premier business parks. This alone is set to deliver over 600 jobs over 2 phases, with 295 delivered so far. The investment is understood to be the largest wholly new advanced engineering sector FDI in the UK in the last 10 years. Joining Magna are Polytec who have completed their phase 1 build with further ambition for expansion. Illustrating the strength of T54 and Telford's investment attraction the Council has recently completed speculatively built industrial units with one pre-let prior to completion meeting a market need for larger industrial units. The developments were enabled through the upfront investment into site preparation, highways, network improvements and utility upgrades (specifically electricity), driven by this deal and investment by the Council through its £50m Growth Fund.

Alongside this new investment Telford continues to see significant business expansion at Hortonwood West with local company Craemer recently completing their new facility of 7183m² and Kensa Creative expanding their creative design company from start up space to new contemporary premises. The Council has also completed a development of 15 small start-up business units which

utilised Land Deal profit share and the Council's own £50m Growth Fund, again responding to an identified gap in the small industrial unit market. The units have been extremely popular and now 90% let. These developments are delivering additional business premises and avoiding the need for businesses to relocate. Since the start of the deal 4 years ago this new 55-acre industrial park has been created, brought to the market and all plots are operational or under offer delivering 334 jobs and 33,392sqm (359,428sqft) Employment Floor Space. In addition the site has attracted new companies to Telford.

Both demand for new housing and supply of residential land remains buoyant in Telford with another year of high delivery in terms of numbers. This was reflected in Telford being identified as number 3 for housing growth in the Centre For Cities Report 2019. The Borough continues to see a range of tenures delivered with a good representation of major and regional housebuilders and a broadening representation of Registered Providers taking sites. Residential development continues to be a high priority for Telford and 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.

The last 12 months have seen a significant amount of work undertaken in order to be able to bring sites to the market; de-risked and shovel ready. The next 12 months will see 4 residential sites marketed with the ability to deliver up to 172 new homes. These sites are Old Park, Land off Newcomen Way, Majestic Way and Croppings Farmhouse. These sites are a legacy of the original new town residential allocations with challenging site conditions. Despite this all the sites have either obtained planning permission or have planning due for determination in year (19/20) – a process which is de-risking the sites and making them more attractive to the market.

The Deal is driving significant local employment opportunities both in construction and long term jobs with an increase in higher skilled jobs and new apprenticeships. The Council continues to monitor jobs safeguarded and created and to work proactively with businesses to provide assistance with training, apprenticeships and recruitment. For example the Council has worked in conjunction with Telford College and Magna Cosma to hold a recruitment open day with over 1000 attendees which resulted in all available roles being filled.

2. BACKGROUND

2.1 Introduction

The Telford Land Deal, was formally completed on 24th March 2016, and signed by Telford & Wrekin Council (TWC) and Homes England (HE). The agreement documents the parties' intention to work together over a 10 year period from April 2015 to promote commercial and residential sites within Telford which fall within the Council and the Agency's ownership, with the Council taking the lead in site preparation in order to de-risk and accelerate delivery, and in bringing the land to the market.

There are **79** Homes England sites and **11** TWC sites included within the Telford Land Deal (sites listed in Appendix 1). This deal offers the opportunity for TWC to drive economic growth and prosperity in the region by taking responsibility for the stewardship, marketing and disposal of all Homes England land holdings in Telford.

The Council brings local market intelligence and a proactive approach to inward investment including a willingness to co-invest.

2.2 Context

Telford and Wrekin Council are driving forward economic growth and prosperity through Enterprise Telford which sets out a vision '***To promote Telford's role as a major contributor to the West Midlands economy; to focus on those things that will do most to unlock jobs and create growth that will improve the lives of all the people who live in our Borough and; to make Telford a natural home for investors, innovators and entrepreneurs***'.

The deal is set to see £44.5m of land receipts from the sale of agreed Homes England land assets in Telford recycled back into the local area, supporting the delivery of new homes, jobs and EFS. The local area will also benefit from a share of land value uplift delivered where the Deal accelerates and raises land values over and above Homes England profiled receipts. A proportion of this will be shared with the Marches Local Enterprise Partnership (LEP) who have enabled Local Growth Funding to support highway infrastructure to open up sites included in the Deal.

As part of the Deal, TWC were required to take freehold responsibility for all Homes England liability sites i.e. those sites considered to have no development value and/or to incur potential costs. The Funding Agreement governing the transfer was signed in March 2017 and all transfers have now completed within the set timescales.

2.3 Operation

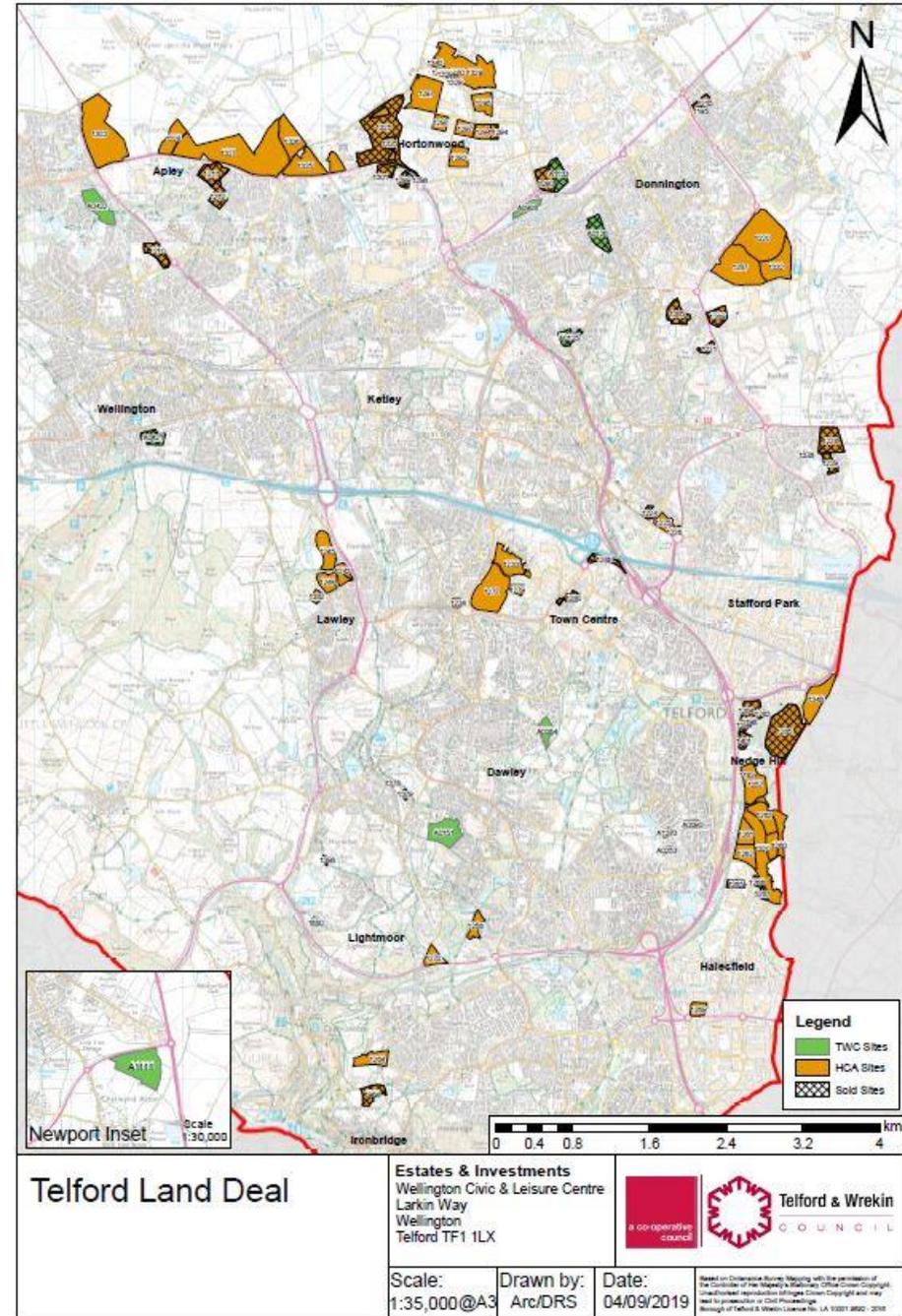
The Deal is managed through a 3 year rolling Investment & Disposal Plan which details the sites for disposal, investment requirements and estimated uplift achieved as a result. The overall Programme is dynamic and the order of land sales, investment required per site and receipts varies with market demand. The 3 Year Plan provides much greater certainty in terms of forecasting and delivery and is reviewed annually and approved by the Telford Land Deal Board.

2.4 Site Map

Diagram 1: Site Map

This map shows the footprint of the Telford Land Deal area and extent of land included showing the split of Homes England and TWC sites.

The plan also shows the sites now sold under the Land Deal marked as hatched.



2.5 Key Sites

2.5.1 Commercial Update

T54 is one of the Council's premier business park extending to 78.11 acres. Its attraction lies in its proximity to the M54 and being 12 miles from I54 and Jaguar Land Rover's engine manufacturing centre. The site has been very successful and all but 1 of the 7 plots have now been developed. The Land Deal has enabled the de-risking of the sites resolving ecological issues and obtaining planning consent upfront for the plots. Now home to Magna Cosma, Polytech, Filtermist, XYZ and Torus the Council have recently completed a speculative development of 2 units to respond to the lack of medium-sized modern industrial space in the Borough. Currently on site are Gentech who are constructing a small unit to aid their business expansion. Only Plot 7 now remains on the open market and work is being undertaken to establish a ground works and drainage solution to enable the construction of development plateaus. Local Growth Funding via the LEP has been used to deliver strategic infrastructure improvement on the M54 motorway junction 4 which enhances the connectivity of the site. The Council, through its £50m Growth Fund, has also contributed investment into further utility upgrades in order to prepare the site for occupiers who have a high power requirement. This investment has assisted in accelerating the disposal of land to Polytec ahead of the forecasted date in the Investment and Disposal Plan by 10 months.

Photographs below illustrate completed sites or schemes in progress:

T54 – Plot 6
Magna – Operational



T54 – Plot 2
Polytech - Operational



T54 – Plot 5
TWC starter unit - complete



T54 – Plot 1c
Gentech – started on site



The site below was sold in 19/20:

Scheme	Status	Employment Floor Space (sqm)	Jobs accommodated	Start on site	Site Completions	Private Sector Investment
T54 – Plot 5b	Sold in 19/20	1,000	15	Sept 2020	May 2021	£2million

Site acquired by existing company Torus Measurement Systems Ltd to enable business expansion and further secure their location at T54. The proposal is to deliver 1,000m2 with the creation of 15 jobs. Planning permission has been obtained for the development and construction is expected to start over the next 12 months.

HORTONWOOD WEST is a new flagship industrial site enabled by the Land Deal and Local Growth Fund. The site extends to 55 acres and is divided into 11 plots in a landscape setting. The site has been successful in attracting foreign direct investment, UK investors and local companies looking to expand. The infrastructure work for the internal estate roads, utilities and drainage was completed in December 2017 funded by the Land Deal and the Local Growth Fund. These works allowed the site to offer shovel ready plots for occupiers and developers. Now home to Rosewood Pet Products Ltd, Eden Horticulture, Baker Bellfield, Craemer UK Ltd, 15 TWC starter units and Kensa Creative, the last three undeveloped plots are now under offer with deals anticipated to complete in 2019/20 and 20/21. The Land Deal has helped to accelerate the disposal of plots to Craemer by 2 years, Baker Bellfield by 5 months and TWC by 1 year.

Photographs below illustrate completed sites:

HWW – Plot 9
Rosewood – Operational



HWW – Plot 10
Eden Horticultural - operational



HWW – Plot 6
Baker Bellfield - operational



HWW - Plot 2
TWC starter units - operational



HWW – Plot 3,4,5
Craemer - Operational



HWW – Plot 2a
Kensa Creative - Operational



Site below was sold and construction completed in 18/19:

Scheme	Status	Employment Floor Space (sqm)	Jobs accommodated	Start on site	Site Completions	Private Sector Investment
Hortonwood West - Plot 2a	Sold in 18/19	418	10	June 2018	December 2018	£0.6m

Site sold to Kensa Creative, an existing Telford business for growth an expansion from their existing start-up unit elsewhere in Telford. The company have created a bespoke contemporary space and will accommodate 10 jobs as a result of the move.

Sites below are progressing with sale completion programmed for 19/20:

Hortonwood West – Plot 1	In Progress	3,716	20	May 2020	May 2021	£2.5m
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Site acquired by a local developer for the development of two industrial units. The company are building on a speculative basis and retaining the interest within their portfolio. The development when occupied is expected to deliver a further 20 jobs for the Land Deal. Construction work is due to start the beginning of 2020.

Hortonwood West - Plot 7	In Progress	6,553	60	April 2020	March 2021	£4.5m
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Site acquired by a national developer for the construction of 6553m² of floor space. This is the largest speculative development within Telford and a reflection of the buoyant industrial market that national developers are looking to deliver a unit of this size. Construction work is expected to start the beginning of 2020 and the completed development is forecast to deliver around 60 jobs.

Sites sold in 18/19 and either completed or under construction (see photos below):

Scheme	Status	Employment Floor Space (sqm)	Jobs accommodated	Start on site	Site Completions	Private Sector Investment
Rampart Way	Sold in 18/19	797	101	May 2018	December 2018	£2.6m

Rampart way is on the edge of the centre of Telford and is a prominent commercial site. The completed development has provided a Costa Coffee, KFC and an additional food unit. The new facilities are set to deliver 101 jobs with the Costa Coffee and KFC already trading.

Hadley Park E	Sold in 18/19	5,000	50	May 2019	May 2020	£4m
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Hadley Park E has been acquired by Morris Properties for the development of 26 industrial units. Contractors are currently on site and the first units are due to be completed early 2019. The new development will provide small industrial space responding to a lack of smaller sized units in the market. The development is expected to deliver in the region of 50 jobs.

Sites below are progressing with sale completion programmed for 19/20:

Halesfield 18	In Progress	4,096	100	Feb 2020	February 2021	£6.25m
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Halesfield 18 is the last site under the Land Deal in Halesfield and provides a prominent site for industrial development. The sale of the site is due to complete later in 2019 and construction to start early 2020. The proposal is for three industrial units built on a speculative basis and set to deliver in the region of 100 jobs.

Hortonwood 37	Sold in 19/20	15,296	200	Jul 2019	August 2020	£10m
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Hortonwood 37 is adjacent to the Telford International Railfreight Terminal and adjoins a Council owned site. Epwin Logistics Ltd have acquired both sites and are constructing a new facility, in addition to their existing facility in Telford, for the expansion of the doors and window business. Longer term there is an aspiration to use the Railfreight for the transport of products. This is a major success story with a local firm choosing Telford to consolidate their regional operations safeguarding 500 jobs and delivering another 200 jobs.

Photographs below illustrate completed sites or schemes in progress:

Halesfield 24, Plot 2
Wrekin Pneumatics - operational



Halesfield 25, Plot A
Travis Perkins - operational



Hortonwood, Plot 6
Veolia – operational
(site sold in 17/18)



Rampart Way
Various – operational



Hadley Park E
Morris Properties – started on site



Hadley Park B
Eurogarages – started on site
(site sold in 17/18)



2.5.2 Residential Update

Scheme	Status	Housing Units	Start on site	Site Completions	Estimated Private Sector Investment
Horton Lane Plot B	Sold in 18/19	3	September 2018	1 st Unit – Sept 2019 2 nd Unit – June 2020 3 rd Unit – June 2021	£1.1Million (actual)

Sold to a private developer for the construction of three family houses. The first property has completed with the remaining two to follow over the next 2 years.

Wellington BRJ	Sold in 19/20	54	Jul 2019	Nov 2020	£5.6Million
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Sold to TWC and then onward to Nuplace Ltd (the Council's wholly owned private housing rental company) for the delivery of 54 homes including 2 affordable and 19 specialist dwellings.

Site C Pool Hill Road	Sold in 19/20	5	Jan 2020	July 2021	£1.5Million
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Following a competitive tender exercise a preferred bidder has been selected to take forward the site for development. The site has outline planning consent and the bidder anticipates start on site in July 2020. The development will deliver 5 family houses.

Croppings Farmhouse	In Progress	8	March 2021	March 2022	£0.8Million
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Croppings Farm House and surrounding site is on the market for the development of up to 8 units. The site has the benefit of outline planning consent and will be marketed by way of a competitive tender exercise. The development of the site is anticipated to start in March 2021.

Priorslee Road	In Progress	76	Oct 2019	Oct 2020 – NuPlace Sept 21 - WHG	£7.9Million
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Site being sold to Lovell Partnerships for the delivery of 37 units for NuPlace Ltd and 39 units for Walsall Housing Group. The site is expected to secure planning consent in September 2019 with development anticipated to start on site in September 2019.

Photographs below illustrate completed sites or schemes in progress:

**Daisy Bank – completed
Lioncourt Homes**



**Priorslee D3 – completed
Central and Country
Developments**



**Frome Way – completed
Keepmoat Homes**



**Land at Snedshill – completed
NuPlace**



**Apley – on site
Kier**



**Priorslee E&F – on site
Lovell**



**The Beeches – on site
Shropshire Homes**



**Horton Lane, Plot B – on site
Private purchaser**



3. Key Deliverables/Milestones planned for future years

Residential sites

The Hem

The Hem is a circa 100 acre site allocated for residential development in the Telford and Wrekin Local Plan. The site is one of the key residential sites for Telford and the Land Deal and is set to provide upwards of 300 homes. Due diligence work has commenced on the site including ecology surveys, ground investigations and flood risk assessment and the Council is currently in the process of tendering for a multi-disciplinary consultancy to progress an outline planning application due for submission in June 2020.

Horton Lane

Horton Lane is a residential area on the northern fringe of Telford. Plot B (3 dwellings) has completed and the marketing of Plot A (5 dwellings) and Plot C (4 dwellings) has now taken place. Purchasers are selected and the legal work is progressing.

Pool Hill Road, Site D

Pool Hill Road site D is a residential site jointly owned by the Council and Homes England. An outline planning application for 36 dwellings has been submitted and has received a resolution to grant. The site is set to be marketed later in 2019.

LAWLEY

Lawley is a circa 29.89 acre site allocated for residential development in the Telford and Wrekin Local Plan. The site is a further key residential site for Telford and the Land Deal and is set to provide upwards of 250 homes. The Council is currently in the process of commissioning preliminary due diligence work on the site including ground investigations and flood risk assessment.

Commercial sites

NI Park

The Land Deal is supporting the delivery of a 10ha employment site at Newport promoted through the Local Plan for a major, new Agri Tech employment park. Planning permission was granted in August 2019 with work due to commence on site in 19/20. The Park will provide space for a range of potential occupiers including start-ups, smaller businesses and larger occupiers within the Agri Tech sector. Being marketed by DiT following their recognition of the sites as a High Potential Opportunity site for Agri Tech the site is being brought forward in partnership with Harper Adams University and their Agri-Tech Centre of Excellence industry partnership. The Park will help consolidate the Borough's growing reputation in this emerging global sector.



Hortonwood Sites

Hortonwood is a well-established, large, industrial estate located in the north of Telford and has a variety of occupiers ranging from smaller local companies e.g., Baker Bellfield, to large foreign direct investments e.g., Epson. In the last twelve months there has been an increased interest in Hortonwood and the available sites have all received a number of serious enquiries. The vacant plots at the western end of the estate ranging from c.5 acres to c.10 acres all have planning permission giving flexibility for incoming occupiers from smaller businesses to large multinationals. The permissions now allows for a new mitigation licence to be applied for and the necessary ecological work carried out leaving the sites development ready. The remaining site of 23 acres, is being actively marketed and is available for a large single user, giving Telford the capacity to compete in the market for large investment opportunities.

The Council has been carrying out extensive infrastructure works to increase the electricity capacity to sites in Hortonwood at an investment of £1.6 million. Work is currently on going and is planned to be completed by the end of the financial year and will assist in attracting manufacturing and distribution businesses.

Shawbirch East Campus

This site comprises one single land parcel and was designated for employment as part of the establishment of the New Town and is allocated for employment use in the Telford & Wrekin Local Plan. With a prominent position fronting the A442 arterial road North West of Telford the site extends to 22.16 ha (55 acres). Survey work and master planning is ongoing with a view to delivering a high tech employment park appropriate to this gateway location into Telford potentially linked to the Borough's growing sector specialisms in food and agri tech.

Appendix 1 provides a full list of sites.

4. Finance

The Deal is managed through a 3 year rolling investment and disposal plan, which is subject to regular reviews at the Land Deal Board. The table below demonstrates the net uplift and respective shares for the 4 years ended 31 March 2019, and the forecast for the first seven years of the Deal. As set out in the Agreement, the first £2m of the TWC local profit share is set to be set aside to fund liability and constrained sites identified within the Deal, before the remaining share is retained by TWC for investment locally. Fifteen percent of the locally retained profit share is made available to The Marches LEP to invest via The Marches Investment Fund.

£	4 year Actual 31 March 2019 (..) – shows an income	7 year forecast 31 March 2022 (..) – shows an income
Gross land receipts	(27,318,587)	(51,410,094)
Net land receipts	(12,242,575)	(22,466,939)
Total costs to be funded from land receipts	8,035,984	12,022,653
Net uplift	(4,206,591)	(10,444,286)
Homes England share @15%	(630,989)	(1,566,643)
TWC share @85%	(3,575,602)	(8,877,643)
Constrained/liability set aside	2,000,000	2,000,000
TWC share retained	(1,575,602)	(6,877,643)
LEP share @15%	(236,340)	(1,031,646)

5. Investments

5.1 Investment of Local Profit Share

The financial successes of the Deal to date has meant that a cumulative profit of £4.2m has been achieved up to 31 March 2019. The Council's proportion of this cumulative profit is £3.3m, after a £236k distribution to the Marches LEP.

The first investment of TWC's element of profit share approved by Board was £1.0million as part of a larger investment by the Council from its Growth Fund to develop the 15 small businesses starter units at Plot 2 Hortonwood West, Telford.

The Land Deal Board continues to consider other areas of investment for the local profit share within Telford.

6. Communications and Marketing

A Strategic and Local Communication, Marketing and Engagement plan overseen by the TLD Board, underpins the range of activities being undertaken. The plan timetables planned press releases, attendance at events, specific visits and website activity. The plan has both a local focus – recognising the need to engage with local communities within which sites are coming forward and outward facing to attract investor interest. The Plan includes activity lead by the Authority and supported by Homes England, the Marches Local Enterprise Partnership and Telford Business Board.

A partnership approach has been adopted to communications with all messages.

Underpinned by 3 key aspects:

- Delivering a consistent approach to all external communications
- Engaging effectively with appropriate audiences
- Raising the profile of the Land Deal and its impact on the Borough, Marches and West Midlands economy, on a local, regional and national level

A couple of recent press releases linked with major commercial investments is included at Appendix 2.

The focus in 18/19 has been to advertise the successes of the Land Deal over its four year lifetime and in particular to focus on individual successes and the benefits of the Land Deal to the people of Telford in terms of economic benefits, jobs and housing. This has been done through various mediums such as online platforms, Midlands Today news, regional magazines and local newspapers with further exposure following the Council's success in the APSE and MJ awards.

7. Future Priorities

The success of the Land Deal, continues to be been achieved through the willingness of the partnership to work together to maximise on opportunities in the local market and to invest upfront into challenging sites to de-risk and make sites 'shovel ready' and attractive to developers. By obtaining planning permission we continue to be able to tackle any ecological issues such as the relocation of badgers and Great Crested Newts, and provide the market with sites ready for development. This in conjunction with the Council's £50m Growth Fund which is available to fund bespoke property solutions for investors wishing a leaseback

solution plus investment to bring utilities to sites make Telford one of the UK's most attractive locations for inward investment.

Market interest in Telford's residential sites remains high and a number of sites are programmed to be brought forward over the coming three years. Some of the sites do have some challenges which will require upfront investment prior to bringing to the market, such as geotechnical and ecological constraints. Early work is taking place on the larger residential allocations at Lawley and the Hem to bring these sites to the market as soon as possible without distorting the local market with an oversupply, particularly in the Lawley area. Provision of adequate energy supplies for tier 1 automotive investors remains a challenge. The Land Deal and Council have made significant investment and the Council and Marches LEP are pressing for more strategic investment by utility companies to avoid this becoming a break on investment. On the employment front, the success of the land deal has resulted in a fall in availability and work is underway to identify the release of additional land to satisfy enquiries.

The Land Deal is approaching its 5th year of a 10 year programme. Delivery across both residential and employment sites overall is running ahead of original planned delivery dates and land values, showing the strength of the local market and effectiveness of the principles underpinning the Deal. Telford is a growing Town with an ambitious agenda for growth and commitment to invest into local communities. The forthcoming review of the Local Plan prioritises driving further economic growth balanced by residential development. Employment and residential sites within the Land Deal are a key component of delivering that growth and there is also significant scope to develop the Deal considering the inclusion of further sites both in Homes England and potentially other public/private ownership in support of the Town's ambitions and to deliver against national targets. A priority for 2021/21 will be to evaluate Homes England ownership that could be brought forward under the Local Plan and driven by the Land Deal.

Appendix 1 – Schedule of Sites

Homes England site	Site ref. no.	PCS ref.	Parcel ref.	Status
Apley B1 (ii)	1211	19806	12348	Sold
Apley B3	1212	19806	5825	Sold
Hortonwood (Shawbrich East Campus Site)	1303	21800	1527	
Wellington (Adj Blessed Robert Johnson School Phase 1)	1210	19339	1417	Sold
Wappenshall	1326	21964	1548	
Wappenshall	1327	21964	1549	
Wappenshall	1328	21964	1550	
Wheat Leasows – 10 Plots	1325	21963	1547 10781 12698 12887 12888	Plots 9 and 10 – Sold Plots 3,4,5 – Sold Plot 6 – Sold Plot 2 – Sold
Hortonwood North Residual – 3 plots	1329	21961	1551 13111	Plot B - Sold
Land & Buildings Adj Horton Farm	1330	21961	1552	
Land off Horton Lane	1340	21961	1557	
Donnington Wood (K) (constrained site)	1220	20219	1430	Site transferred to TWC
Donnington Wood Way (constrained site)	1332	20219	1553	Site transferred to TWC
Land North of Granville Road (Donnington Wood) (constrained site)	1287	20219	1502 12913	Site transferred to TWC
Priorslee East - Phase 1	1228	19629	11429	Sold
Priorslee East F	1229	19629	6091	Sold

Land Snedshill / Church Road	1224	28463	1434	Sold
Land – Priorslee Road	1225	24497	1436	
Priorslee Road (Phase 2)	1226	24497	1436	
Old Park Campus Site (constrained site)	1277	24497	1436	Site transferred to TWC
Old Park Phase 1 and 2 (constrained site)	1233	28462	1445	
Lawley Extension	1243	21334	1458	
Lawley Extension	1244	21334	1459	
Lawley Extension	1382	21334	1460	
Lawley Village Residential Site (Non Strategic Project)	1382	21334	1591 1592	
T54 – Plot 2	1284	22479	1499	Sold
Sub Station Nedge	1198	20526	1406	Sold
T54 – Plot 3	1399	22480	1604	Sold
T54 – Plot 5	1401	22482	1606	Sold
T54 – Plot 6		22483		Sold
	1285	26764	1473	
T54 – Plot 7	1348	22484	1565	
Nedge Buildings (The Hem)	1182	22485	1393	
Land Around Nedge Buildings (The Hem)	1257	1257	2952	
The Hem Phase 4 (The Hem)	1263	21775	2954	
The Hem Phase 3 (The Hem)	1260	21775	1476	
Open Space – Nedge Housing (The Hem)	1320	21775	1542	
The Hem Phase 2 (The Hem)	1261	21775	1477	
Halesfield 24 – Plot 2	1266	21777	1483	Sold

Halesfield 23 – Plot 3	1267	21779	1484	Sold
Halesfield 25 – Plot 6	1265	21776	11576	Sold
Halesfield 18	1269	21319	1485	
Plots – Moor Farm, Majestic Way	1256	16153	1472	
Lightmoor Road	1272	16153	1487	
Town Centre Hall Court Car Park	1280	24497	1495	Sold
Rough Park 3	1264	16153	1480	
The Beeches	1964	20464	2095	Sold
South West Old Park Mound (Specified Site)	1279	24497	1497	
Plot 12 Hortonwood	1292	21790	1509	
Plot 6 Hortonwood	1294	26707	1511	Partially sold
Plot 1 Hortonwood 65 (Specified Site)	1295	21793	1512	
Plot b, d and remainder of e Hortonwood – 3 plots	1297	21795	10669 10678 6056	
Site C Pool Hill Road	1378	28464 21757	1587	
Site D Pool Hill Road	1379	28464 24982	1588	
Plot – Rock Road	1234	22347	1446	
Hadley Park B	1299	21797	5989	Sold
Hadley Park A	1298	21797	5809	Sold
Hadley Park E	1301	21804	6014	Sold
Site 2 Donnington Campus	1289	22224	6115	Sold
Croppings Farm House	1180		1391	

Land at Wellington Road	1195	19807	6061	Sold
Land at Wellington Road	1215	19807	6061	Sold
Land at Daisy Bank	1221	21043	5876	Sold
Rampart Way	1281	24497	1496	Sold
T54 – Plot 1c	1283	22478	1498	Sold
Hortonwood 37	1290	21789	1505	Sold
Priorslee East D3	1376	19794	1586	Sold
Donnington H Phase / Frome Way	1385	21796	1594	Sold
Woodlands Farm Buildings	1398	24201	6138	Sold
<u>TWC Sites</u>	<u>Site Ref</u>	<u>Status</u>		
Charlton Site	A0422			
Plot 2 Telford Rail Freight	A1133	Sold		
Plot 1 Telford Rail Freight	A0908			
The Sutherland School	A0126	Sold		
Wrockwardine Wood Arts Academy	A0125	Sold		
Ercall Wood Technology College	A0421	Sold		
Phase 2 Dawley	A0084	Sold		
Phoenix Academy	A0151			
Grange Park Primary School	A0090			
Lakeside Academy	A0105			
Newport Innovation Site	A1111			

Appendix 2 – Press releases

Hortonwood West, Plot 2

Start up units a great success at Hortonwood West

Published March 2019

Construction work has now completed at Hortonwood West seeing the creation of two blocks of multi-let start up units provided by Telford & Wrekin Council for local businesses.



The two new buildings have proved extremely popular with 12 of the 15 units already let to a wide cross section of tenants.

They have been built opposite each other, with the first comprising of five units and second ten units – complete with meeting rooms, parking and staff facilities.

Kevin Martin of Blinds4Less said “When the new development at Leasow’s Court was first marketed, we expressed an interest in moving to the site. The Council offered us help and advice to enable us to relocate to support the changing needs of our business”.

Kevin Paton-Feaver of Empire Medals and Training said “We wanted to offer businesses and consumers a greater choice of framing options and speedy turnaround. We needed a larger self-contained unit that offered flexibility and value for money. This was just what Leasow’s Court offered. We have dramatically improved our productivity and created another full time post and we also plan for an apprentice to start with us very soon”

David Vicarey of Sprinklet Tech Ltd said “The move to Leasow’s Court will enable us to expand other avenues of the business due to the increase in space. Over the next year, this could see three further staff employed at our unit with additional employment predicted in our installation teams”.

Councillor Lee Carter, Telford & Wrekin Council’s cabinet member for Economic Development said “This is a really positive development of new business units which are as a result of the ground breaking Land Deal that the Council has with Homes England and the Marches Local Enterprise Partnership”.

“Proceeds from the Land Deal have been invested in small business units which are required for expanding businesses and startups. It will be the first time in at least two decades that we’ve developed new starter units. All of this combines to mean more investment into Telford, more growth for the local economy of Telford and more jobs for our residents”.

Karl Tupling, General Manager for Homes England in the Midlands said “the Land Deal continues to support the local economy with these units providing a great opportunity for new businesses to start up and existing businesses to grow”.

There are now only three units remaining within the blocks, each offering floor space of just over 3600 square feet.

T54, Plot 3 and 5

New Telford industrial units set to create scores of jobs

Published October 30 2018

Numerous inquiries have been for two brand new business units which are expected to create scores of jobs in Telford.



Work has started on building the new 30,000sqft and 17,000 sqft units on the Telford 54 Business Park (T54), which is already home to some of the region's most notable firms.

T54 was launched in response to the high demand for space in the area, using land sold on behalf of Homes England to create jobs.

Current occupiers include Jaguar Land Rover supplier Cosma Casting UK, machine tool specialist XYZ Automation, international plastic parts manufacturer Polytec, oil mist removal machine specialists Filtermist and industrial measurement experts Torus.

Councillor Lee Carter, Telford & Wrekin Council's cabinet member for economic development, said the units would help create more jobs for the Borough.

He said "This is a case of the Council providing speculative units to cater for high demand in the market. All our units are fully let and there is a lack of this type of stock in the borough, so it makes sense for us to step in where developers are reluctant or unable to do so. T54 is in a great location, well-positioned for Telford's excellent transport links and only a few miles along the M54 from the Jaguar Land Rover plant at i54".

Councillor Carter explained that T54 resulted from the Council's unique Land Deal partnership with Homes England and the Marches Local Enterprise Partnership.

He said "This has seen industrial sites owned by Homes England developed by the Council, with infrastructure being installed so the sites are ready to be occupied".

The contractors, Morris Properties, started on site this autumn and the construction is scheduled to be finished in the spring of 2019.

Property consultancy Bulleys Bradbury has revealed they are already experiencing strong demand for the new units.

Rob Spiby, director of Bulleys Bradbury, said “We’re delighted to be marketing these speculatively built units jointly with Telford & Wrekin Council. The sales of land for owner-occupiers at T54 has gone exceptionally well and these two brand new units are being constructed on the last currently available plot.

At a time when the availability of new and modern industrial premises in the Telford area is at an all-time low, they will provide much needed high quality space that will allow businesses to expand into, potentially creating scores of new jobs.

We’re already handling numerous enquiries about the new units and expect them to be quickly let and occupied as soon as they are available next year.

Hortonwood West

Telford design agency set for expansion

Published November 13 2018

New jobs are set to be created as part of a £600,000 relocation for a creative design and marketing agency.



Councillor Lee Carter hands the keys to the new offices over to Kensa Creative's managing director Scott Clarke. Kensa Creative is currently based at the University Campus in Priorslee, Telford but its success means it needs to expand.

The company will be relocating to newly built offices at Plot2a, Hortonwood West.

The plot – like a number of others around the borough – has been brought forward to market as part of the Land Deal that Telford &

Wrekin Council agreed with Homes England and the Marches Local Enterprise Partnership.

The building has 418sqm of floorspace on two floors for Kensa Creative, allowing for future growth of the business without restriction.

Scott Clarke, managing director at Kensa said “Kensa has grown significantly year on year, quickly reaching the point where we can't squeeze any more people into our current office space. As creatives, it has been out dream to not only own our own building, but to actually design and build it too. Thanks to a partnership with the Council's own in-house property development consultancy team biT Group, who also happen to be one of our clients, we've been able to make it a reality and are looking forward to all the exciting possibilities this extra space will bring”.

Councillor Lee Carter, Telford & Wrekin Council's cabinet member for economic development said: “This is yet another prime example of how our unique Land Deal is enabling existing borough businesses to expand and create more jobs.

This particular company are unusual in that the jobs that are available are in the creative sector rather than heavy industry – this is not typical for Telford but it is great that the range of work available is increasing. I wish Kensa Creative every success in their new home at Hortonwood West”.

Telford Land Deal

And the winner is.....Telford Land Deal

Published September 2018

Telford & Wrekin Council has won national recognition for its Telford land Deal at the National Association of Public Sector Excellence annual awards.



The Land Deal, which has attracted £236 million of private sector investment into the borough since April 2015, was named as the winner of the Best Collaborative Working Initiative for 2018. The award recognises the innovative partnership between the Council and Homes England and the support of the Marches LEP.

The APSE awards recognise the best and the most innovative Councils in the UK, focusing on frontline services and Councils who are achieving excellent results.

The Telford Land Deal has seen the disposal of over 200 acres of land worth £23 million in deals that are set to create 988 new jobs and 600 new homes as well stimulating the construction of over 86,000sqm of commercial floor space.

The Land Deal has also played a key part in helping the borough to secure record levels of foreign investment, including the opening of Magna Cosma – international aluminum castings suppliers to nearby Jaguar Land Rover at the Borough's flagship employment site T54. This is one of the biggest foreign investments into the UK in the last ten years and will create almost 300 jobs.

The Land Deal has also helped to attract Austrian reinforced plastics supplier Polytech as well as helping existing businesses to expand including plastics manufacturer Craemer. In the next few months the Deal will also enable the delivery of a number of starter units to attract and support new businesses to establish and grow in the Borough.

Cllr Lee Carter, cabinet lead for economic development said, "This is a fantastic achievement for everyone involved in the Telford Land Deal. It helps our borough punch well above its weight, showing

how we are winning and bring investment here because Telford is such a good place to do business in.

The award is the result of tireless work by the Council and partners that continues every day to help bring more investment, business, jobs and growth here – it's a great endorsement of the excellent work our teams are doing.

We are confident that the Land Deal together with other initiatives such as the £50m Growth Fund will continue to bring in spectacular results for our borough”.

Council leader Shaun Davies added, “This award is down to the hard work of our officers and cabinet members who together with a range of partners have made the Land Deal the success story it is.

Together, we share the same vision for and confidence in our borough and the determination to win business and investment”.

Karl Tupling, General Manager for Homes England in the Midlands said “The deal is already offering new jobs for local people as well as the opportunity to develop new homes to help more local people in Telford have access to a home of their own”.

The Council was also a finalist in six other categories at the APSE awards, competing with more than 100 organisations for the awards. APSE work with over 300 Councils throughout the UK in areas such as waste and refuse collection, parks and environmental services, environmental health, leisure, school meals, cleaning, housing and building maintenance.

Appendix 3 – Quotes from Press Releases

Steve Poppitt, managing director of Craemer UK, said: “We have been here 11 years on this site and started out with three machines. We now have eight and completely ran out of space in terms of machine capacity. We looked at expanding in the immediate vicinity and were negotiating with some neighbours but were unable to pursue that line of inquiry. Land became available through the local authority at Hortonwood West so we purchased a 13-acre site two years ago and we developed 50 per cent of it and produced a further factory which develops a mainly larger product. The new factory has had a very positive impact on the company. It has been operational since the end of March and has been going very well”.



Driving growth **and prosperity**

Steve Mitchell, Veolia director for the West Midlands, said: We are delighted to have acquired this site as a new administrative base for our Commercial operation. It will offer improved facilities for our team as well as being better located to service our customers needs. This move represents the next step in the expansion of our commercial recycling and waste collection business in this area.

“Housing stock growth exceeded the UK average, with Telford experiencing growth of 1.6 per cent”

Centre for Cities 2019

Start up units at Hortonwood West

Kevin Paton-Feaver of Empire Medals and Training said we wanted to offer businesses and consumers a greater choice of framing options and speedy turnaround. We needed a larger self-contained unit that offered flexibility and value for money. This was just what Leasow’s Court offered. We have dramatically improved our productivity and created another full time post and we also plan for an apprentice to start with us very soon.

Kevin Martin of Blinds4Less said When the new development at Leasow’s Court was first marketed, we expressed an interest in moving to the site. The Council offered us help and advice to enable us to relocate to support the changing needs of our business.

Scott Clarke, Managing Director of Kensa Creative, said: “We’ve been based in Telford for the past 8 years and we’ve reached the point where we needed to grow our team. Thankfully working with Telford & Wrekin Council we were able to get a purpose built office which will enable us to stay in the area. We love Telford and we’re all based around here. I’ve lived here all my life and we really wanted to stay in the area so the fact that they were able to help us create this purpose built plot, created the land for us and helped us with the whole build has been fantastic and we wouldn’t be where we are today without their help”.