



# INVESTMENT PARTNERSHIPS

*Together We Can*



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## MOTION, LEYTON

A joint venture development of 300 new homes focussed around a new transport hub where the council has invested in the commercial properties to generate long-term revenue.

## INVESTMENT PARTNERSHIPS

# 1. EXECUTIVE SUMMARY

**Hill Investment Partnerships was established to provide solutions for local authorities to optimise opportunities from their portfolio of property assets. It generates long-term revenue to the council as well as delivers affordable housing and regeneration at pace.**

It is a tried and tested model that is delivering in London and the south east and we would like to share it with you.

This brief document outlines some of the benefits of this collaborative model and how we can help you realise your aspirations by sharing in risk.

We hope you find it useful and leaves you with a desire to find out more.

**ANDY HILL MCIQB**  
Group Chief Executive



## 2. INTRODUCTION

# WORKING IN PARTNERSHIP TO MEET HOUSING NEED

Hill is a top 20 UK housebuilder and the third largest in private ownership. We deliver around 2,000 new homes a year, both private and affordable, and work successfully in joint venture partnership with local authorities and registered providers as well as private landowners.

We have a specialist division, Hill Investment Partnerships, through which we work with local authorities to identify opportunities to redevelop land for much needed local housing. We currently have 2,500 homes in this pipeline.

Regeneration is an area in which we excel, working with our partners to breathe new life into communities that are ripe for regeneration. Whilst our projects are housing led, we regularly deliver mixed use developments, enabling our partners to benefit from our specialist resources and our secure financial standing.

Our growth over just 20 years has been impressive yet controlled, delivering record financial results year on year. We pride ourselves on the swift decision making structures we have established as a privately owned, family business. This ensures development opportunities can be rapidly and successfully brought to market.

### KEY HIGHLIGHTS



£60.5m  
net cash



£270m  
banking facilities



6,500  
homes  
in the pipeline



5\*  
housebuilder  
for 3 years in a row

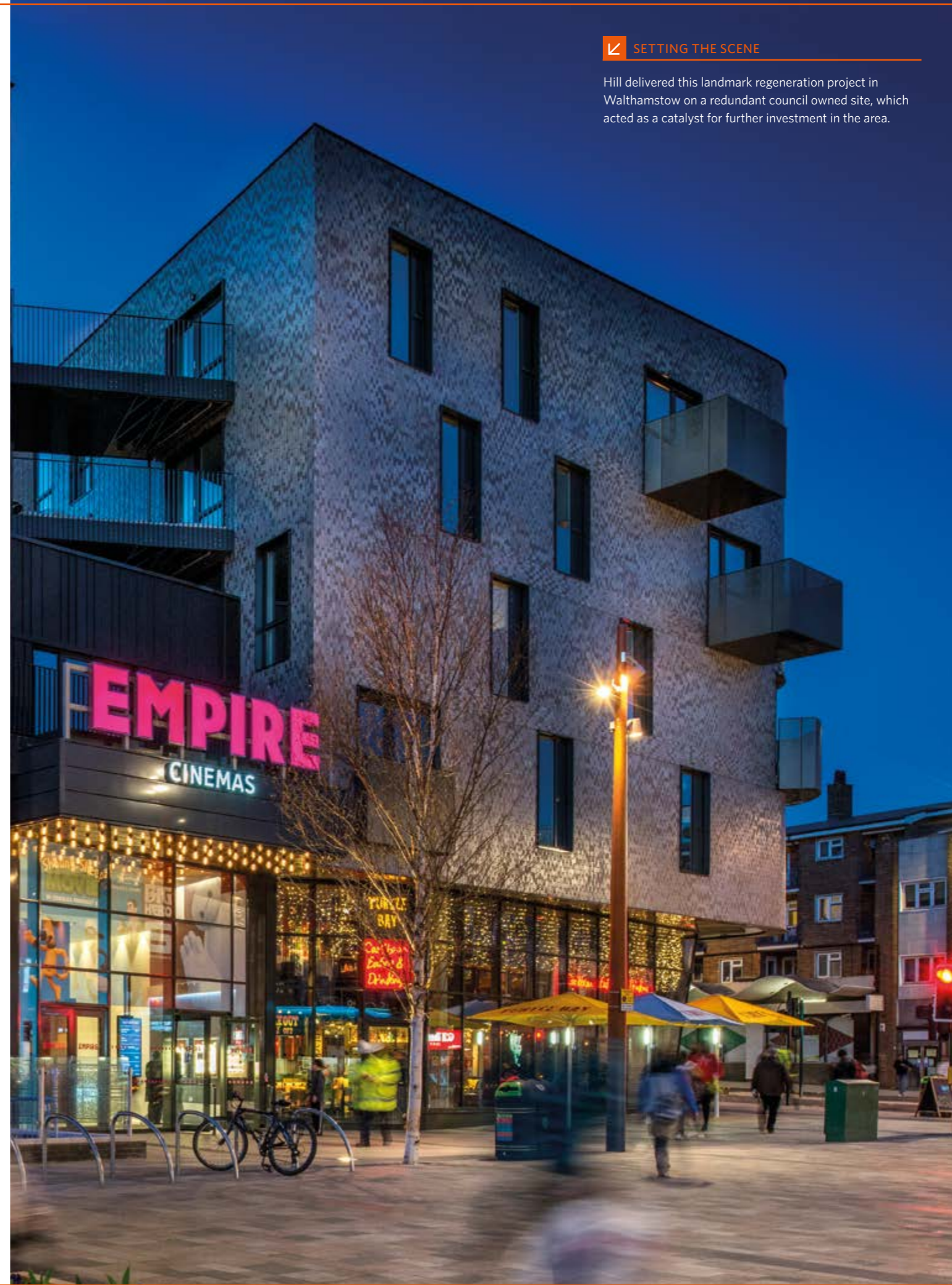
### A TEAM EFFORT

Celebrating success together is part of our close working relationships.



### SETTING THE SCENE

Hill delivered this landmark regeneration project in Walthamstow on a redundant council owned site, which acted as a catalyst for further investment in the area.



LEADING THE WAY

Our regeneration of the Agar Grove estate with Camden Council will deliver the country's largest Passivhaus development.



### 3. THE CHALLENGE

# CHALLENGING TIMES DEMAND INNOVATIVE SOLUTIONS

**There are increasing pressures on councils to use resources efficiently whilst continuing to deliver their key civic objectives. One of the most urgent needs is for new housing and other community regeneration.**

Councils are already experiencing restrictions on finance along with reduced staffing levels and loss of expertise.

To exacerbate this, the rise in Public Works Loan Board (PWLB) rates, together with an HM Treasury review of the PWLB scheme, implies further restrictions on councils' ability to directly fund projects. The pandemic

has significantly added to the challenges with reduced revenue from car parking and business rates and rents.

Despite all these challenges the need to deliver local community regeneration remains, with alternative solutions providing the way forward. These will deliver the much needed regeneration and provide councils with capital to cashflow additional projects and income to support services, both more important than ever.

TRINITY SQUARE, EAST ACTON

Our borough wide partnership with Ealing Council saw the development of around 400 new homes on 30 redundant sites in the council's ownership.



## 4. THE HILL INVESTMENT PARTNERSHIP SOLUTION

# THE ADVANTAGES OF AN **ALTERNATIVE** APPROACH

**Our business is based upon the principle of people and community first. Building on that, we have developed a proven model of genuine partnership with councils to help deliver their regeneration objectives and generate much needed additional capital and revenue for further investment into their communities.**

### INVESTMENT PARTNERSHIP MODEL

We have a tried and tested solution, an Investment Partnership, which can provide councils with significant commercial, financial and delivery benefits. It is a joint venture arrangement in which, crucially, the council is involved as an equal investment partner rather than a client.

We see this model as a strong area of growth for our business and a vital route for councils to address the current challenges they face in meeting their community objectives.



The key advantages of an Investment Partnership for a council include low set-up costs, with a timescale of three to six months and the ability to proceed at pace.

The council has an equal voice around land development and secures a land value equal to what it could be sold for, as well as receiving half of the development profit. Importantly, because the council is the landowner, OJEU procurement is avoided.

Our governance agreement provides a straightforward decision making framework which allows for different local solutions, including income generation, rather than just capital, if that is a council's prime motivation.

Hill cashflows all the planning risk and provides the partnership running costs, while a joint investment team from both partners works collaboratively to develop projects, each providing their own expertise.

### COMMUNITIES FIRST

We involve local communities in our plans from the earliest possible moment.

### GOOD COMMUNICATION

We build relationships with our communities.



There is also an opportunity for the council to provide debt at a commercial rate, which may include development equity, to enhance its overall returns.

A fundamental advantage of our Investment Partnership over other models, such as LABVs or Development Agreements, is that it is a flexible model, not a one size

fits all delivery structure. It can be adapted to suit local circumstances or to a council's specific requirements and is not constrained by land value.

Alternative models and options are based on the council acting as a traditional client and require more complex and longer procurement processes.

### BENEFITS

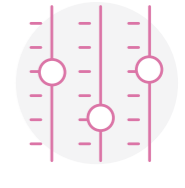
The key benefits of our model to our Investment Partners are:



It's quick and easy to set up



The partners have an equal share



The council retains control on development options



Forward funding is provided to progress planning and design



An enhanced return for the council - land receipt plus equal share of the development profit



Guaranteed delivery of regeneration and new housing to support the local economy

CREATIVE HUB

This imaginative joint venture regeneration of Fish Island in East London has taken as its cue the importance of sustaining a thriving and creative community.



## 5. WHY WORK WITH HILL

# A REPUTATION FOUNDED ON TRUST AND QUALITY

**Our vision is to be the leading, most trusted provider of distinctive, quality homes in the UK. We fundamentally believe that Hill works in a manner which you will find refreshing.**

Our ethos is simple; we aspire to be the partner of choice, regardless of the tenure and mixture of uses in question, because we are open with our partners and work in a totally transparent way, creating trust and keeping our promises.

We are recognised as a 5\* Home Builder, which demonstrates our commitment to customer satisfaction as well as high quality design, functionality, sustainability and value for money.

Our developments are attracting significant endorsements in consumer and industry awards and we have been named Housebuilder of the Year in the WhatHouse? and the Housebuilder awards. Other notable achievements include Civic Trust, RIBA and Housing Design awards.



PIONEERING

Athena is the first residential phase of the new community of Eddington in north west Cambridge.

Our growth in the 20 years we have been operating has been organic and built around our five regional offices, strategically located in the south of England to maximise local connections, diversification, and strong relationships with partners, our supply chain and consultants.



TRUSTED

We build relationships based on openness and respect.

# ON TRACK BY DRIVING INVESTMENT

**We currently operate two successful Investment Partnerships, with Cambridge City Council and Rushmore Borough Council, with a third about to begin with South Cambridgeshire District Council.**

These partnerships are performing well and construction has commenced on 599 homes across 11 different sites and secured planning permission for 775 new homes. The pipeline will deliver more than 2,500 new homes across a mix of tenures as well as 21,000 sq m of mixed uses.

## EQUAL PARTNERS

Cambridge City Council and Hill are equal partners in this prime site redevelopment of a former council depot.

## 6. TRACK RECORD CONT.

### CAMBRIDGE INVESTMENT PARTNERSHIP LLP (CIP)



This Investment Partnership was established with Cambridge City Council three years ago with a primary focus to tackle the affordable housing shortage across the city. The council was allocated £70m of grant funding towards delivery of affordable housing and to replace existing unsuitable homes across 10 sites in the city.



#### ANSTEY WAY, CAMBRIDGE

Tom Hill (pictured on the right) leads the delivery of new homes for the Cambridge Investment Partnership, where 100% will be dedicated as affordable for council tenants.

The CIP has exceeded the delivery timescale target, with the £70m funding committed a clear two years early. The developments under construction, or with planning consent, will deliver 480 affordable homes and 295 private sale homes. This is an excellent demonstration of the pace of delivery working with an experienced development partner.

In order to exceed the council's delivery targets, and against strong market competition, CIP has acquired a new site from a private landowner to deliver a mixed tenure development of 295 homes in the city centre. The track record and strength of the Investment Partnership was a key factor in our selection.

Construction activity was impressive in 2019 and Hill, on behalf of CIP, worked on 15 developments across Cambridge demonstrating our flexibility and our ability to utilise and empower our loyal local supply chain.

Our construction team supports the council's local housing lettings team to ensure completed homes can be occupied immediately.

One of the CIP projects is Ironworks, formerly a council depot and now a mixed tenure development in which the council is an equal investor participating in risk and reward with Hill. Occupying an ideal location, just an eight minute walk from Cambridge railway station, it is a collection of contemporary houses, maisonettes and apartments which are selling faster than the local market rate.

These mixed tenure developments have helped the council to exceed their new affordable homes target, realise a land value and secure half of the development profit, providing additional benefits to the city council.

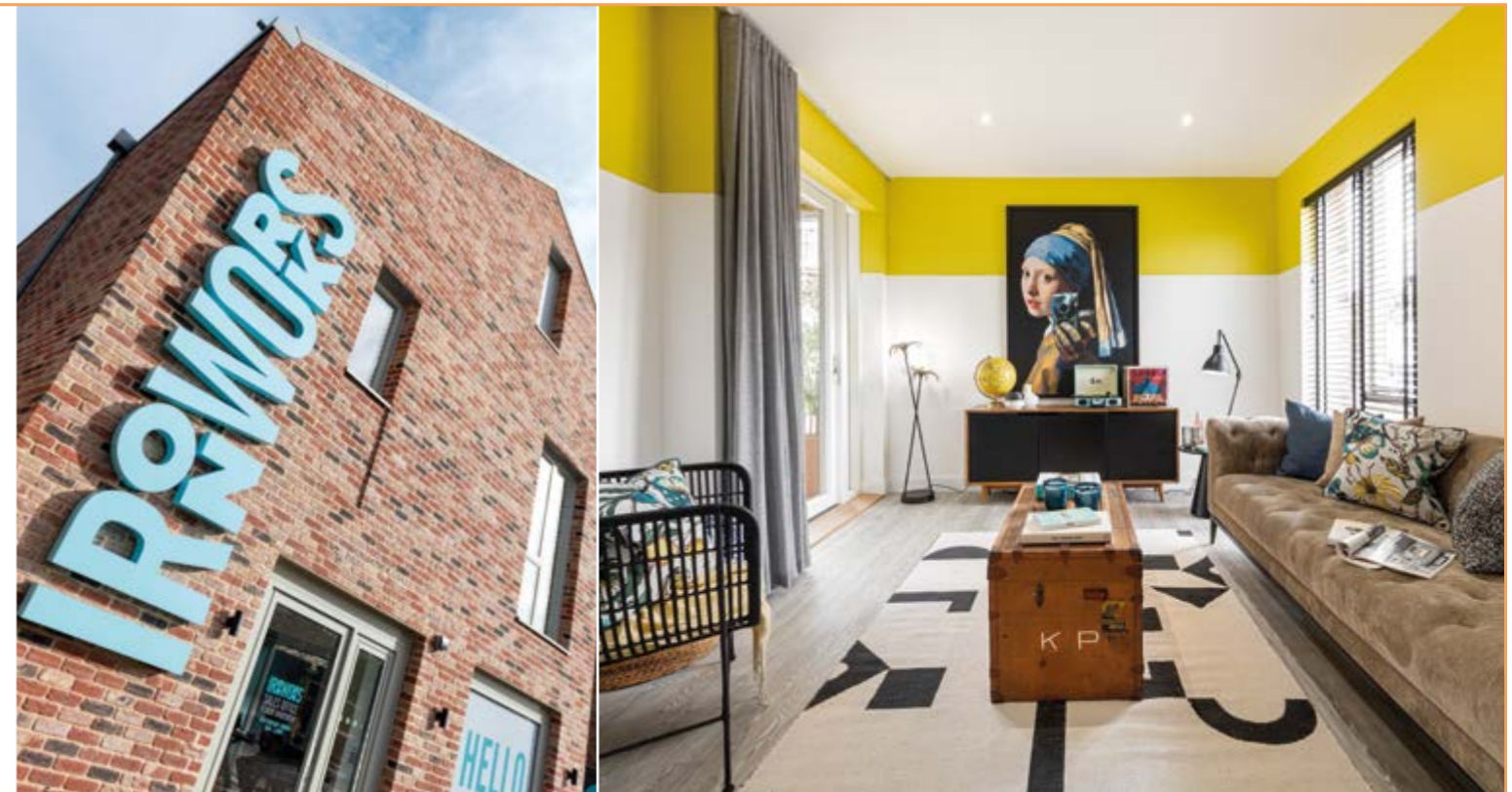
As well as new affordable housing, CIP has also supported the council with commercial development on other sites. The investment team explored a number of options to deliver a new underground car park, with a hotel above, to generate much needed income. The new income created will be used towards delivering additional affordable homes in the city as well as supporting the delivery of other council services.

CIP is now focused on a new pipeline of opportunities. It recently acquired a site to the north of the city for 66 new homes and is also tackling the regeneration of a number of existing council assets.

*"This equal partnership has allowed us to build brand new council rented and private sale homes on council owned land across the city at an increased pace."*

**RICHARD JOHNSON**

Executive Councillor for Housing for Cambridge City Council and CIP Board Member







RUSHMOOR DEVELOPMENT PARTNERSHIP (RDP)



This Investment Partnership between Rushmoor Borough Council and Hill in Hampshire, focuses on the regeneration of key land holdings in Farnborough and Aldershot town centres to create distinctive, mixed use retail, leisure, office and cultural uses, along with increased employment opportunities and new homes.

In Aldershot our proposals include developing purpose-built student accommodation and 100 market rental homes, together with commercial and retail units. As well as providing much needed regeneration, it will give the council an income to support the long-term viability of the development.

"Our planning application was confidently submitted following very positive community consultation events, attended by more than 1,200 people, when we were able to speak directly to the local community, address any concerns and showcase our vision for the area."

In Farnborough we are progressing masterplan proposals for a transformational large-scale, mixed-use town centre regeneration, which will create a development for people of all ages to come together.



The Farnborough Civic Quarter project will deliver 1,275 new homes and almost 8,000 square metres of commercial space, featuring offices, shops, hotel, retail and restaurants to generate new income for the council.

The council is planning to relocate its offices to the development, along with a new leisure centre and other community provision.

This partnership is a clear demonstration of the flexibility of our Investment Partnership model, and our skilled team, to support wider regeneration and development opportunities.

SOUTH CAMBRIDGESHIRE DC (SCDC)

We have been selected by the council as their Investment Partner to utilise funding to acquire development opportunities throughout the district. Our land team has identified a number of suitable opportunities for purchase with a view to bringing forward sites for development.

# PARTNERSHIPS FOUNDED ON TRUST

An Investment Partnership is a long-term strategic relationship which, we believe, will bring the potential to deliver added value in addition to new homes and facilities.

We build long-lasting relationships that are of mutual benefit.



## 7. ADDED VALUE CONT.

Hill is at the forefront of innovation, added value, social responsibility and community engagement. Working alongside us, partners have full access to Hill development expertise and a range of evolving initiatives including:

### THE HOMELESS

Our homeless initiative, Foundation 200, was launched in 2020 and will deliver, at our expense and working with key partners, 200 purpose built homes for homeless people. These modular homes are fabricated in a factory to exacting standards and delivered fully equipped for residents to move straight in. The first 12 homes will be on three sites in Cambridge, to support our commitment to the city council as part of our Investment Partnership.

### EMPLOYMENT AND TRAINING

We work hard with our loyal supply chain to ensure that the developments we create contribute to a local and diverse demographic. We focus on delivering quality apprenticeships and training for local residents and improving diversity in the workforce through our Platinum partnership with Women into Construction and other routes to qualifications in construction and finance.

### MANAGEMENT TRAINEE PROGRAMME

We take great pride in running and promoting our management trainee programme to A-Level students in the vicinity of our developments. School leavers are given an opportunity to experience the various roles on offer at Hill and study for a degree, all whilst being paid a salary and having tuition fees covered.

### BRANDING, SALES AND MARKETING

Each of our developments is unique. We do not subscribe to the cookie-cutter approach to housebuilding. All our products are tailored to the location with a detailed design approach at its heart. Our dedicated sales team has expertise in branding, marketing and establishing bespoke and creative marketing suites, which ensure clear and successful rental and sales campaigns and ultimately happy customers!

### MAKING GREAT PLACES

We have an excellent track record in delivering sustainable developments and actively promote low-carbon lifestyles on our projects for both our workforce during construction and the future occupiers. Energy efficient homes, together with considered green spaces, public art, cycleways and community rooms ensure that we are 'spacemakers' as well as 'placemakers' and these can be enjoyed and curated by everyone in the local community.

### LOCAL BUSINESS GROWTH

We offer local businesses and traders opportunities to work with us by breaking down trade packages to enable smaller businesses to compete for the opportunities. We regularly host 'Meet the Buyer' events to encourage local companies to come forward to work on our developments. Together with 38 supplier agreements, covering all types of commodities, and 33 manufacturer agreements with well-known brands, we add value to both projects and the wider local economy.

### COMMUNITY LAND TRUSTS

We are keen to promote further the engagement of the community at an early stage. One way to do this is to encourage the community to take a role in the development longer term. We have been involved in a number of projects with communities operating CLTs, a trend which we believe will increase over the next few years.

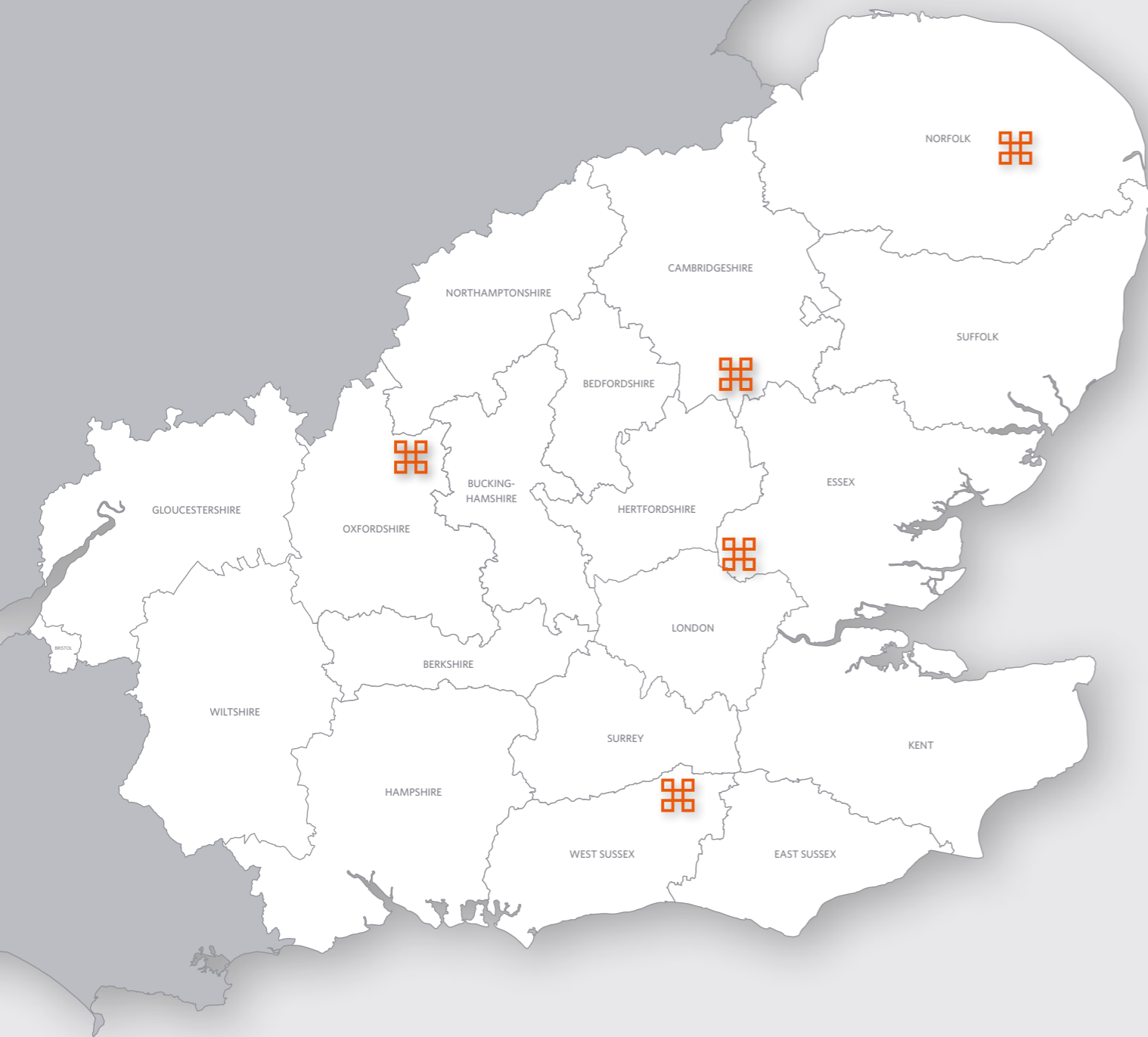
### BUILDING COMMUNITY TRUST

The places we create deliver legacy both to occupiers and the community around them. We become embedded in our communities and commit to its sustainable success. We contribute both finance and time commitment through voluntary action in community initiatives to reduce crime, improve skills, educate young people and support the most vulnerable.

Through our partnerships, our dedicated community liaison team will create a bespoke social value programme that meets the unique need of the community from school attendance initiatives through to community art projects.



## 8. WHERE WE OPERATE



### HEAD OFFICE

The Power House  
Gunpowder Mill  
Powdermill Lane  
Waltham Abbey  
Essex  
EN9 1BN  
020 8527 1400

### CAMBRIDGE OFFICE

CRAWLEY OFFICE  
NORFOLK OFFICE  
OXFORD OFFICE

### SETTING AN EXAMPLE

Mosaics is the first phase of an urban extension in partnership with Oxford City Council on the outskirts of the city.



## CONTACT US

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