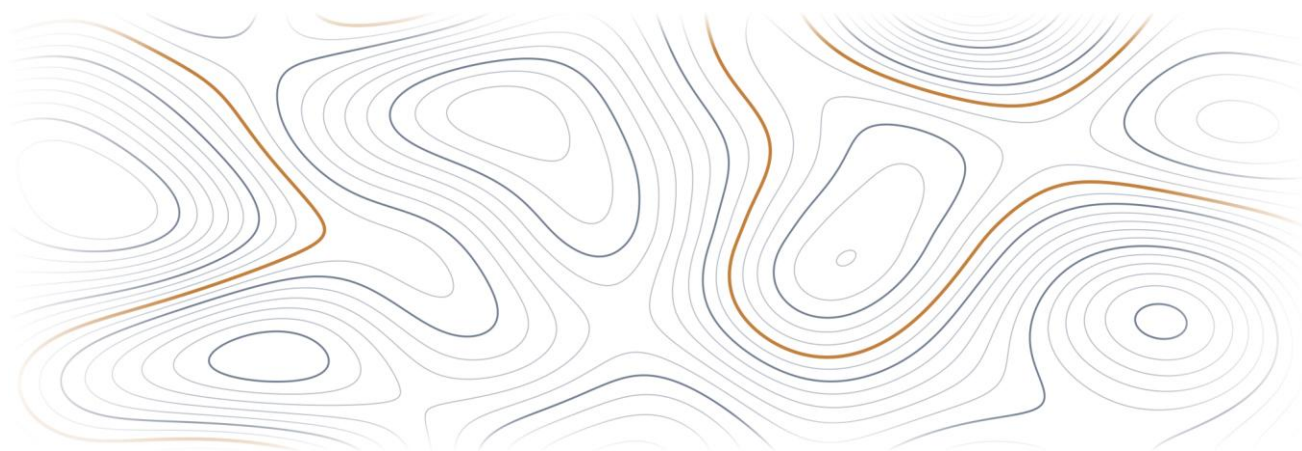


SUMMARY REPORT

Tawd Valley Developments Limited in Summary

A short-form summary of the independent external evaluation: what the company has delivered, what it costs, and what should happen next



PREPARED FOR
The TVD Board

PREPARED BY
Mickledore Ltd

STATUS
Summary of the final evaluation report

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A summary of the independent external evaluation of Tawd Valley Developments Limited. The full report is the authoritative document and should be read where detail or evidence is required.

About this summary

This is a summary of the independent external evaluation of Tawd Valley Developments Limited (TVD), commissioned by the TVD Board and carried out by Mickledore Ltd. It covers the same ground as the full report but in shorter form, and it sets out the issues identified as well as the achievements. Where a reader needs the evidence behind a statement, the section reference in the full report is given.

The evaluation asks four questions. What has the company delivered since incorporation in 2018? How economically and effectively has it operated? What difference has that made in West Lancashire? And what role should it play under the successor authority? It is theory-based and multi-source, drawing on document analysis, 29 stakeholder interviews conducted between July and August 2026, comparative benchmarking against eleven housing-led Teckal vehicles, and five scheme-level case studies. Value for money is assessed against the National Audit Office Four Es, with appraisal following Green Book and Magenta Book conventions. Figures are stated to a data cut-off of July 2026.

The record at a glance

Headline record, 2018 to 2026	Position at July 2026
Homes completed	155 across nine schemes
Capital deployed	£25.56m, an average of £164,872 per unit
Homes in delivery	35 — 29 at Maryvale (£7.47m) and 6 at Egerton (£1.99m)
Commercial delivery	Junction 4 Business Park, 45 units and 100,000 sq ft (£14.22m)
Homes England grant secured	£6.12m across seven schemes, meeting 24% of completed capital
Other external funding	£498,239 secured by TVD, plus a £785,000 Council-secured enabling grant
Cash income to the Council	£1,043,154, of which £583,254 is finance interest
Residents accommodated	An estimated 362, rising to around 444 on completion of Maryvale and Egerton
Construction employment	160 job-years completed; 308 across the business plan pipeline
Overhead per unit (FY24)	£15,575, against an £18,180 average across the eleven benchmarked vehicles
Schemes failing to complete	None

What TVD has delivered

TVD has completed nine residential schemes totalling 155 homes, eight of them new build and one the conversion of a redundant Council asset. All lie within West Lancashire and six of the nine are in Skelmersdale. Two further schemes, Maryvale and Egerton, are in delivery and will take the residential programme to 190 units, alongside the Junction 4 Business Park.

Completions have come in bursts rather than continuously, which is typical of a development company of this size, and the programme carries a cumulative delay of 169 net months. The evaluation attributes that delay almost entirely to factors outside the company: land acquisition, planning determination, Section 106 execution, and capacity limits within the Homes England Affordable Homes Programme 2021 to 2026. At Maryvale, sixteen of the twenty-four months from planning submission to consent were spent completing the Section 106 agreement alone. This is a finding about a consent chain that is not agile enough for the throughput expected of

the company, and about constraints on the shareholder side that lie outside TVD's control, rather than about the company's operational capability. (Sections 3.1 to 3.6)

Tenure has widened deliberately, scheme by scheme. The early schemes were predominantly affordable rent. Rent to buy was introduced at Fairlie, where thirteen of fifty homes were offered on that basis; social rent has been the tenure of choice on the newest schemes, including Digmoor Phase 1 and Egerton; and shared ownership was launched at Beconsall Lane and continues at Maryvale. Homes England identifies TVD as one of a small number of vehicles of its type to have delivered across that range, and rent to buy and shared ownership are difficult, and in some cases legislatively impossible, through the Housing Revenue Account. (Sections 3.4 and 4.6)

Value for money

The value-for-money case does not rest on building homes more cheaply. Build costs place TVD in the middle rank of northern and midlands comparators, and direct delivery through the Housing Revenue Account does not build more cheaply. Corporate overhead of £15,575 per unit at the year ended 2024 sat below the £18,180 average across the eleven benchmarked vehicles, fifth lowest of eleven. Unit costs have risen from £152,292 in 2021/22 to £170,744 in 2024 and £202,651 across the two new-build schemes completing in 2026, tracking construction cost inflation rather than any loss of operational grip. (Sections 4.2 and 4.3)

The case rests instead on what the Council could not have done another way. Five things are evidenced:

- **Grant capture.** £6.12m of Homes England grant across seven schemes, with the per-unit rate rising from £35,000 on the early schemes to £94,000 at Digmoor Phase 1. Only two of Lancashire's twelve district councils secured Homes England funding over the last five years, and TVD is the only one to have done so for general needs affordable housing. TVD has also completed three audit compliance checks on the Council's behalf, passing all three with green status and no breaches recorded at any level of severity.
- **Tenure range.** Delivery across affordable rent, social rent, rent to buy and shared ownership, extending the offer to households the Housing Revenue Account route cannot serve.
- **Procurement agility.** Direct instruction under the Teckal exemption, allowing fixed-price contracts to be placed during the most volatile construction market in recent memory, with no scheme having exceeded budget.
- **Planning horizon.** A dedicated entity able to hold a long-term view of complex multi-year regeneration through changes in administrative and policy priority, standing apart from the short-term demands that displace long-term ambitions inside a council.
- **Return to the shareholder.** £1,043,154 of cash income between 2019/20 and 2025/26, of which £583,254 is finance interest. The 2.0 per cent margin above the Council's own borrowing cost flows into the General Revenue Account pre-tax; an in-house scheme cannot generate it, and a dividend would deliver an equivalent only after corporation tax.

Set against that, the evaluation records a live risk. The establishment was expanded from 5.5 to ten posts to resource Business Plan 6 before the programme arrived, taking corporate overhead to £867,441 in 2025/26 against development spend at 35.8 per cent of forecast. Overhead recovery depends on the programme arriving. Following a change in political control, the Council has since verbally instructed TVD to pause eleven of the twenty schemes in the programme, including the solar farm, Fleetwood Farm and Elmstead. An estimated £3.2m of capitalised work in progress is attributed to those schemes and would need to be written off if the pauses become abandonments, despite strong evidence that completion would bring solid financial returns to the Council; that attribution has not yet been reconciled to a scheme-level ledger. The shareholder is entitled to change direction; the finding concerns the cost and programme consequence of doing so mid-delivery, not the right to do it. (Sections 4.2 and 7.3)

Impact and social value

The completed programme accommodates an estimated 362 residents, rising to around 444 on completion of Maryvale and Egerton. It has generated 160 construction job-years, with 308 projected across the business plan pipeline, and an estimated £11.5m of gross value added. Occupier households generate an aggregate £3.57m of annual income, of which approximately £1.07m is retained each year in local retail, hospitality and leisure spend. Fiscal returns include £279,983 of annual gross billed council tax and £231,080 of estimated cumulative New Homes Bonus on completed schemes. (Section 5.1 and 5.2)

Beyond direct receipts, TVD's engagement was instrumental in securing £20m of Pride in Place funding for Digmoor, a single result that significantly exceeds the entire capital the Council has subscribed to the company. This was the first significant MHCLG funding secured for the area, and followed a sustained relationship management effort by TVD with the department's decision-making unit.

Social value is delivered principally through the transfer of professional capacity and the attraction of third-party funding rather than through capital spend. A report to the Board in March 2026 records £200,000 of funding attracted for community organisations, and 29 young people gained qualifications through the Liverpool Road Hall refurbishment and 25 through works at Fairhaven Park; three T Level construction placements have been supported over eighteen months; and funding has been secured for a college wellbeing garden, a mural project with a local primary school and a range of community facilities. The evaluation records that this activity is logged rather than measured, and recommends a consistent measurement framework applied prospectively. (Section 5.3.3)

Five schemes, and what they show

Digmoor Revival Phase 1 — the counterfactual in documented form

The Council held a £9m ringfence and the political mandate for the revival of the Digmoor estate. Its own Gateway report records that officer capacity and expertise to deliver were challenging, and that support was requested from TVD on that basis. TVD tested new build against retrofit with cost consultants Savills: retrofit was cheaper in cash terms at around £11m against £16m, and was rejected because it would have produced an asset with no more than 35 years of remaining life and an EPC rating unlikely to exceed C. Twelve social rent apartments were delivered with £1,128,000 of Homes England grant at £94,000 per unit, the highest rate the company has achieved. The tender came within 1.8 per cent of an independent estimate and the scheme completed £13,328 below its Gateway 3 forecast.

Fairlie — scale, tenure and sustainability

Fifty homes on a brownfield site in Skelmersdale at £8,537,210, supported by £2,000,000 of Homes England grant, accommodating an estimated 117 residents. The scheme completed ahead of plan in March 2024 with homes occupied in advance of the timetable, generating an earlier rental return for the Council. Thirteen homes were offered on rent to buy, the first such product in the portfolio, and four were built to the Future Homes Standard.

Beaconsall Lane — shared ownership, and grant that unlocked a second scheme

Ten level-access bungalows at Hesketh Bank at £2,177,658, with £650,000 of Homes England grant. This is the company's first shared ownership scheme, secured from a residual allocation weighted heavily towards social rent. Securing grant here and at Digmoor allowed the Council's Right to Buy receipts previously earmarked for those schemes to be recycled to Maryvale and Egerton, directly unlocking both. The evaluation regards this active management of the funding mix as among the clearest demonstrations of the value the company adds.

Maryvale — what the consent chain costs

Twenty-nine shared ownership homes. The planning application was submitted in September 2023 and the decision notice issued in September 2025, of which sixteen months were spent completing the Section 106 agreement. Construction has still not started; pre-commencement conditions remain to be discharged and start

on site is now expected in October 2026, 37 months after submission. Everything incurred before contract execution sits with TVD and is recoverable only through a developer fee earned on completion.

Liverpool Road Hall — value delivered as capacity

An 1892 hall in Skelmersdale, now in community use for table tennis, dance, keep fit and youth groups, which required substantial repair before it could continue in use. TVD deployed no capital and charged no fee. It specified the works, assembled a professional and contracting team that gave its services free of charge, and secured £150,000 through the Whitemoss Community Fund and the UK Shared Prosperity Fund. Delivery was managed jointly with Volunteer It Yourself, through which 29 young people from West Lancashire College gained qualifications. The case shows the company's contribution taking the form of capability rather than capital, applied to an asset outside the development programme altogether.

Governance

The governance framework is structurally sound and has protected the shareholder throughout. Its weakness is calibration rather than design. The £750,000 reserved matters threshold has not been revised since 2019, and because every scheme in the current programme exceeds it, exception-based oversight has in practice become mandatory consent for every transaction. Schemes pass through three Board Gateway approvals and up to four separate Council approval events, rising to five or six where demolition or a Council land purchase is required, and those events are sequential rather than parallel. Raising the thresholds and delegating schemes already approved within the business plan envelope would restore proportionate oversight without weakening control. (Sections 8.2 to 8.5)

The independent directors are assessed as a strength. Comparative evidence at Section 10.8 identifies a board with genuine independent capacity as one of four characteristics separating vehicles that survive within a local authority oversight structure from those that do not. The evaluation recommends building on this: strengthening the Board further and drawing a clearer distinction between the Board and the Council as shareholder.

The future, and what the evaluation recommends

The Government approved a four-unitary model for Lancashire in July 2026. West Lancashire, Chorley and South Ribble are to form the South Lancashire unitary authority, with shadow elections previously scheduled for May 2027 and vesting for 1 April 2028. A pause in the wider Local Government Reorganisation process has since been announced, with no revised timetable confirmed, and the evaluation treats those dates as provisional. The underlying position is unchanged. TVD will be the only housing and development delivery vehicle transferring into the new authority. It is not one of several companies to be rationalised; it is the sole inherited capability of its kind, carrying the Skelmersdale masterplan, the Homes England compliance function and the only development team in the new authority's territory. Its masterplan role is site assembly, infrastructure and serviced plot disposal rather than direct housebuilding, which limits the Council's exposure while retaining its influence over what is built, and the market engagement to secure a development partner for the early phases of the town centre shows the company operating on a commercial basis with private developers and investors. (Sections 9.4 and 10.10)

The evaluation assesses five delivery scenarios and groups them into three shareholder-facing options: maintain and grow on the full Business Plan 6 pipeline (Option A); consolidate and scale back to committed sites (Option B); and transfer in-house into the Housing Revenue Account (Option C). It reaches a single, sequenced recommendation: consolidate to transfer, then blend. In practice that means Option B's discipline applied to Option A's pipeline, with schemes sequenced rather than abandoned. (Sections 9.5 and 11.6)

- **To vesting.** Whenever vesting now falls, TVD should reach it on a reprofiled programme — matched to a delivery rate the company has demonstrated rather than the rate it has forecast — as a going concern with its mandate confirmed, its additionality documented and its overhead matched to throughput. Taken as a hard stop rather than a reprofiling, consolidation would impose unnecessary costs in unrecoverable overhead and crystallised work in progress.

- **Beyond vesting.** The direction is a blended structure admitting private capital at project level on the large strategic sites, leaving the parent company and its exemption intact. This is the only option that answers the capital and capacity findings directly, and the preparatory work should be done now so the successor authority can adopt it rather than originate it.
- **Assessed and not recommended.** Option C, winding the company down and returning the functions in-house, and its thin-client intermediate form, were assessed and are not recommended on the current evidence. In-house delivery does not build more cheaply, puts grant capability at risk, and forfeits tenure flexibility, procurement agility and the interest margin. The evaluation regards it as a retrograde step that would limit development activity at the point a newly forming authority would be least able to deliver it.

Four actions follow. Adopt an enduring statement of purpose through the constitutional documents rather than the business plan cycle, distinguishing the company's long-term purpose from the shareholder's changing mandate and from the form of return expected. Manage overheads against approved rather than projected throughput over the next twelve months, and flag clearly the effect of the Council's current pause on the year-end profit and loss account. Replace single-point, end-of-plan targets with intermediate annual completion milestones. And execute a structured transition plan covering Section 24 compliance, novation of the governing agreements, protection of work in progress and retention of accredited Homes England status for the 2026 to 2036 Social and Affordable Homes Programme, treating that preparation as time-critical once a revised reorganisation timetable is confirmed rather than waiting for a new vesting date to be set.

The evaluation also recommends that the Council confirm in writing, scheme by scheme, whether each paused scheme is deferred to a stated date or withdrawn, with TVD preparing in parallel a costed statement of the consequence of each: work in progress at risk, abortive fees, grant and receipts released or lost, and commitments already entered into. The same exercise would reconcile the £3.2m work in progress figure to a scheme-level ledger. Neither party should treat a verbal pause as a decision. (Section 11.7)

What the evaluation does not say

A summary that recorded only the achievements would misrepresent the report, so the principal issues identified are set out here in full. The forward programme assumes a substantial step change: Business Plan 6 requires an average of 85 completions a year against an achieved average of 26 and a best year of 54, held for eight consecutive years, with most schemes not yet on site. That scaling assumption remains unproven and carries some delivery risk, and the Council's pause has since put the approved plan itself in doubt. The programme is also concentrated: Whalleys Road and the Skelmersdale masterplan account for 401 of the 680 homes, a departure from the smaller incremental sites the company has delivered to date. Four of the six existing key performance indicators measure inputs or process steps rather than delivery. The £20m facility is forecast to be 96 per cent drawn by March 2029 and expires in September 2029, eighteen months after the previously planned vesting date; Derby Street, the scheme against which it is currently drawn, is paused indefinitely, and the drawn rate is floating and unhedged. There is no external capital of any kind in the structure. Capitalised work in progress on paused schemes is a live balance sheet risk: a write-off would exceed the company's lifetime cumulative profit of £399,742 several times over. And the company has limited analysis of how decisions on its own activities would affect the Teckal 80 per cent threshold, which a reduced delivery period could bring into play.

One limitation of the evaluation itself should also be recorded: it was not possible to interview every Council function in depth, and the West Lancashire Borough Council evidence rests on a selection of officers rather than on comprehensive coverage of the authority.

Conclusion

On the evidence assembled, TVD has done what it was established to do. It has built homes, and attracted funding to build them, on a scale and at a pace the Council would have been unlikely to achieve through its own delivery routes, and that additionality is demonstrable rather than asserted. It has returned cash to a financially constrained General Revenue Account in the process, and no scheme it has started has failed to complete.

The question for the shareholder is not whether the vehicle has worked, but how best to carry its capability into the successor authority.

The full report, running to eleven sections and supporting appendices, sets out the evidence for every statement in this summary and is available from the TVD Board.