

Annual Review

2023-2024

A year of progress
and performance



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A welcome from our Managing Director

Welcome to the third annual review of Tawd Valley Developments. My aim, once again, is to provide a helpful snapshot of our business and how we add value to the local economy, ultimately for the benefit of the people of West Lancashire.

I am pleased to note that the focus of this report is progress and performance. We are moving at pace, delivering on our promises and bringing new schemes forward that will be transformative in their setting, impact and their outputs.

Our business remains dynamic, changing to meet market and regulatory needs. Whilst this document reports on our successes and achievements in the year just gone, it also looks forward, explaining how and why we are changing and branching out into other developments, such as solar power, new workspaces and in our advisory role for the exciting emerging plans for Skelmersdale town centre.

Our unique ownership allows us to be more flexible in terms of how we meet our core objectives of improving the quality and mix of housing tenure in West Lancs; how we support the area's economic growth; and how we generate returns for our sole shareholder, West Lancashire Borough Council,

to invest in vital public services. Allied to this is our freedom to take a broader view of how we can use our purchasing power, organisational capacity and links with industry to provide 'softer' benefits to the communities we serve – things like local training programmes, schools initiatives and voluntary participation in improving the communities we serve.

You will see that we continue to operate profitably, despite the economic headwinds – a testament to strong teamwork and the partnerships in place with our supply chain. Inflation has both risen and fallen in the last twelve months, latterly easing cost pressures and helping us deliver high quality homes more cost-effectively whilst generating the surplus that is key to our mission.

Our relationship with government, via Homes England, continues to bring strong dividends for local people in the shape of financial support to deliver more homes. We aim to sustain and grow this relationship. Homes England's support also ensures that we can deliver more variety in terms of the type and tenure of homes we build: from apartments and mews properties to semi-detached and detached family homes; for rent, rent-to-buy and shared ownership.

In the last year we have fully completed the delivery of our scheme at Fairlie, Birch Green, Skelmersdale, providing 50 new energy efficient affordable homes, thirteen of which have been made available on an affordable rent-to-buy model. We have also spent the last year at the

planning table with six planning submissions during the period. Having secured planning approval for our scheme at Hesketh Bank in January, we will break ground, delivering 10 new bungalows for shared ownership in the next period. At Blythewood in Digmoor we are providing 12 new one- and two-bedroom apartments for social rent as a first phase of the wider Digmoor Revival project. We also continue to play a fuller part in the wider Digmoor Revival project, which involves the demolition of out-of-date and unfit homes, to be replaced with a further 33 new-build houses and apartments as a second phase.

You'll find out about more of our transformative housing schemes as you read this document. Our schemes at Egerton and Maryvale are due to start later in 2024/25 and we have new schemes in Upholland and Banks in preparation for planning submissions. We are also exploring further Modern Methods of Construction, collaborating with West Lancashire Borough Council on the development of a housing scheme of factory based modular construction.

Meanwhile, our commercial activities have progressed, with work expected to start in early 2025 on the delivery of 45 new workspace units at our Junction 4 'green' business park, adjacent to the successful White Moss Business Park. On land west of White Moss, we are seeking permission to develop a new solar park in-line with the Council's climate change priorities. Its energy output will make a significant contribution to reducing

our borough's carbon footprint, providing a monumental commitment toward sustainable energy generation and, of course, addressing directly the climate crisis.

We are also utilising our commercial development skills to advise the local authority on its emerging masterplan for Skelmersdale town centre, providing guidance on the project's overall commercial viability and deliverability.

As you read this review of our performance during the last financial year, therefore, bear in mind that the return for our stakeholders goes way beyond high quality, energy efficient affordable homes and a fourth consecutive year of profit since our start up five years ago. It reaches into the heart of our community, shaping and improving neighbourhoods and lives, boosting employment and meeting our environmental obligations. Which is exactly how it should be.

Mark Kitts
Managing Director

Performance review

This has been another year of success: not just in terms of more and better housing, or via improvements to our wider built environment, but also in terms of the surplus we have generated for our shareholder, West Lancashire Borough Council.

This last financial year's profit was £216,000. The profit we make is money which is available to the Council as our sole shareholder to draw as a dividend, should it so wish, to invest in the vital public services upon which our residents and businesses rely. This ethical approach to commercial property development is an achievement of which our team and our core supply chain partners are rightly proud, helping retain the benefit of investment locally, within the home borough.

2023/24 was not just about 'more of the same', as laudable as that is, however. Our focus was on delivering 'better', and on being nimbler in how we deal with the challenges posed by inflation and legacy supply-chain issues from the covid era. We upped our focus on how we deliver more sustainable homes, too – be that in terms of core design principles, materials or construction methodology. We are determined to play our part in supporting our shareholder's Climate

Change Strategy and Action Plan and continue to seek out best practice, wherever it can be found, demonstrating this at our Fairlie scheme with our lower-carbon home uplift, and more recently exploring modular factory-built housing, showcasing this at our home in Skelmersdale.

Our fourth business plan was approved by our shareholder in February 2024 and is now driving forward an ambitious programme of housing and business space development, not forgetting additional projects such as the proposal for a solar farm. Its job is to look forward and identify how we will navigate our way through the commercial challenges ahead, seeking to pre-develop and deliver the new homes, unit numbers and ultimately returns and benefits based on a plan of potentially deliverable schemes. But we have learned valuable lessons from last year's successes, and they are informing this year's programme and beyond.

By definition, our business plan remains a working document: a flexible guide to how we will deliver, rather than a straitjacket that constrains our effectiveness.

But to return to the year just gone, we have now delivered 131 new homes across 6 sites since inception, specifically completing our scheme at Fairlie in Skelmersdale. The Fairlie development is a scheme of firsts for Skelmersdale and West Lancashire, combining a mixed typology of houses (some part of a low carbon home pilot), apartments and bungalows available on an affordable rent or rent-to-buy basis in an area in need of housing quality, where other developers have been unable to succeed.

With all the new homes now occupied, attention moved to place-making; entwining two sites and the unique collaboration between public, private, community and charitable organisations, combining a new-build affordable housing scheme with the total makeover of a neighbouring public park, taking our social value to another level.

Our housing schemes at Beconsall Lane in Hesketh Bank, and Blythewood in Digmoor will both start on site during the coming year, adding a further 22 homes for local residents – each offering state-of-the-art materials and infrastructure designed to reduce running costs and residents' carbon footprint. At the same

time, our schemes at Maryvale and Egerton, both in Skelmersdale, having recently secured planning approvals, will put a spade in the ground in the next period. We are particularly proud to announce that our scheme at Maryvale will mark our first venture into shared ownership homes in the Skelmersdale area within a scheme that will offer 29 new homes in all.

A great deal of work went into our planning application for our Junction 4 development on the M58 motorway which, with imminent planning approval, is due to start on site this financial year. Similar hard work went into the application for our proposed solar farm nearby. Both will bring significant local economic benefits in terms of new and retained jobs, rateable income and a good return on investment for the local authority and potentially low-cost, low-carbon power for nearby businesses. We expect planning determination for the solar farm site in the first half of 2025. Similarly, our senior team have been hard at work in the background providing strategic advice to our shareholder on its ambitions to transform Skelmersdale town centre.

We're now a well-established business with a robust operating model and a proven ability to adapt to circumstances and opportunities. As next year's business plan unfolds, we expect to report another solid year's progress to you in 2025.



Our objectives

We are a purpose-led business with a commercial mindset, culture and structure that operates within a strong and focussed policy agenda. We provide West Lancashire with a level of expertise and capacity and a strategic focus that can capture and direct expenditure, while being driven by a number of social objectives.

Here's a reminder of why we're in business:

Tackling the borough's housing and economic imbalance

Our work ensures that West Lancashire's continuing economic growth helps unlock greater housing and economic diversification whilst maximising social value. We have already delivered £20 million of projects within the borough.

Delivering more home ownership for low to middle-income households

Where possible, we will bring home ownership through tenures such as affordable rent-to-buy and shared ownership, to areas often overlooked by mainstream housing developers. This year's delivery of schemes at Beconsall Lane and the later Maryvale demonstrate this, providing 39 shared home ownership opportunities in collaboration with West Lancashire Borough Council.

Local area revival

We aim to ensure that housing investment is used as both a lever and stimulus to enable the revival of economically challenged sites, neighbourhoods, and districts across the borough, including our proposed schemes at Digmoor and Egerton in Skelmersdale. We will also utilise our commercial development skills to bring forward new investment in commercial, retail and leisure facilities, delivering physical improvement supported by new work opportunities.

Supporting under-served people

We will seek to build innovative homes to address local housing needs and for those under-served such as larger families, the elderly, and others with specific needs, enhancing their health and well-being and encouraging community cohesion and integration, such as the ten bungalows we are building at Hesketh Bank and the eight recently completed at Fairlie in Skelmersdale.

Climate change

TVD is a flag-bearer for good design and ensures that all scheme assessments include a measure of their carbon output. We strive for lower carbon output development and energy efficiency in all of our affordable homes and business spaces. Should it be approved, our proposed solar farm adjacent to White Moss Business Park will make a significant contribution to reducing the borough's carbon footprint, whilst providing a significant bio-diversity uplift on the site, safeguarding existing and creating new ecology and habitats.



Working in partnership

Our project management skills, allied with the experience and commitment of our supply chain partners, have once again allowed us to deliver our work on time and to budget – no mean feat in an inflationary period, with a few supply-side issues still to work their way through the system, post-covid and Ukraine. As always, our thanks go to our partners for their dedication and focus – a true demonstration of their commitment to our values, and to serving the people of West Lancashire.

As previously, our partnership work has covered a number of themes:

Local supply chain engagement

Our main contractors remain committed to finding and using competitive local suppliers of skills, materials and services so that as much of our spend as possible stays within West Lancashire. We want to build wealth in our local communities.

Networking with local businesses

We don't wait for people to come to us – we actively engage with the local supply chain via networking events to ensure they are aware of our forthcoming projects and can bid for supply contracts. We are an Ambassador for Skelmersdale and promote the opportunity of the town, the borough and the company at every opportunity.

Local community initiatives

Alongside our suppliers we have worked with West Lancashire College and Lathom High School to deliver careers advice, work experience and guidance to local young people. We have also teamed up with national charity Volunteer it Yourself at our Fairlie scheme with the aim of delivering a community regeneration construction project with young people at risk of not engaging in education or employment. They will complete 2-3 days on a project, securing an accredited City & Guilds Entry Level 3 qualification, typically in carpentry, painting & decorating or health & safety, providing a route into further education, apprenticeship or even employment. Beforehand we held consultation days in the community to engage on our ideas.

From left to right: Victoria, Derry and Danielle from the Tawd Valley Developments Team



The construction sector needs workers of all types, and we are helping to educate our young people in West Lancashire to take advantage of the opportunities our investment is creating and to learn of the principles of building new homes.

Local Labour, Local Skills

We advocate the use of local labour wherever possible, and we continue to work with the local DWP Office, registering as a disability aware employer and mentoring workers to show the important contribution both the young and old can make to the construction sector, and the workforce in general.

The journey towards low-carbon homes

We’ve learned a lot in the last twelve months about how to deliver the most efficient and cost-effective low-carbon homes. Our partnerships with our suppliers, research bodies and industry peers mean that we continue to refine our design, build and materials choices. And we’ll continue to do so, meaning that the homes and workspaces we deliver improve year-by-year. Technology and materials science are moving at quite a pace, and we are committed to adopting best practice wherever we find it. This year we have teamed up with Stelling, a factory-based builder of modular accommodation, developed for the student market but adaptable to suit other requirements such as accommodating those in urgent housing need. Our aim here is to deliver a scheme in West Lancashire and following that potentially elsewhere. We took the opportunity to showcase the housing ‘pod’ at our home in Skelmersdale.

Adding social value

There’s a lot of social value in providing people with safe, secure, energy-efficient homes. But we have always believed TVD’s remit should go further: looking for ways we can build value into a scheme’s wider design and amenities.

For example, in 2023 we delivered communal car parking to our completed scheme at Fairlie and this year we will continue to support the school at St James, Northfield with car parking and street lighting, having recently submitted a planning application for the scheme.

We continue our collaborations with the local volunteer group Friends of Tawd Valley, who took delivery of a storage container donated by Tawd Valley Developments in support of the fantastic voluntary-based environmental work in Tawd Valley Park, Skelmersdale.

Securing additional funds from government

We enjoy a constructive partnership with Homes England, the country’s strategic housing authority. To date we have secured six grant awards totalling £4.3 million and we are currently preparing bids for further funds to support our ambitions to deliver social housing schemes for the Council at Egerton and Digmoor. We will continue to work with the Council and government to identify further sources of investment for the betterment of communities of West Lancashire.



What's next?

The financial year 2024/25 will be our busiest yet. Our experience to date has helped us build capacity and expertise within our direct team and amongst our core supply chain partners. In some cases, we are working with our shareholder to look at current housing stock and options for remodelling where properties no longer meet the needs of residents. We are now ready to capitalise on that by stepping up our output – of homes, workspaces and more, with the potential for greater income for our shareholder to invest in vital local services.

Here are some of our new projects:

Egerton

With the benefit of a recent planning approval, 6 new social housing units will be delivered to new residents in 2025, with a development value of circa £1.5m.

Beaconsall Lane

10 new units will be delivered by mid-summer, 2025, ready for residents to move into during the key holiday season. This scheme has a development value of circa £2.2m.

Fleetwood Farm – Banks

A full planning application has recently been submitted for a new scheme at the former Fleetwood Farm in Banks following engagement with the local community. We intend to deliver 20 new affordable homes for local authority ownership with an affordable rent tenure. We anticipate planning approval mid 2025 with a start on site later that year.

Hall Green Close – Upholland

Here we are looking to regenerate a local authority-owned site comprising old buildings in poor condition by replacing them with 12 brand new energy efficient apartments for affordable rent. A planning application for this scheme will be submitted this year.



Digmoor, Phase 2

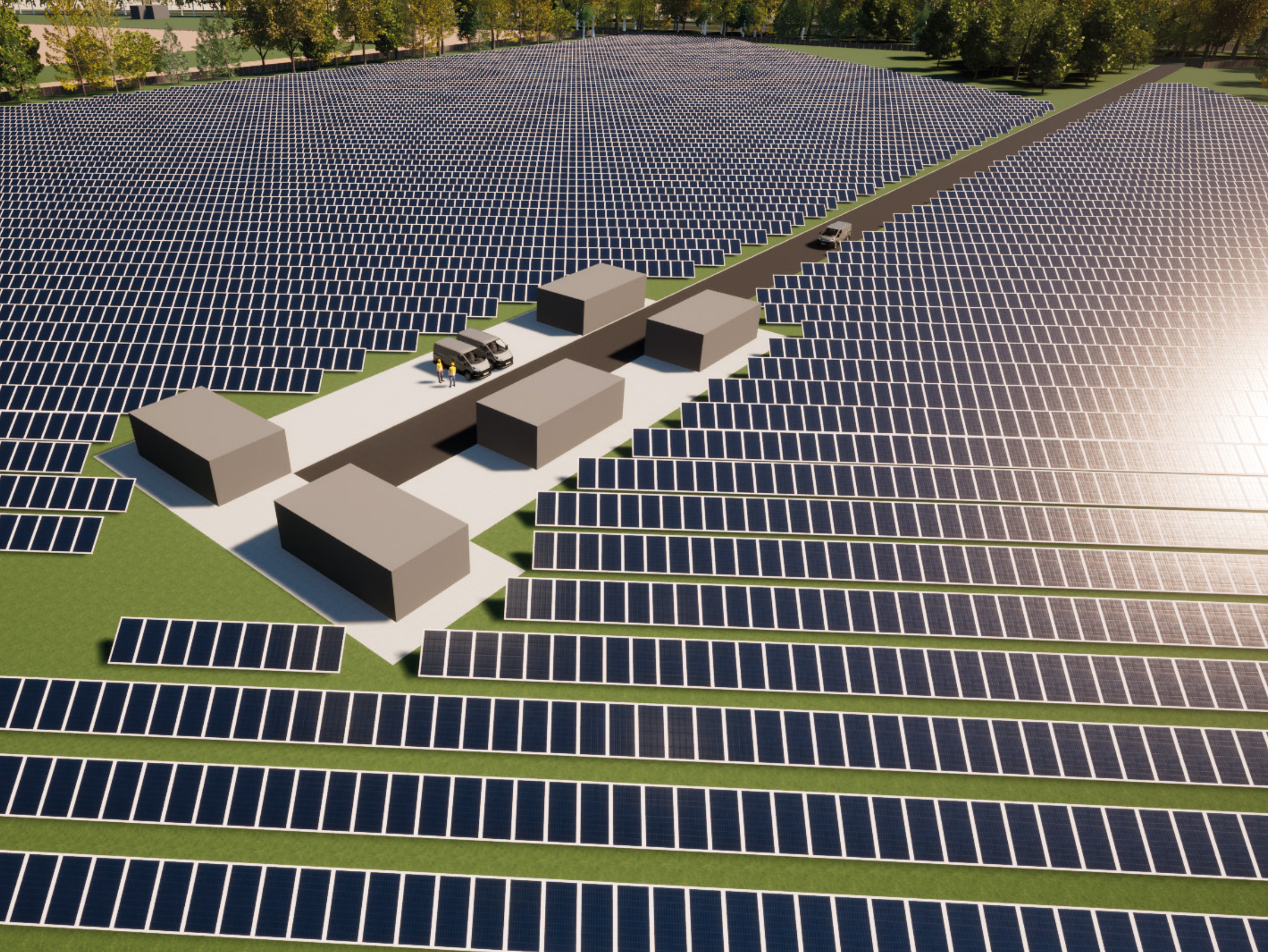
The second phase of the wider Digmoor Revival project is expected to secure planning approval in the next period, with an eighteen month build timetable. It will see the delivery of 33 new homes at a cost of circa £6.8m.



Maryvale

Our Maryvale project will be transformative for its immediate area, delivering a total of 29 new homes across two neighbouring sites adjacent to St Mary's church in Skelmersdale. The scheme represents an investment of circa £7.5m.





The solar farm represents an £11m capital investment and, subject to planning determination, may start on site in 2025.

The Solar Farm

This represents an £11m capital investment and, subject to planning determination, may start on site in 2025. When complete, the scheme will offer up to an 8 MW capacity to the grid and potentially for use by local business, generating an annual return for the local authority whilst making a significant contribution to carbon reduction in the borough.

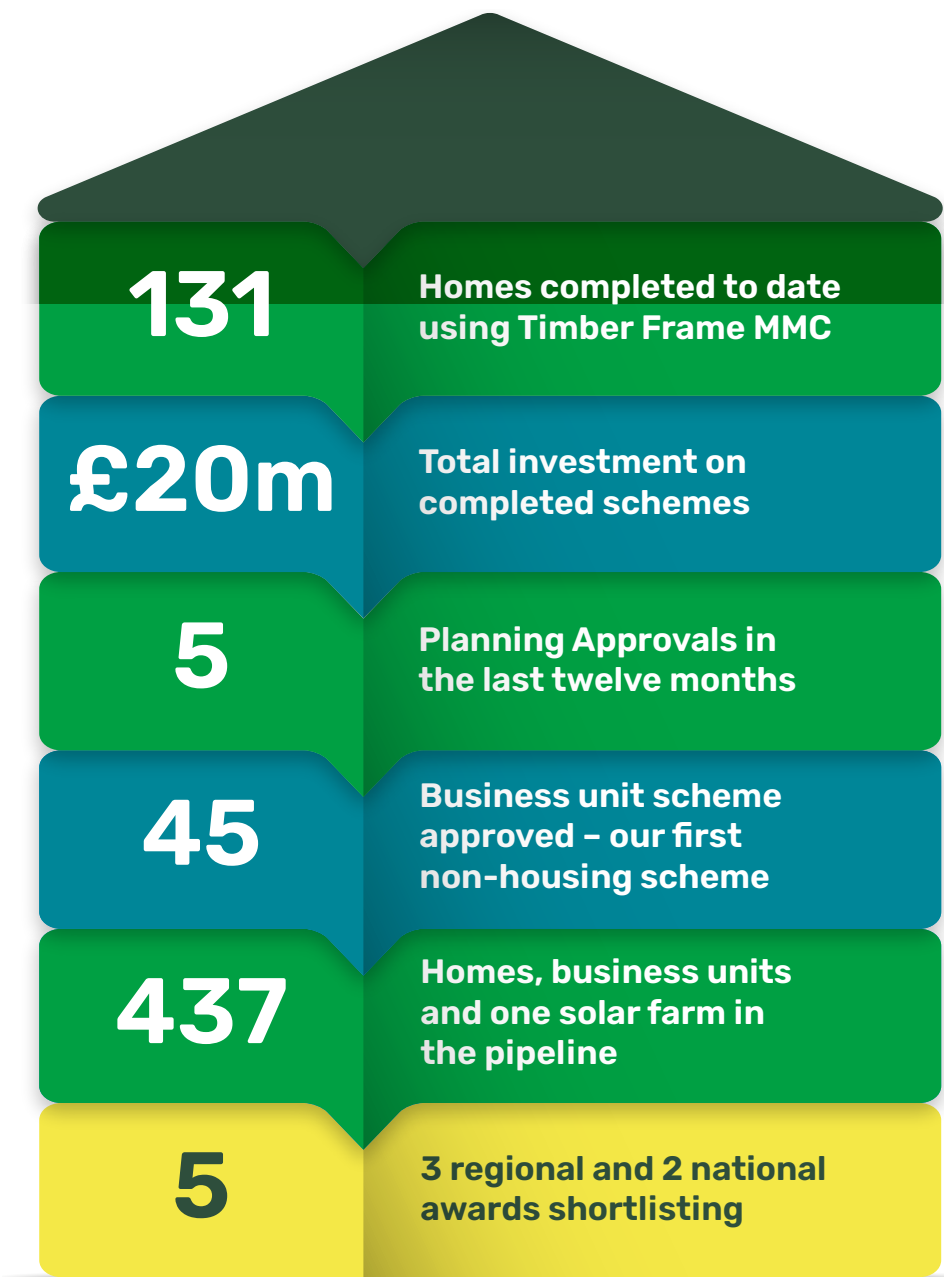


Junction 4

A major 'green business park' development of 45 new workspaces designed to bring new businesses to Skelmersdale whilst providing modern facilities for existing employers to expand. The scheme will see us invest circa £13m and will generate around 120 new jobs for the area and an increase in annual rateable income for the local authority.

Our financial performance

Here are some headline figures to demonstrate our performance in the last year. We are striving to improve on them all the time.



Tawd Valley Developments has secured its position as a viable business able to generate surpluses for investment by its shareholder, West Lancashire Borough Council.

Thanks to our team

Like most developers, Tawd Valley Developments' team comprises a small group of highly experienced professionals who guide a select group of trusted supply-chain partners in the delivery of our programmes. Our ongoing success is thanks to those strong partnerships.

We have been working with many of our key partners since our inception schemes evolved from 2019, and each is fully on-board with our ethos and values, and keenly aware of their respective roles in delivering on our vision and mission. They engage with the community enthusiastically and support our wider role in place-making and the delivery of social value. It's a genuine team approach and has worked well again, this year.

Twins, Arthur and Alfie, age 5, Fairburn, Skelmersdale



We have worked with a number of incredible principal contractors in the last twelve months, particularly Whitfield and Brown who again have delivered successfully. Our principal designer/architect, John McCall Architects, has been exceptional and has produced a unique TVD design style, applied across most of our developments, providing quality and economies of scale. Recently our design team has been bolstered by an equally exceptional practice in Paddock Johnson, assisting us with some of our newer schemes.

Our structural engineers ARP and Shape continue to provide us with the diligence, design and delivery requirements to also ensure the schemes are robust and will remain strong for many years to come. We are well supported by both Savills, Ridge

and Drees and Sommer on the design and delivery of our schemes, and excellent Clerk of Works services have been provided by LB Partners. Not wanting to stand still, we are already bolstering our team by adding further talent, helping us to progress the pipeline of some of our new projects.

Mindful of our local authority roots, the emerging Procurement Bill will bring additional responsibility on developers like us to communicate opportunity in respect of our projects. The good practice we have established to date, grounded in membership of several compliant frameworks, places TVD in a strong position, however.

Our strong relationship with Homes England has proved to be similarly successful during the last year, supporting us with more than £4 million of grant funding. We have an on-going dialogue that takes a positive forward-view of our current business plan and ambitions.

West Lancashire Borough Council is our sole shareholder and also a key member of the team, providing policy and planning services and functions as well as the client role for the majority of our schemes. Their vision, support and decision-making has been instrumental to our success. This last year we have been nominated for 3 regional awards and shortlisted for 2 national awards - pleasing recognition of the hard work of all our extended team.

And a big shout to our Board of Directors, Terry Carroll, Rob Green, Jonas Smith and Chris Twomey, without their guidance, direction and support we would not be where we are today. Equally so, our former Board Director Tony Furber who sadly passed away at the end of 2023 after a battle with illness will be fondly remembered for his passion for inclusive housing and social value

Finally, and by no means least, our thanks go to the residents living around our new homes who must accommodate our construction activity, with its attendant disruption. To the new residents who move into the homes we build, your wonderful feedback and the obvious pleasure our work has given you make everything we do that bit more special and worthwhile. We know you'll enjoy your lovely homes for many years to come.

Building homes off-site delivers numerous energy, labour and cost-savings, but also ensures greater site safety, with fewer trades working simultaneously. It also reduces site costs, because the sites are mobilised for shorter periods - therefore also limiting the impact of construction on the local community. Our proposed scheme at Elmstead, Skelmersdale will take us on this journey.





Tawd Valley
DEVELOPMENTS



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