

To Members of the Council

Cllr. Roy Denney (Chairman)
Cllr. Janet Forey (Vice-Chairman)

Cllr. Shabbir Aslam
Cllr. Royston Bayliss
Cllr. Dr John Bloxham
Cllr. Lee Breckon JP
Cllr. Nick Brown
Cllr. Nick Chapman
Cllr. Adrian Clifford
Cllr. Cheryl Cashmore
Cllr. Stuart Coar
Cllr. Luke Cousin
Cllr. Tony Deakin
Cllr. Alex DeWinter

Cllr. Susan Findlay
Cllr. Helen Gambardella
Cllr. Hannah Gill
Cllr. Nigel Grundy
Cllr. Paul Hartshorn
Cllr. Richard Holdridge
Cllr. Mark Jackson
Cllr. Becca Lunn
Cllr. Antony Moseley
Cllr. Les Phillimore
Cllr. Terry Richardson
Cllr. Ande Savage

Cllr. Tracey Shepherd
Cllr. Dillan Shikotra
Cllr. Mike Shirley
Cllr. Roger Stead
Cllr. Ben Taylor
Cllr. Matt Tomeo
Cllr. Bob Waterton
Cllr. Jane Wolfe
Cllr. Maggie Wright
Cllr. Neil Wright

Dear Councillor

A meeting of the **COUNCIL** will be held in the Council Chamber - Council Offices, Narborough on **TUESDAY, 8 JULY 2025 at 5.30 p.m.** Please find attached a supplemental item that is required for the meeting and is in addition to the agenda and report pack that has already been circulated.

Yours faithfully



Gemma Dennis
Corporate Services Group Manager and Monitoring Officer

SUPPLEMENTAL AGENDA

To receive questions to Councillors submitted by members of the public and to receive any petitions submitted in accordance with the Council's petitions scheme.

6. Public Speaking Protocol

Requests received by the Protocol deadline to be reported by the Monitoring Officer with details of the Agenda Item to which they relate. (Such persons entitled to use the Protocol attend for the purpose of making representations, answering questions or giving evidence relating to the business of the meeting and the time allocated to each person is a maximum of three minutes unless extended at the discretion of the Chairman).

To receive any questions submitted by Councillors.

7. Questions from Members

Any Members wishing to submit questions must do so to the Monitoring Officer no later than 5 working days before the meeting.

The Monitoring Officer will report if any questions have been submitted.

8. Question under Council Rules of Procedure

Cllr. Maggie Wright to raise the following question to Cllr. Mike Shirley – Planning, Transformation and ICT Portfolio Holder:

I was pleased to read an article in the July 2025 addition of the Local Government Association magazine, “first” that the Government will impose powers on developers to reclaim sites if they are not built and delivered within specific timeframes. The article goes on to say that Housebuilders will have to commit to delivery timeframes before they get planning permission and must submit annual reports to councils showing their progress, this is under new rules to ensure homes with planning permission are built out.

As a Ward Councillor I am concerned that because Blaby District Council no longer has a five-year land supply and the “Tilted Balance” is being applied when determining planning applications. Developers are taking advantage of this situation leading to excessive growth numbers sitting in the planning system and continually being added to. The cumulative impact of adding the housing numbers from the new Local Plan could potentially mean our villages and district will be saturated by development because of these legacy numbers. Houses are not being built but applications are still being approved.

My question(s) to the portfolio holder is how many houses have been approved within the last 3 years and are sitting in the system but not built?

Will these be added to the number expected to be delivered by the Local Plan or will they be accounted for?

What is your strategy to deal with this situation?

To consider any reports submitted for consideration by Council.

9. Modern Slavery Statement 2026 Appendix A (pages 4-9 enclosed)

To consider the report of the Customer Insight, Experience and Engagement Service Manager.

10. Treasury Management Outturn 2024/25 Appendix A (pages 10-13 enclosed)

To consider the report of the Finance Group Manager.

11. Affordable Housing Contributions Appendix A (pages 14-21 enclosed).

To consider the report of the Housing Services Manager.

Blaby District Council **Statement****Modern Slavery Statement 2025**

Original Publish Date	13/11/2018	Review Frequency	Annual	Current Version Publish Date	13/11/2018
Approved By*	Council	Approval Date*	08/07/2025	Version Number	001
Author Job Title	Customer Insight, Experience & Engagement Service Manager	Service Area	Equalities, Diversity, and Inclusion	Document Register Reference	A 839

*'Approved by' and 'approval date' are in relation to the most recent version.

Review History			
Version*	Reviewed By (Job Title)	Review Completion Date	Brief Description of Changes (add 'no changes required' if applicable)
001	Customer Insight, Experience & Engagement Service Manager	1.6.2023	Updated the resident count, checked the links still worked, changed the financial year that applied and emailed other teams to check policies still correct. Approval date updated above to 20.6.23 as document was still taken to Council for approval, despite no significant changes.
002	Customer Insight, Experience & Engagement Service Manager	14/08/2024	Updated the resident count, checked the links still worked, changed the financial year that applied and emailed other teams to check policies still correct. Approved by council on 16.07.2024

*Version number remains the same if no significant changes are made upon review.

Document Definition / Approval & Review

Defining the document type and how it is approved and reviewed

Blaby District Council statement ‘**A definite or clear expression of something in writing (something that is written which provides information in a formal or definite way).**’

Key published documents are approved for publication in line with the approval matrix illustrated in the Key Published Document Procedure.

Unless agreed by exception, key published documents must be reviewed at least **every 3 years** from the date of approval.

Significant updates/changes must also seek reapproval in line with the approval matrix.

Scope

To what and to whom this statement applies

Staff in multiple service areas, councillors and members of the public living in or visiting Blaby District, businesses operating within Blaby District, partner agencies and contractors working alongside Blaby District Council.

This Statement contains direct links to the following:

- Whistleblowing Policy
- Standards, Feedback and Complaints Process
- Constitution – Parts 5 and 11

Terms & Definitions

Definition of any acronyms, jargon, or terms that might have multiple meanings.

Term	Definition

Modern Slavery Statement 2025

Introduction

The UK Modern Slavery Act (MSA) 2015 received Royal Assent on Thursday 26 March 2015. It was the first in Europe, and one of the first in the world, to specifically address slavery and trafficking in the 21st century. Provision 54 of the Act requires organisations, in any sector, which do business in the UK to disclose the steps they are taking to address modern slavery in their business and supply chain in an annual statement. This provision requires organisations to be transparent about how they conduct their business.

This statement sets out Blaby District Council's measures to understand all potential modern slavery risks related to its business and to put in place steps aimed at ensuring there is no slavery or human trafficking in its own business and its supply chains.

As part of the public sector, Blaby District Council recognises that it has a responsibility to take a robust approach to slavery and human trafficking. The Council is committed to improving its practices to combat and prevent slavery and human trafficking in its activities, and to ensure that its supply chains are free from slavery and human trafficking. We collaborate with other authorities, the police, health professionals, and other relevant local groups to ensure effective communication and best practice is shared.

Organisational structure and supply chains

Blaby District Council provides a range of services for its 102,926 residents, from council tax collection, waste collection, planning management and environmental health. Other services, such as schools, social care and roads/transport links are provided by Leicestershire County Council. Goods and services can be delivered both directly by the Council and through external contractors. We are aware of upcoming reforms affecting modern slavery legislation regarding our organisational structure and supply chains. We will ensure that all our policies and procedures comply with these new changes and are adapted where necessary and appropriate.

Countries of operation and supply

The Council operates in the United Kingdom. We consider the risk of slavery and human trafficking to be low due to the type of activity that we undertake. However, we will remain vigilant, and potential risks will be considered when delivering our services or undertaking procurement exercises.

Responsibility

Our core values commit the Council to:

Put the customer at the heart of everything that we do
Be innovative, adaptable, and resourceful
Understand the needs of our communities and treat everyone fairly
Be open, honest, and clearly communicate

With these principles in mind, we have a range of policies and processes which reflect our commitment to acting ethically and with integrity.

Policies: Council policies are developed by officers employed by the authority and are then agreed upon by our senior officers, councillors, and partner organisations where relevant.

Risk assessments: These are undertaken by officers within the relevant service area and corporately. Support and advice are provided by those charged with safeguarding, equality and human rights, procurement, human resources, and risk management responsibilities.

Investigations/due diligence: Under Section 52 of the Act, the 'duty to report', we will refer any suspected or known incidents of slavery or trafficking to the relevant authority via nominated safeguarding officers.

Any investigations in relation to suspected or confirmed modern slavery will be conducted through partners such as the NCA Modern Slavery and Human Trafficking Unit.

Specific policies which apply

Children and Young People Safeguarding Policy and Adults in Need of Safeguarding Policy: The Council has two safeguarding policies which are declarations of the Council's commitment to safeguarding people, irrespective of age. Whilst it is not our job to establish whether abuse is taking place, it is our responsibility to report any concerns we have over the welfare of an adult or child and to co-operate in any multi-agency investigations as appropriate. These policies include procedures for delivery of a safe environment by officers and for effective operation with its partners, to report safeguarding issues. As such the 'duty to notify' provision as set out in Section 52 of the Modern Slavery Act 2015, which applies to public authorities, including district councils, will be supported by this policy. Safeguarding training is provided through e-learning and face to face sessions for both staff and councillors.

Whistleblowing Policy: The Council encourages all its workers, customers, and other business partners to report any concerns related to the activities of the Council or its contractors. The Council's [Whistleblowing Policy](#) is designed to make it easy for workers, customers, partners etc. to make disclosures, without fear of retaliation. We encourage employees who have serious concerns to raise these via the persons specified in the Policy. We want to know if customers have any issues and concerns; these can be reported through the [Standards, Feedback and Complaints process](#). These concerns, if appropriate, will be followed up via the Council's safeguarding policies and procedures.

Employee Code of Conduct: The organisation's code makes clear to employees the actions and behaviour expected of them when representing the organisation. The Council strives to maintain the highest standards of employee conduct and ethical behaviour, as set out in 'the Nolan Principles' including when managing its supply chain. ([Constitution: PART 5](#))

Member Code of Conduct: The organisation's code makes clear to members the actions and behaviour expected of them when representing the organisation. The Council members must maintain the highest standards of courtesy and respect and follow the 10 general principles specified by the Secretary of State after the Nolan Report. ([Constitution: PART 5](#))

Procurement: The Council has a Procurement Toolkit, and the Contract Regulations are laid out in [Part 11 of the Constitution](#). The toolkit and regulations support the role procurement plays in minimising the risk of modern slavery and human trafficking by suppliers, by laying out the requirements to comply with legislation and equality principles.

Where a procurement is valued at £50,000 or above, the Council will seek to ensure that potential suppliers are compliant with the Modern Slavery Act 2015, by inclusion of distinct evaluation award criteria. Further evidence will be sought if the procurement is considered high risk in terms of modern slavery, for example, transport and waste related procurements.

Blaby District Council expects all suppliers of goods or services to the Council who meet the requirements of the Modern Slavery Act 2015 (that is, their turnover is above £36m) to have their own policy relating to working practices or modern slavery, or for equivalent and sufficient evidence to be available to ensure their standards are in accordance with the Council's expectations. Compliance will be monitored as part of the contract management procedures following award.

Equality and Human Rights Policy: This policy recognises that the Council has a responsibility to challenge discrimination, harassment, and victimisation in delivering services and as an employer. We aim to meet both our legal and moral duty to ensure that the principles of fairness, equality, and respect are upheld. The Equality Act 2010 and the Human Rights Act 1998 focus on the right of people not to be discriminated against and safeguard the fundamental freedoms of everyone.

Data Protection: Due regard should be given to data protection legislation, Data Protection Act (2018). Councils' statutory powers support joint investigations by allowing for sharing information to prevent or detect crime and support legal proceedings. The LGA has a memorandum of understanding on data sharing with HMRC which all councils can sign up to to share and receive data from HMRC.

Planned actions to tackle slavery and human trafficking

1. **Training and awareness-raising:** The Council will continue to raise awareness among staff and councillors. The Council recognises that certain colleagues within the organisation may require more specific or in-depth training, depending on their job role, to raise awareness further and ensure compliance with the Modern Slavery Act 2015.

We have an induction program for all new staff members and ongoing training that employees must complete. This includes safeguarding e-learning and tackling exploitation and modern slavery e-learning. This training:

- enables staff to identify and know how to spot and report incidents of abuse and neglect, including modern slavery and human trafficking
- explains what to do if a member of staff comes into contact with a potential victim
- explores the risks to individuals who have been trafficked and enslaved
- explains how support is available through a multi-agency approach

We will also make available information for all staff outlining our duties, potential warning signs and what to do if they have any concerns.

2. **Policy updates:** Relevant policies, procedures and processes will be reviewed and adapted to include the aim of ensuring there is no slavery or human trafficking in the Council's own business and its supply chains.
3. **Employment:** Victims of modern slavery and human trafficking within the Council will be supported through our human resources policies and procedures. This will apply to those already in employment, during recruitment and temporary and /or agency staff. We will ensure a safe environment within the Council for concerns to be raised and reported.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Blaby

Signed
Date :

Date:

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1. Capital Expenditure and Financing

This indicator shows the capital expenditure plans for the year and demonstrates how those plans are financed.

	2023/24 Actual £	2024/25 Budget £	2024/25 Actual £
Capital Expenditure			
S106-backed schemes	534,928	381,235	88,177
Other schemes	6,461,665	10,268,776	4,520,802
Total Capital Programme	6,996,593	10,650,011	4,608,979
Financed by:			
Capital receipts	(730,959)	(1,494,710)	(470,922)
Capital grants and contributions	(2,596,933)	(5,124,130)	(2,810,628)
Capital reserves	(371)	(145,315)	(89,227)
Revenue contributions	(4,000)	(100,082)	(82)
Total Financing	(3,332,263)	(6,864,237)	(3,370,859)
Borrowing Requirement	(3,664,330)	3,785,744	1,238,120

2. Capital Financing Requirement

The Capital Financing Requirement (CFR) is a measure of the Council's underlying need to borrow for capital purposes. It will increase as the Council incurs capital expenditure which cannot be met from other resources, but this will be partially offset by revenue repayments for the year (the Minimum Revenue Provision).

	2023/24 Actual £	2024/25 Budget £	2024/25 Actual £
CFR as of 1st April 2024	14,486,025	17,365,910	17,365,910
Capital Expenditure in Year	6,996,593	10,247,677	4,184,696
IFRS16 lease additions	0	402,334	424,283
Financing in Year	(3,332,263)	(6,864,237)	(3,370,859)
IFRS Adjustment	0	0	(3,916)
Minimum Revenue Provision	(484,445)	(610,820)	(610,520)
Voluntary Revenue Provision	(300,000)	(300,000)	(300,000)
CFR as of 31st March 2025	17,365,910	20,240,864	17,689,594

3. Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs, net of investment income) against the net revenue stream.

	2023/24 Actual	2024/25 Budget	2024/25 Actual
Ratio	8.14%	8.55%	8.81%
	11		

4. The Portfolio Position

The table below compares the Council's actual external debt, including other long-term liabilities such as finance leases, with the CFR. This indicator also acts as a limit to borrowing activity. Gross external debt should not, except in the short term, exceed the total of CFR in the preceding year plus the estimated additional CFR for 2024/25 and the next two financial years. This allows some limited flexibility for borrowing in advance of need. No difficulties are envisaged in complying with this indicator for the current or future financial years.

	2023/24 Actual £	2024/25 Budget £	2024/25 Actual £
External Debt			
Debt on 1st April 2024	5,929,939	5,713,439	5,713,439
Leases at 1st April 2024	455,157	454,891	454,864
Leases in year	0	402,334	424,283
Borrowing 2024/25	0	2,400,000	0
Loan Repayments		(855,837)	(855,337)
Lease Repayments	(216,766)	(15,486)	(15,186)
Debt at 31st March 2025	6,168,330	8,099,341	5,721,563
CFR (as above)	17,365,910	20,240,864	17,689,594
Under/(Over) Borrowing	(11,227,580)	(12,141,523)	(11,968,031)

5. Operational Boundary for External Debt

This is the limit which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt.

	2023/24 Actual £	2024/25 Budget £	2024/25 Actual £
Borrowing	5,713,439	18,200,000	4,857,602
Other Long-Term Liabilities	454,891	2,500,000	454,864
Total	6,168,330	20,700,000	5,312,466

6. Authorised Limit for External Debt

A further key prudential indicator represents a control on the maximum level of borrowing. This is the limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

	2023/24 Actual £	2024/25 Budget £	2024/25 Actual £
Borrowing	5,713,439	20,222,200	4,857,602
Other Long-Term Liabilities	454,891	2,777,800	454,864

Total	6,183,330	23,000,000	5,312,466
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7. Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these is to manage risk and reduce the impact of any adverse movement in interest rates. However, if these are too restrictive, they will impair the opportunities to reduce costs and/or improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates.
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

	2023/24 Actual	2024/25 Budget	2024/25 Actual
Maturity structure of fixed interest rate borrowing:			
Under 12 months	14.99%	100.00%	17.65%
12 months to 2 years	15.01%	100.00%	0.00%
2 years to 5 years	0.00%	100.00%	0.00%
5 years to 10 years	0.00%	100.00%	0.00%
10 years and above	70.00%	100.00%	82.35%

8. Investments Greater Than 365 Days

This limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and is based on the availability of investments after each year-end.

	2024/25 Actual £	2024/25 Budget £	2024/25 Actual £
Principal sums invested > 365 days	754,696	6,000,000	754,696

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Blaby District Council

Appraisal of Scheme Proposals at
Springwell Lane, Whetstone

June 2025



1 INTRODUCTION AND BACKGROUND

- 1.1 ARK has been asked by Blaby DC (Blaby) to undertake a development appraisal of a potential scheme at Springwell Lane, Whetstone, with a view to considering if a request by Futures Housing Group (FHG) for additional top up funds to help subsidise the development is reasonable.
- 1.2 ARK is aware that it is very difficult for land-led developments to achieve a break even position, even with Homes England Funding, and therefore the request for additional funding is not uncommon.
- 1.3 ARK undertakes a development benchmarking exercise annually and this enables us to undertake an appraisal of the scheme with confidence as to the veracity of the appraisal assumptions used, and thus the outcomes can be judged against typical hurdle criteria within the sector.
- 1.4 We have used Proval to undertake the appraisal, which is one of the industry standard appraisal tools.

2 THE SCHEME

- 2.1 Springwell Lane is a scheme of 21 units located in Whetstone consisting of 15 x social rented homes and 6 x shared ownership homes with the following mix:

Plot	Tenure	size	Value	99 value
Plot 1	Shared ownership	4 bed detached	£430,500	£111,930
Plot 2	Shared ownership	4 bed detached	£430,500	£111,930
Plot 3	Social rent	2 bed semi-detached	£260,000	£67,600
Plot 4	Social rent	3 bed semi-detached	£260,000	£67,600
Plot 5	Shared ownership	4 bed semi-detached	£260,000	£67,600
Plot 6	Shared ownership	5 bed semi-detached	£260,000	£67,600
Plot 7	Social rent	3 bed semi-detached	£325,500	£84,630
Plot 8	Social rent	4 bed semi-detached	£325,500	£84,630
Plot 9	Social rent	2 bed end terrace	£257,500	£66,950
Plot 10	Social rent	2 bed mid-terrace	£245,000	£63,700
Plot 11	Social rent	2 bed end terrace	£257,500	£66,950
Plot 12	Social rent	3 bed end terrace	£312,500	£81,250
Plot 13	Social rent	3 bed mid terrace	£310,000	£80,600
Plot 14	Social rent	3 bed end terrace	£312,500	£81,250
Plot 15	Social rent	2 bed end terrace	£257,500	£66,950
Plot 16	Social rent	2 bed mid-terrace	£245,000	£63,700
Plot 17	Social rent	1 bed coach	£157,500	£40,950
Plot 18	Social rent	2 bed mid-terrace	£245,000	£63,700
Plot 19	Social rent	2 bed end terrace	£257,500	£66,950
Plot 20	Shared ownership	3 bed detached	£362,250	£94,185
Plot 21	Shared ownership	3 bed detached	£330,000	£82,900
Total GDV			£6,101,750	

- 2.2 Development costs are identified as follows:

Heading	Cost
Land	£1,020,000
Works	£4,477,746
S106 contributions	£150,000
Future's on costs	£236,451
Total	£5,884,197

2.3 FHG has stated that the costs are supported by the following “income”:

Heading	"Income"
Homes England Grant	£1,663,500
Sales income	£621,975
Blaby DC grant	£148,381
Futures internal subsidy	£3,410,341
Total	£5,844,197

2.4 As can be seen, the costs above are balanced only with the addition of Blaby DC grant to the sum of £148,381.

2.5 The purpose of this review is therefore to consider whether the £148,381 requested as grant from Blaby is considered reasonable in the context of the viability of the scheme.

3 ARK APPRAISAL

3.1 ARK's review of the scheme is in two parts: firstly, are the costs considered reasonable and, secondly, whether the scheme could be considered viable without the additional subsidy from Blaby DC.

SCHEME COSTS

3.2 Scheme costs on a plot and m2 basis are as follows:

Heading	Cost	Per plot	per m2	%
Land	£1,020,000	£48,571	£596	17%
Works	£4,477,746	£213,226	£2,619	76%
S106 contributions	£150,000	£7,143	£88	3%
Future's on costs	£236,451	£11,260	£138	4%
Total	£5,884,197	£280,200	£3,441	100%

3.3 Land costs are considered realistic and will undoubtedly be supported by a valuation commissioned by FHG, and ARK is not in a position to comment further other than land costs represent 17% of total scheme costs, which is relatively low, and that total scheme costs are less than the GDV.

3.4 Works costs at £2,626 per m2 are entirely within ARK's range of expectations and very close to benchmarks, and on that basis appear reasonable, especially when considering the listed abnormal costs.

3.5 ARK is not able to comment on S106 contributions as they are a matter of national and local policy.

- 3.6 On-costs at 4% are very low and these would usually range between 8% and 12% depending on the scheme. FHG state in their letter dated 17.04.25 that on-costs include for development interest and the appraisal has been adjusted to show total on-costs, including interest, to as close to an amount to the FHG one as possible.
- 3.7 Notwithstanding the low on-costs the overall cost of the scheme is considered reasonable and within expectations for a scheme of this nature.

SCHEME VIABILITY

- 3.8 ARK is unable to reproduce the FHG appraisal directly as we do not have access to their appraisal criteria, however we can test the viability of the scheme using Proval, an industry standard appraisal tool.
- 3.9 ARK has therefore created a Proval appraisal using mid-range benchmark appraisal criteria plus data from FHG, such as scheme mix and valuations, which are shown at appendix 1.
- 3.10 At this stage any contribution from Blaby DC has been excluded.
- 3.11 Total scheme costs are summarised in the table below extracted from Proval:

	Total	Per Unit (21)	Per Person (93)	Per m ² (1705)	% MSV	% TSC
Acquisition	£1,020,000	£48,571	£10,968	£598	16.72 %	17.33 %
Works	£4,477,746	£213,226	£48,148	£2,626	73.38 %	76.10 %
Acq & Wks	£5,497,746	£261,797	£59,116	£3,224	90.10 %	93.43 %
Fees	£262,664	£12,508	£2,824	£154	4.30 %	4.46 %
Other Costs	£0	£0	£0	£0	0.00 %	0.00 %
Interest Cost	£123,774	£5,894	£1,331	£73	2.03 %	2.10 %
Fees, Other & Interest	£386,438	£18,402	£4,155	£227	6.33 %	6.57 %
Total	£5,884,184	£280,199	£63,271	£3,451	96.43 %	100.00 %
Subsidy	£1,663,500	£79,214	£17,887	£976	27.26 %	28.27 %
MSV	£6,101,750	£290,560	£65,610	£3,579	100.00 %	103.70 %
Month 1 Sales	£621,975	£29,618	£6,688	£365	10.19 %	10.57 %
Opening Loan	£3,598,709	£171,367	£38,696	£2,111	58.98 %	61.16 %
Offset Sales	£0	£0	£0	£0	0.00 %	0.00 %
Year 1 Net Rent	£130,453	£6,212	£1,403	£77	2.14 %	2.22 %

- 3.12 Total costs are £5,884,184 which is £13 different from the costs shown by FHG, and thus close enough for meaningful comparison.
- 3.13 The financial performance of the scheme is as follows:

Appraisal Summary		Social Rent		Shared Ownership	
Scheme Name	Springwell Lane, Whetstone	Total Units	15	Total Units	6
Appraisal By	A Redmond	Total Persons	63	Total Persons	30
Total Units	21	NPV at First Handover	-£332,815	NPV at First Handover	£144,754
Persons	93	IRR	4.22 %	IRR	5.86 %
NPV at First Handover	-£188,061	TSC / MSV	96.21 %	TSC / MSV	96.86 %
IRR	4.68 %	Loan Repaid Year	45	Loan Repaid Year	34
TSC / MSV	96.43 %				
Loan Repaid Year	45				

- Combined NPV is -£188,061 (-£8,955 per unit)
- IRR is 4.68%
- Breakeven year is year 45

3.14 Based on the appraisal outcomes above, the scheme would not pass the approval hurdle for most RPs.

3.15 Adding in the Blaby DC subsidy shows the following total scheme costs:

	Total	Per Unit (21)	Per Person (93)	Per m ² (1705)	% MSV	% TSC
Acquisition	£1,020,000	£48,571	£10,968	£598	16.72 %	17.38 %
Works	£4,477,746	£213,226	£48,148	£2,626	73.38 %	76.28 %
Acq & Wks	£5,497,746	£261,797	£59,116	£3,224	90.10 %	93.65 %
Fees	£262,664	£12,508	£2,824	£154	4.30 %	4.47 %
Other Costs	£0	£0	£0	£0	0.00 %	0.00 %
Interest Cost	£109,898	£5,233	£1,182	£64	1.80 %	1.87 %
Other & Interest	£372,562	£17,741	£4,006	£219	6.11 %	6.35 %
Total	£5,870,308	£279,538	£63,122	£3,443	96.21 %	100.00 %
Subsidy	£1,811,881	£86,280	£19,483	£1,063	29.69 %	30.87 %
MSV	£6,101,750	£290,560	£65,610	£3,579	100.00 %	103.94 %
Month 1 Sales	£621,975	£29,618	£6,688	£365	10.19 %	10.60 %
Opening Loan	£3,436,452	£163,641	£36,951	£2,016	56.32 %	58.54 %
Offset Sales	£0	£0	£0	£0	0.00 %	0.00 %
Year 1 Net Rent	£130,453	£6,212	£1,403	£77	2.14 %	2.22 %

3.16 The financial performance of the scheme is now:

Appraisal Summary		Social Rent		Shared Ownership	
Scheme Name	Springwell Lane, Whetstone	Total Units	15	Total Units	6
Appraisal By	A Redmond	Total Persons	63	Total Persons	30
Total Units	21	NPV at First Handover	-£170,879	NPV at First Handover	£144,754
Persons	93	IRR	4.58 %	IRR	5.86 %
NPV at First Handover	-£26,125	TSC / MSV	95.87 %	TSC / MSV	96.86 %
IRR	4.95 %	Loan Repaid Year	42	Loan Repaid Year	34
TSC / MSV	96.21 %				
Loan Repaid Year	42				

- Combined NPV is -£26,125 (-£1,244 per unit)
- IRR is 4.95%
- Breakeven year is year 42

3.17 The scheme now shows a financial position much closer to breakeven NPV, an IRR of 5% and payback within 40 years, which is the approval position adopted by most RPs.

4 CONCLUSION

- 4.1 The following table summarises the effect on the appraisal of the Blaby DC grant:

Cost/outcome	Without Blaby grant	With blaby grant	Variation
Total Scheme costs	£5,884,184	£5,870,308	-£13,876
Grant	£1,663,500	£1,811,887	£148,387
Sales	£621,975	£621,975	£0
Loan	£3,598,709	£3,436,452	-£162,257
NPV	-£188,061	-£26,125	-£161,936
NPV per unit	-£8,955	-£1,244	£7,711
IRR	4.68%	4.95%	0.27%
Loan repayment year	45	42	3

- 4.2 The Blaby DC grant therefore has a positive effect and brings the ARK appraisal much closer to a break-even position; the FHG appraisal uses their own metrics, and the outcome is therefore slightly different, but not so much as to significantly affect the justification for the additional grant.
- 4.3 On the basis of the appraisal outcomes above, it can therefore be concluded that the Blaby DC grant has a positive effect on the appraisal and, if Blaby were to agree it, bring the outcomes much closer to a breakeven position.

ARK Consultancy
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Appendix 1 - Appraisal Criteria

Criteria	Measure	Comment
Discount rate	5%	Benchmark median
Interest rate	5%	Benchmark median
NPV period	40 years	Benchmark median
Social rents	Target plus 5% based on '99 values	As per Future's valuation
Shared ownership rents	2.75% of unsold equity	Standard rents
Rent increases	1% over base CPI of 2%	3% total
Equity sales	30% as per Futures appraisal	As per Futures appraisal
Project timing	April 2025 - Feb 2027 completion	2 months longer than Futures appraisal
Unit mix	As per Future's appraisal	
Management Fee	£325 rent £168 shared ownership	Benchmark median
Maintenance Fee	£515 rent £500 shared ownership (10 years only)	Benchmark median
Voids and bad debts	2.4% rent 0% shared ownership	Benchmark median
Major repairs	£1,370 pupa after year 11 £0 shared ownership	Benchmark median
Homes England subsidy	£1,663,500	As per Futures appraisal
Equity sales	£621,975	As per Futures appraisal
On-costs	£236,452	As per Futures appraisal
S106 costs	£150,000	As per Futures appraisal