



Development and Investment Strategy

2024 - 2027



Shropshire
Towns and Rural Housing



Incorporating our
8 STAR Strategies

starhousing.org.uk

 Shropshire Towns and Rural Housing

 @star_housing



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Welcome to our Development and Investment Strategy

Introduction

This Development and Strategic Investment Strategy outlines the joint development and investment priorities, over the next three years, between STAR Housing and Shropshire Council. By working in partnership, our aim is to build affordable homes that will:

- ▶ Meet Shropshire Council's commissioning priorities and our corporate objectives
- ▶ Deliver value for money
- ▶ Provide customers with safe and warm quality homes
- ▶ Support sustainable communities

Our four aims are a roadmap ensuring that together, we develop a framework that builds homes, delivers the priorities within the Shropshire Plan and supports our communities.

The STAR Corporate Plan 2024–2027 outlines the parameters which we and Shropshire council are now operating within. Since 2020 there've been significant challenges to the housing and public sectors. This includes the legacy of the pandemic, inflation, the growth in homelessness and the growing costs of adult and child social care.

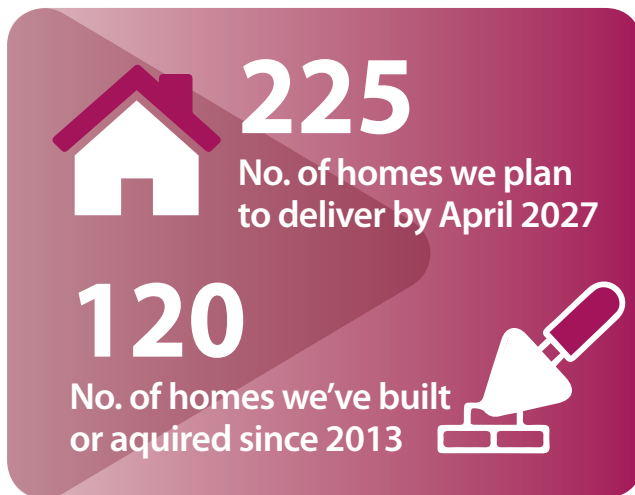
To add to this, we have the wider economic challenges, resulting in rising costs, labour and material shortages, a fall in social housing availability and the cost-of-living crisis.

Despite these challenges, together with Shropshire Council, we've identified opportunities which allow us both to deliver an innovative, customer focused and need based development programme.



In 2019 the council launched Cornovii Developments Limited (CDL). They tasked them with delivering our residential development and strategic investment programme. By producing a mix of market sale properties, private rented sector properties and affordable homes. As a private limited company, CDL can return a profit to the council or can build homes which the council can retain.

Introduction



A key cornerstone of the 2024-2027 Corporate Plan is our target to deliver 225 new homes by April 2027. We'll achieve this through prudent management of the Housing Revenue Account (HRA), alongside support from the council in securing additional borrowing for the HRA and different grant funding streams.

Since 2013, STAR has built or acquired over 120 new homes in Shropshire Towns and villages. These new homes include exemplar rural developments in Rhea Hall, Highley, which delivered 6 much needed affordable homes. Plus, new flagship town centre developments at the Frith and Cherry Blossom Way. While much needed regeneration projects like Charles King Court, in Shifnal which repurposed a church into affordable homes.

We've also secured a number of Section 106 opportunities with key house building partners to deliver a mix of affordable homes, including properties from local builders, like Shingler Homes. Section 106 is funding towards the costs of providing social housing.

Working closely with Shropshire Council, we've also acquired a number of strategic investment opportunities, which are reserved for specialist housing. This includes Coton Hill House, Castle Foregate and Parish Rooms. All achieved by securing government grant funding or by using Section 106 funds secured by the council.

Successful partnerships are the foundation underpinning these fantastic new homes. We've worked hard to forge strong links with local communities, the Local Authority, key local and national contractors and developers, alongside strategically placed consultants and agents. These partners have supported us in establishing a growing reputation as a reliable development partner and investor in the communities.

Introduction

Delivery

Together with the council we appointed CDL to deliver all our residential development.

This mutually beneficial partnership also ensures we can take advantage of CDL's expertise while delivering the HRA development programme.

Council Commissioning Priorities

In 2023, Shropshire Council developed its commissioning priorities for affordable housing in the county. They identified Shrewsbury, Oswestry and Bridgnorth as the most critical area. Each had a high demand for one-bedroom homes and larger family homes, specialist accommodation and single homeless household accommodation.

We recognise the specialist housing sector is under increased operational and financial pressure. It's caused by increased demand, rising costs and several providers leaving the sector. Our joint development strategy with the council focuses on increasing the supply of much needed affordable and specialist accommodation within Shropshire.



"...to give our customers
a safe place to
call home."

Aims

Affordable homes

Our aim

To deliver at least 225 new, affordable homes between 2024 and 2027, to meet the council's commissioning priorities.



How we'll achieve this:

- ▶ We'll continually review and assess housing need in partnership with Shropshire Council
- ▶ By building or acquiring new homes in Shropshire's rural communities. These are our key strategic growth areas and those requiring specialist housing provision
- ▶ Building a portfolio of shared ownership homes
- ▶ By securing additional debt finance for the HRA to deliver the affordable housing programme
- ▶ We'll explore opportunities to develop HRA and existing council assets to build new homes
- ▶ We'll introduce a new development and cashflow system to support our joint development programme and treasury strategy, with the council

How we'll measure success:

- ▶ Introduce a new development appraisal model by summer 2024
- ▶ We'll build or acquire at least 225 homes by spring 2025
- ▶ We'll sell all shared ownership homes within an average of a six month period
- ▶ Work with the council to borrow an additional 30m for use to build new homes by summer 2025
- ▶ Secure at least £15m of grant funding to support the development programme by spring 2027

Aims

Value for money and social value

Our aim

To appraise all new developments to deliver tangible value for money and create real social value.

How we'll achieve this:

- ▶ We'll minimise on-going maintenance by creating homes which meet our specification and are assessed on whole life costings
- ▶ By holding an annual review of our specification to ensure best quality and value is maintained
- ▶ We'll benefit local communities by supporting local suppliers and creating employment and training opportunities
- ▶ Ensure our customers are happy with their new homes
- ▶ Making sure our homes are built to a high sustainability standard



How we'll measure success:

- ▶ Update the STAR Housing development specification by autumn 2024
- ▶ We'll benefit local communities by making sure 30% of all employees and sub-contractors are from a Shropshire postcode
- ▶ We'll help employment by supporting one apprentice for every £1 million spent on each a STAR Housing development
- ▶ All our new homes will achieve an SAP rating of 82 or above
- ▶ By aiming to increase customer satisfaction with a new build to over 90%



Aims

Deliver specialist housing solutions

Our aim

We'd like to deliver at least 75 specialist homes as part of the 225 new homes commitment.



How we'll achieve this:

- ▶ We'll work with Shropshire Council to deliver priority specialist accommodation
- ▶ By developing a specialist housing, self-funding model
- ▶ Along with Shropshire Council we'll deliver a service support model for specialist accommodation, or we'll commission one
- ▶ By working with other providers and councils, we'll learn and share best practices in specialist housing
- ▶ We'll identify council and non-council owned sites suitable for specialist housing accommodation

How we'll measure success:

- ▶ Set up a working group with social care colleagues by autumn 2024 to help identify the types of homes which the council require to be built for use as specialist housing
- ▶ A review will be undertaken with the council to review its assets and identify sites suitable for specialist accommodation by summer 2025
- ▶ We'll deliver at least 75 homes for use as temporary or specialist accommodation by spring 2027
- ▶ Work with the council to secure at least £1m of grant funding to support the development of new specialist homes by spring 2027

Aims

Support and build on successful partnerships

Our aim

We want to develop successful partnerships to help STAR Housing and the council deliver more affordable and specialist homes.



How we'll achieve this:

- ▶ We'll continue to develop the strategic partnership with Cornovii Developments Ltd
- ▶ By developing STAR's relationship with Homes England (HE), the Department for Levelling Up Housing and Communities (DLUHC), West Midlands Combined Authority (WMCA), Marches Forward Partnership and by exploring new partnership arrangements.
- ▶ We'll continue to forge strong working relationships with local contractors, Town & Parish Councils and their members
- ▶ By working in partnership with developers to deliver affordable and high quality homes
- ▶ We'll identify and explore joint funding opportunities with partners
- ▶ Explore new direct delivery models to deliver affordable housing.

How we'll measure success:

- ▶ Develop a direct development delivery model to construct homes by winter 2024
- ▶ Support the council in renewing its partner status with Homes England in spring 2026
- ▶ Work with the West Midlands Combined Authority to identify funding opportunities for regeneration schemes from March 2026
- ▶ Identify at least two land lead developments with a developer partner to deliver new homes by spring 2027
- ▶ Undertake an annual away day with the council, Cornovii Developments Limited and Star Housing to develop further strategic links

STAR Strategies

Our STAR Strategies that specifically outline our objectives in key areas of our organisation, can be found and downloaded from the website at starhousing.org.uk

- ▶ Homes and Asset Management
- ▶ Customer Engagement
- ▶ Development and Investment
- ▶ IT and Business Transformation
- ▶ People
- ▶ Finance, Governance and Risk
- ▶ Neighbourhood and Community
- ▶ Customer Care

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Delivering vibrant communities in a changing world



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