



telfordhomes

SUSTAINABILITY REPORT 2018

BUILDING A

**LIVING  
LEGACY**







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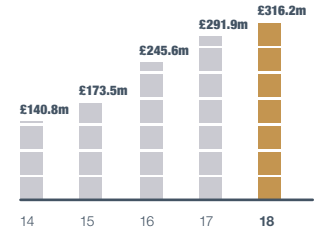
For more information:  
[www.telfordhomes.london](http://www.telfordhomes.london)



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# DEVELOPING THE HOMES AND CREATING THE PLACES THAT LONDON NEEDS

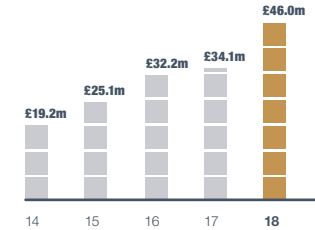
## HIGHLIGHTS



TOTAL REVENUE

**£316.2m**

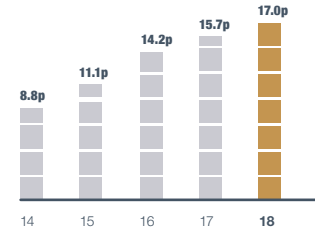
2017: £291.9m



TOTAL PROFIT BEFORE TAX

**£46.0m**

2017: £34.1m



DIVIDEND PER SHARE

**17.0p**

2017: 15.7p

**98%**

EMPLOYEE  
SATISFACTION

**Top 50**

UK EMPLOYER FOR  
THE THIRD TIME AND  
ONE OF ONLY TWO  
DEVELOPERS

**100%**

OF OUR CUSTOMERS IN 2017  
WOULD RECOMMEND  
US TO OTHERS

**9th**

CONSECUTIVE YEAR  
RECEIVED ROSPA GOLD  
MEDAL FOR HEALTH & SAFETY

**6th**

OVERALL MOST IMPROVED  
NEXTGENERATION  
SUSTAINABLE HOUSEBUILDER

**22**

DESIGN AND  
QUALITY AWARDS  
IN 2017-18

This report covers the period 1st April 2017 to 31st March 2018.



winner of  
**housebuilder  
awards  
2017**

The  
**Building  
GoodEmployer  
Guide 2017**





CHIEF EXECUTIVE’S INTRODUCTION

ESTABLISHED IN 2000, TELFORD HOMES HAS GROWN TO BECOME ONE OF LONDON’S LARGEST RESIDENTIAL DEVELOPERS

In the last year, we have seen a heightened recognition of the importance of taking greater care of our environment. By way of example, the Mayor of London has challenged all stakeholders to improve air quality in London and to minimise domestic and business waste.

If unchecked, these issues, along with an increase in CO<sub>2</sub>, greater water demand and erosion of biodiversity will impact the environment and wellbeing of Londoners and visitors to the capital.

We believe that Telford Homes can, through working in partnership with local stakeholders, be a force for good in lessening London’s CO<sub>2</sub>, water and waste impacts. Moreover, well designed sustainable homes and places improve quality of life.

2017-18 marks the second year of reporting our sustainability performance against our ‘Building a Living Legacy’ (BLL) strategy and for the first time we are publishing this Sustainability Report to fully communicate our progress.

We believe our brand purpose of ‘developing the homes and creating the places that London needs’ aligns with the longer term desire of local politicians and all other stakeholders.

In the short to medium term, we believe we are well positioned to grow Telford Homes in a sustainable manner.

Throughout this report, we explain the positive progress we have made during the last year against the objectives we had set ourselves. In addition, during the reporting period, we commenced the measurement of some new objectives to take our strategy forward.

We were delighted to be recognised as the most improved homebuilder according to the 2017 NextGeneration sustainable housing benchmark report, which also saw the Group obtain a Silver Level award. This progress recognises the ongoing development of our BLL strategy which saw the Group move to sixth in the 2017 benchmark from seventeenth in 2016.

Jon Di-Stefano  
Chief Executive  
29 May 2018

“ WE BELIEVE OUR BRAND PURPOSE OF ‘DEVELOPING THE HOMES AND CREATING THE PLACES THAT LONDON NEEDS’ ALIGNS WITH THE LONGER TERM DESIRE OF LOCAL POLITICIANS AND ALL OTHER STAKEHOLDERS. ”



‘BUILDING A LIVING LEGACY’ HIGHLIGHTS

LIVING LEGACY	Creating thriving places that enable people to live sustainable lifestyles	22 DESIGN & QUALITY AWARDS IN 2017-18	80% SUPPLY CHAIN SPEND IS WITH SMALL AND MEDIUM SIZED ENTERPRISES	£51m SUPPLY CHAIN SPEND WITH BUSINESSES REGISTERED IN LONDON BOROUGHs
BALANCED RESOURCES	Making our money work harder through efficient use of resources across our business	13.7% REDUCTION IN OUR SITE CO <sub>2</sub> e INTENSITY	90% OF WASTE DIVERTED FROM LANDFILL	16% REDUCTION OF WATER USAGE IN NEW HOMES
CREATIVE BUILDING SOLUTIONS	Collaborating with our partners to identify innovative building techniques and deliver the homes of the future	13% SPEND INVESTED IN MODERN METHODS OF CONSTRUCTION	44% REDUCTION IN CO <sub>2</sub> IN NEW HOMES	100% NEW BUILD SCHEMES BENEFIT FROM LOW CARBON OR RENEWABLE TECHNOLOGIES
SMART BUSINESS	Investing in people and relationships to ensure we deliver lasting value for all stakeholders	6th OVERALL MOST IMPROVED NEXTGENERATION SUSTAINABLE HOUSEBUILDER	90% EMPLOYEE RETENTION	100% DIRECT EMPLOYEES PAID LONDON LIVING WAGE

## OUR APPROACH TO SUSTAINABILITY

# WE ARE COMMITTED TO USING LAND, DESIGN AND DEVELOPMENT SOLUTIONS TO CREATE A LEGACY OF HIGH QUALITY SUSTAINABLE HOMES AND PLACES

*Built by passionate people and strong relationships, our ambition of significantly increasing our output of homes is underpinned by a philosophy of operating responsibly and efficiently. As a result economic, social and environmental principles are central to our business strategy and guide our day-to-day activities and actions.*



### Our 'Building a Living Legacy' strategy

Our strategy will enhance the quality of life for our customers, while supporting our operations and delivering value for our stakeholders and investors. The strategy was developed through a detailed political, economic, social, technological, legal and environmental analysis. Looking ahead, we will continue to shape the strategy taking into consideration changes to national policy, regulations and the new London Plan.

We have therefore consulted upon relevant policy and regulatory matters and will continue to participate in focused stakeholder groups to ensure our strategy remains future proofed. To manage our health and safety and environmental risks, the Group continues to maintain its existing systems.

During the reporting period our safety management system was re-accredited to BS OHSAS 18001:2007 and the Environmental Management System is transitioning from ISO14001:2004 to the 2015 standard.

### Engaging with our stakeholders

Creating a positive legacy by enabling community networks and creating strong stakeholder relationships is a key principle in what we do. Project teams engage with stakeholders throughout the development life cycle to help enrich communities.

### Identifying our sustainability priorities

Whilst we have been working in innovative and sustainable ways for many years, to ensure we continually operate as a responsible business, during 2018, we will undertake a full materiality review to look beyond our current 2024 horizon to 2030. This process will help us develop a materiality matrix and identify our key focus areas.

The outputs of the review will continue to shape our strategy and its supporting policies, processes, procedures and objectives. It will also help to ensure we are well placed to adapt our strategy as required in the years ahead.

### Strong governance

Overseen by the Board, our BLL Steering Committee meets quarterly to provide high level sustainability governance and ensures our strategy is being successfully implemented. The Chief Executive chairs the committee, which is made up of senior level representatives from across all business functions.

The committee is further assisted by departmental champions who support various related working parties and forums, such as our Innovation Forum.

### Principal risks and uncertainties

The Group's financial and operational performance is subject to a number of risks, which are explained in our annual report. The Group's sustainability performance is also subject to a number of socio-economic and environmental risks and uncertainties. These are regularly assessed by the BLL Steering Committee to mitigate and minimise their impact on the business.

In addition to changing global macro socio-economic conditions, our licence to operate will also be significantly informed by the new London Plan. The new London Plan will be subject to an Examination in Public (EiP) in 2018 and adopted in 2019.

### Political environment

Notwithstanding the broad political consensus to improve the supply and quality of new homes and places, changes in laws, policies and regulations, such as through the Hackitt Review, will inevitably have a direct impact on the Group and the costs incurred on each development. We are therefore investing in the appropriate level of resource to ensure the potential impact of these changes are monitored and operational strategies are planned in readiness.





LIVING  
LEGACY

CREATING THRIVING PLACES  
THAT ENABLE PEOPLE TO LIVE  
SUSTAINABLE LIFESTYLES

Vibe/Holy Trinity School E8

LIVING LEGACY

*We are increasingly seeing the tangible benefits of embedding our BLL strategy which is resulting in an enhanced quality of life, as evidenced by our 100 per cent customer recommendation rate.*

External recognition from the NextGeneration Initiative ranked the Group sixth moving up from seventeenth in 2016 and the most improved housebuilder in its sustainability benchmark. We believe there is further opportunity for improvement during 2018-19.

We also received 22 design, quality and people awards during 2017-18, including being named 'Large Developer of the Year' at the prestigious RESI Awards 2018 and 'Medium Housebuilder of the Year' at the Housebuilder Awards 2017, where Vibe/Holy Trinity School was recognised for 'Best Community Initiative'.

During 2017 we completed the objectives that we set in 2016-17 to create a Living Legacy framework (using best practice principles), which was trialed and continues to be used and introduced a Living Legacy toolkit into our practices. During 2018-19

we will monitor the new London Plan as it progresses through the review process and will further develop the toolkit.

It is becoming apparent that local authorities are giving more weight to the new London Plan as it progresses through the consultation. Accordingly, we expect to align our practices and the toolkit on current projects.

We are committed to 'developing the homes and creating the places that London needs' through collaboration with local stakeholders. We believe the implementation of our Living Legacy framework will enhance economic prosperity and help create healthy lifestyles for residents and visitors. Progressively, this approach will lessen our environmental footprint and that of our customers.

Performance

2017-18 Objectives	Status	2018-19 Objectives
Develop a Living Legacy toolkit	●	Action completed
Trial the Living Legacy framework on one new project	●	Action completed
★ Trial the Living Legacy toolkit on the design of at least two new developments	●	Use the Living Legacy toolkit on all new developments
★ All new developments incorporate or are within 1km of public green space	●	Continue to ensure all new developments incorporate or are within 1km of public green space
★ 80% of homes have secure cycle storage	●	Maintain secure cycle storage for 80% of homes
★ Provide initiatives to reduce car dependency on 25% of completed developments	●	Continue to provide initiatives to reduce car dependency on 25% of completed developments

★ New targets agreed during 2017

● Achieving ● Partially achieved ● Not achieved

22  
DESIGN & QUALITY  
AWARDS IN 2017-18

80%  
SUPPLY CHAIN SPEND IS WITH  
SMALL AND MEDIUM SIZED  
ENTERPRISES

£51m  
SUPPLY CHAIN SPEND WITH  
BUSINESSES REGISTERED  
IN LONDON BOROUGH



During the reporting period, we have undertaken a socio-economic analysis to understand the benefits that our business activities bring to the economy. These include:

- We supported 2,300 direct Full Time Equivalent (FTE) jobs with an output of £74.0 million gross value added (GVA) for the UK economy;

- We additionally supported 2,600 indirect FTE jobs (£59.9m indirect GVA) and 1,500 induced FTE jobs (£41.4m induced GVA);
- Nearly 90 per cent of our supplier spend was in London and the East of England and 90 per cent of our suppliers are Small and Medium Sized Enterprises (SMEs).

During the last year, we also commenced the measurement and monitoring of a

range of new objectives to ensure our schemes are masterplanned and are considered to be desirable places to live.

We believe this approach will create lasting value for local communities and help us accelerate our BLL strategy through the application of the following principles to our developments:

- New site acquisitions to be within 1km of public green space;
- Schemes to be located within walking distance of transport nodes and to integrate sustainable travel initiatives;
- Provision of 'meanwhile space' which included working with Live-in Guardians to temporarily use existing space before redevelopment;
- 70 per cent of completed homes to meet Secured by Design principles, which is a favourable performance compared to our peers.

Our commitment to creating a positive legacy for residents is long-standing and is central to our future ambitions.

“

**WHAT I REALLY LIKED ABOUT TELFORD HOMES WAS THE WAY THEY ENGAGED WITH THE CHILDREN OF HOLY TRINITY SCHOOL AND IT HAS BEEN A TRUE PARTNERSHIP. WE ARE VERY PLEASED WITH THE OUTCOME AND THE QUALITY OF WHAT'S BEEN DELIVERED.**”

**Inigo Woolf**  
Chief Executive, London Diocesan Board for Schools

### LOOKING TO THE FUTURE:

#### Monitoring trends to create a living legacy

To enhance our sustainability strategy we will continue to engage with key stakeholders to ensure our policies, objectives and targets respond to the socio-economic and environmental priorities of the new London Plan. This will ensure that our BLL strategy delivers on these mutually beneficial ambitions.



Vibe/Holy Trinity School E8



### VIBE/HOLY TRINITY SCHOOL E8

In 2012 we were chosen as the development partner of the London Diocesan Board for Schools (LDBS) for the redevelopment of Holy Trinity School. The site was owned by LDBS and London Borough of Hackney and comprised a single storey 1960s school with several decaying portacabins.

Prior to 2012, the proposed new school was part of the 'Building Schools for the Future' programme which was cancelled. Hence an innovative delivery model was required to

self-fund a two form entry primary school. We worked with LDBS and their architect, Rock Townsend, to realise the new OFSTED 'Outstanding' primary school through the sale of 101 open market homes, made possible by an airspace lease from LDBS. The scheme also delivers very high quality open space with almost 100 per cent site coverage for amenity uses including school playgrounds, a play deck and MUGA, in addition to green roofs and a resident's garden.

**270**  
GROSS FTE JOBS CREATED  
DURING CONSTRUCTION

**25%**  
LOCAL CONSTRUCTION  
LABOUR

**£10.4m**  
ECONOMIC OUTPUT PER  
YEAR OF CONSTRUCTION

**420**  
PUPILS AGED 3-11 PROVIDED PLACES

**£2.2m**  
ANNUAL HOUSEHOLD EXPENDITURE  
SUPPORTING 10 FTE JOBS

**£11.7m**  
OVERAGE PAYMENT TO  
HACKNEY COUNCIL







BALANCED  
RESOURCES

MAKING OUR MONEY WORK  
HARDER THROUGH EFFICIENT  
USE OF RESOURCES ACROSS  
OUR BUSINESS

BALANCED RESOURCES

Leading commentators have observed that many business models today are not sustainable in the long term as they are based on the concept of ‘take, make and dispose’.

By contrast, Circular Economy (CE) business models keep products and materials in use, by design, for as long as possible to get the maximum value from them. It focuses on reshaping business and economic systems so that waste is ‘designed out’ of how we live.

Our balanced resources objectives focus on reducing our environmental impact and improving cost efficiency. This contributes to our long term vision of developing a CE model across our supply chain.

During 2017-18 we have benefitted from discussions with specialist organisations such as the London Waste Action Recycling Board (LWARB) and the Building Research Establishment (BRE). Moving forward, we intend to collaborate with others such as the UK-GBC Circular Economy Partnership (UK-GBC CEP) to accelerate our existing knowledge and practices.

We have made good progress in meeting the objectives that we set in 2016-17 to: reduce energy, Greenhouse Gas (GHG) emissions and waste; improve recycling rates; increase our procurement of sustainable timber; align our procurement policies with BLL objectives and to set targets to reduce our water consumption.

We achieved the 3 per cent target of reducing our site waste intensity and energy usage. GHG emissions across our corporate offices and car fleet demonstrated a 21 per cent saving.

Performance

2017-18 Objectives	Status	2018-19 Objectives
Align our procurement policy with BLL objectives	●	Continue to align our policies with BLL objectives
Reduce energy intensity by 3%	●	Continue to reduce the energy intensity of our operations by 3%
Reduce GHG emissions by 3%	●	Reduce the carbon intensity of our operations by a further 3% (CO <sub>2</sub> e/100m <sup>2</sup> )
Procure at least 90% of our timber from sustainable sources	●	Continue to procure 90% of our timber from sustainable sources
Set a target to reduce water consumption by 3%	●	Reduce site water consumption intensity by 3% (m <sup>3</sup> /100m <sup>2</sup> )
★ Divert 90% of construction waste from landfill	●	Maintain 90% of construction waste diversion from landfill rates
★ Divert 75% demolition and excavation waste from landfill	●	Improve diversion rates to 80% for excavation and demolition waste from landfill
★ Reduce construction waste intensity by 3%	●	Reduce construction waste intensity by a further 3% (tonnes/100m <sup>3</sup> )

★ New targets agreed during 2017

● Achieving ● Partially achieved ● Not achieved

13.7%  
REDUCTION IN OUR SITE  
CO<sub>2</sub>e INTENSITY

90%  
OF WASTE DIVERTED  
FROM LANDFILL

16%  
REDUCTION OF WATER  
USAGE IN NEW HOMES



BALANCED  
RESOURCES

During the reporting period, we undertook a complete renovation of our corporate offices including the installation of new flexible spaces, heating, ventilation and air conditioning systems. Our offices are located next to good quality transport infrastructure to encourage the use of public transport for business use. We have also installed a suite of electric charging points to encourage more sustainable travel. In addition, new accommodation is being installed on our sites to ensure all our people work in good quality offices with a lower environmental footprint.



Manhattan Plaza E14

Given the majority of development is undertaken on brownfield sites there will inevitably be waste arising that cannot be recycled in the short term. However, in line with our CE principles we will aim for continuous improvement and will make efficient use of resources.

During 2017-18, we undertook a piece of work to determine the risk and opportunities of becoming a Net Carbon Positive developer by 2030. The work took the form of a roadmap which considered all of our emissions from sites and corporate operations, resident regulated emissions and embodied carbon in materials. More than 90 per cent of our emissions emanate from materials and our supply chain. Once the new London Plan is in place in 2019 we will review our findings against a range of scenarios across different timeframes and set some longer term goals.

We have bought 91.8 per cent (compared to our target of 90 per cent) of our timber from sustainable sources such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) Chain of Custody Certification.

We are in the process of aligning our procurement policies with our BLL objectives and updating our existing policies, processes and procedures. Whilst we have a good reputation for being a fair and prompt payer, we will formalise this by becoming signatories to the Government's Prompt Payment Code.

We continue to incorporate Blue-Green Cities infrastructure in a number of our projects to attenuate rainfall and to replenish London's aquifers. This approach helps support urban biodiversity and improved public realm.

We have reduced our water use intensity by 1.65 per cent, which is below our target of 3 per cent. However, as we continually improve our contribution to creative building solutions through more use of Modern Methods of Construction (MMC), we expect this intensity will improve.

The homes that we construct use an average of 105 litres of water per person per day, which is a 16 per cent improvement compared to national building regulations.

“  
DURING THE REPORTING PERIOD, WE UNDERTOOK A PIECE OF WORK TO DETERMINE THE RISK AND OPPORTUNITIES OF BECOMING A NET CARBON POSITIVE DEVELOPER BY 2030.  
”

LOOKING TO THE FUTURE:

Measuring our social return on investment

We believe we are well placed to develop and implement carbon positive and Circular Economy strategies. Through using our social return on investment framework we will monitor the direct and indirect benefits we bring to local communities, which will help shape and enhance future developments.



MANHATTAN PLAZA E14

Phase one of the regeneration of the existing Popular Business Park has delivered 195 open market and affordable homes with 100 per cent replacement of commercial space for Workspace Group Plc. The development is close to Blackwell Reach DLR station and Canary Wharf.

We believe this mixed use model can be replicated across London to help improve the capital's socio-economic priorities. By providing affordable workspace for SMEs and micro-businesses we are ensuring they can remain in high quality space in the capital.



150  
CONSTRUCTION JOBS  
SUPPORTED PER YEAR

£3.5m  
GROSS VALUE ADDED  
OUTPUT PER ANNUM TO BE  
GENERATED BY COMMERCIAL  
FTE JOBS

£5m  
ANNUAL HOUSEHOLD EXPENDITURE  
SUPPORTING 30 FTE JOBS

16.5%  
SPEND INVESTED IN MMC





CREATIVE BUILDING SOLUTIONS

*We have a strong track record of undertaking complex schemes in challenging locations by using innovative design, procurement and building solutions in partnership with our supply chain.*

- Our approach emphasises long term collaboration with stakeholders to manage risk, keep people safe and healthy, whilst being commercially astute.

This fully integrated approach has ensured we achieved our 2017-18 objectives to focus on areas for research into sustainable innovations. Our Innovation Forum has reviewed a range of design, technical and procurement processes. This includes Building Information Modelling (BIM) and MMC.

Some 93 per cent of our consultants have BIM Level 2 experience and 13 per cent of our revenue spend is invested in MMC. We expect to invest more heavily into each of these areas to achieve operational efficiencies. In summary:
- 100 per cent of our new build schemes benefit from low carbon or renewable technologies;
  - We have achieved or are planning to achieve a 44 per cent CO<sub>2</sub> emissions improvement compared to 2010 Building Regulations in all new homes and a 15 per cent saving for commercial and mixed use schemes. These projects also achieve a minimum BREEAM Very Good rating;
  - We have commenced the refurbishment of a Grade 2\* listed scheme that is targeting BREEAM Excellent.
  - Our Standard Assessment Procedure performance goes beyond regulation with all our homes achieving an average Environmental Performance Certificate (EPC) B rating;

Performance		
2017-18 Objectives	Status	2018-19 Objectives
Agree focus areas for research into sustainable innovations	●	Continue to research and develop MMC techniques
Establish innovation working groups for all new developments	●	Continue to establish innovation working groups for all new developments
Present a yearly review of innovative sustainability building solutions to design teams	●	An annual presentation of innovation to be undertaken by the Group Managing Director to our supply chain
★ Maintain an average SAP rating of 84	●	Maintain an average EPC B rating
★ 40% of completed homes have access to on site renewables or low carbon infrastructure	●	50% of completed homes have access to onsite renewables or low carbon infrastructure
★ Carry-out Post Occupancy Evaluation (POE) on performance of Combined Heat and Power (CHP) plants	●	Continue to carry out POE on performance of CHP plants
★ New targets agreed during 2017		
● Achieving   ● Partially achieved   ● Not achieved		

13%  
SPEND INVESTED IN MODERN  
METHODS OF CONSTRUCTION

44%  
REDUCTION IN CO<sub>2</sub> IN  
NEW HOMES

100%  
NEW BUILD SCHEMES BENEFIT  
FROM LOW CARBON OR  
RENEWABLE TECHNOLOGIES



We have also undertaken an innovative Post Occupancy Evaluation (POE) on the performance of our Combined Heat and Power (CHP) plants, to see how we can optimise future systems to reduce capital expenditure and improve operational costs.

We believe this work will help inform emerging planning policy particularly as the new London Plan seeks to improve air quality, reduce the impact of urban man made heat and reduce emissions. This knowledge will ensure best practice on site and minimise the carbon levy, which is set to increase shortly from £60 to £90 per tonne of CO<sub>2</sub>.

During the reporting period, we reviewed various forms of innovative sustainable building solutions which we have used. Our Group Managing Director has also participated in the Hackitt Review. In addition, he addressed our approach to MMC during an annual supply chain presentation. Furthermore, our Head of Sustainability has presented at the BRE Build 4 Quality 2017 conference and engaged with Homes England and the NHBC on the Farmer Review. Looking forward, we will continue to risk assess and implement the appropriate solutions.

Our carbon positive roadmap has highlighted that more than 80 per cent of our embodied carbon emissions are associated with the materials used. This research has been insightful and will further inform our CE workstreams and future policy development to meet biodiversity net positive requirements.

We previously reported that whilst there is no legislative driver to integrate CE principles into our business model we would highlight how our approach contributes to it. We have held discussions with LWARB and have joined the UK-GBC CE Partnership. By engaging more with such informed partners in future years we will improve the operational efficiency of our business. As we integrate CE practices into our business we believe home owners and build to rent partners will be able to employ these principles to extend the life of buildings and reuse and recycle their components, without recourse to landfill at the end of life.

“  
**WE HAVE ALSO UNDERTAKEN AN INNOVATIVE POST OCCUPANCY EVALUATION ON THE PERFORMANCE OF OUR COMBINED HEAT AND POWER PLANTS TO SEE HOW WE CAN OPTIMISE FUTURE SYSTEMS TO REDUCE CAPITAL EXPENDITURE AND IMPROVE OPERATIONAL COSTS.**”

#### LOOKING TO THE FUTURE:

##### Moving towards a circular economy

By participating in the UK-GBC CE Partnership, during 2018-19 we will gain a comprehensive understanding of CE principles and techniques. We remain flexible in our business planning and procurement options.



Tree Planting at The Pavilions with Thornhill Primary School



## THE PAVILIONS N1

The Pavilions was a challenging project, constrained by HS1 and Thames Water infrastructure running below the site, overground railway infrastructure running parallel to it, and a designation as a Site of Importance for National Conservation (SINC).

The scheme provides a mix of 156 one, two and three bedroom homes for private rent and affordable housing.

A linear mansion block overlooks the central pedestrian and cycle route with doorstep play space facing the nature conservation area. Given the complex constraints of the site, including access and maintaining train services at all times, a lightweight componentised steel frame system-build (a form of MMC) was chosen, because it is a third lighter than a concrete frame, reducing embodied carbon and minimising site wastage.



**13.4%**  
SPEND INVESTED IN MMC

**42/50**  
CONSIDERATE CONSTRUCTORS  
SCHEME SCORE

**1,610m<sup>2</sup>**  
OF GREEN ROOF

**1,944m<sup>2</sup>**  
ADDITIONAL SINC HABITAT

**2,400**  
NEW TREES AND SHRUBS

**715m<sup>2</sup>**  
OF PHOTOVOLTAIC PANELS



SMART  
BUSINESS

INVESTING IN PEOPLE AND  
RELATIONSHIPS TO ENSURE  
WE DELIVER LASTING VALUE  
FOR ALL STAKEHOLDERS



New Garden Quarter E15



SMART BUSINESS

*The success of our business is underpinned by our people and supply chain collaborating in an integrated way.*

Our greatest assets are our people and our supply chain and we continue to invest in them to deliver our business plan whilst working in an enjoyable, safe and rewarding environment. Our commitment to employing the best people is recognised by:

- 98 per cent of our employees are satisfied working for Telford Homes;
- Building magazine choosing us as a Top 50 UK Employer for the third time and one of only two developers.

BLL Steering Committee members have responsibility for agreeing our objectives and BLL champions promote sustainability knowledge throughout the Group. Each department has defined BLL responsibilities and actions that contribute to the achievement of our objectives. Progress will be regularly reviewed to enable us to respond to emerging trends.

In 2017, we published our second Modern Slavery and Human Trafficking statement in response to the Modern Slavery Act 2015 (MSA). Each year we will publically report our performance in this area and endeavour to deter forced labour, labour trafficking and other hidden exploitation entering into our supply chain.

During the last year, we have worked with our training provider 'Stronger Together' to help our people understand their responsibilities and to prevent illegal practices. Through our membership of the Supply Chain Sustainability School (SCSS) we are encouraging our supply chain to undertake training, at nil cost, to ensure they meet their legal obligations.

Performance

2017-18 Objectives	Status	2018-19 Objectives
Set up a BLL Steering Committee and appoint champions	●	Action completed
Embrace the principles of the MSA and carry out a risk review	●	Action completed. Annual disclosure to be undertaken
Integrate wellbeing questions into our employee survey	●	Action completed
All new employees to receive BLL induction training	●	Continue to ensure all new employees receive BBL induction training
★ Attain an Accident Frequency Rate better than the HBF average	●	Continue to attain an AFR better than the HBF average
★ Ensure 95% of site operatives have a Construction Skills Certification Scheme card	●	Continue to ensure 95% of site operatives have a CSCS card
★ Ensure at least 7% of our workforce are trainees or apprentices	●	Continue to ensure at least 7% of our workforce are trainees or apprentices
★ Achieve at least a NextGeneration bronze award	●	Maintain a NextGeneration silver award and improve overall score by 5%
★ Maintain customer recommendation rate of at least 95%	●	Maintain customer recommendation rate of at least 95% and achieve a Net Promoter Score of 60

★ New targets agreed during 2017

● Achieving ● Partially achieved ● Not achieved

6<sup>th</sup>

OVERALL MOST IMPROVED  
NEXTGENERATION SUSTAINABLE  
HOUSEBUILDER

90%

EMPLOYEE  
RETENTION

100%

DIRECT EMPLOYEES PAID  
LONDON LIVING WAGE



35 per cent of our subcontractors were members of SCSS in 2017 and we will monitor the level of membership during 2018. In addition, we will continue to engage with our supply chain in light of legislative change to provide visibility on compliance with the Construction Skills Certification Scheme (CSCS). Due to the skills shortage we are monitoring workforce trainees and apprenticeship programmes, and the payment of the London Living Wage, to help attract new talent into the industry.

To ensure our people are valued all direct employees have career paths and are

paid at least the London Living Wage. Some 8 per cent of our workforce are trainees or apprentices which is helping us to develop the next generation of talented people within the business. 98 per cent of our people hold a CSCS card.

We have not faced any warnings or prosecutions relating to our health, safety and environmental practices since Telford Homes was founded in 2000. Our Accident Frequency Rate (AFR) of 0.11 compares favourably with the construction industry average AFR for the year to 31 March 2017 of 0.28. For the ninth consecutive year we received

a Royal Society for the Prevention of Accidents gold medal for health and safety. In 2018, we will review the benefits of moving towards ISO45001:2018 and gaining ISO9001:2015 accreditation for our processes and procedures.

All new staff complete our BLL induction training and updates of our strategy are presented to our employees by the Chief Executive at least once a year. More comprehensive BLL training is being planned with the SCSS and will be rolled out across all departments in 2018-19.

“  
**TELFORD HOMES HAS RESPONDED WELL TO THE CHALLENGES PRESENTED TO THE JOINT VENTURE, SHARING RISK AND TAKING A PROACTIVE APPROACH TO RESOLVING ISSUES.**”

**Anthony Green**  
Senior Project Manager, Notting Hill Housing  
(New Garden Quarter)

## LOOKING TO THE FUTURE:

### Building advocacy and strong partnerships

To safeguard our strategy we participate in various committees and forums including memberships with: Future of London; Home Builders Federation including the Skills Partnership Board; the NextGeneration Initiative; NHBC Foundation and Expert Panels; the SCSS leadership group; the Social Value Portal and the UK-GBC. We have contributed to and continue to engage in a wide range of invitation only groups.



New Garden Quarter E15



## NEW GARDEN QUARTER E15

In a joint venture with Notting Hill Housing Group, we are delivering a high density mixed use development of 471 new homes and over 10,000 sq.ft of commercial space, arranged around a new two acre public park. 112 homes have been sold to Folio London for build to rent.

This improved density was achieved by collaborating with local stakeholders and PTE Architects. Through a variation to the outline consent we added 15 per cent additional residential capacity to the scheme, without compromising design, quality or integrity. The development is within walking distance of the Queen Elizabeth Olympic Park, Stratford International station and Westfield Stratford City.

**190**  
CONSTRUCTION JOBS  
SUPPORTED PER YEAR

**£1m**  
GROSS VALUE ADDED OUTPUT  
PER ANNUM TO BE GENERATED  
BY COMMERCIAL FTE JOBS

**£6m**  
ANNUAL HOUSEHOLD  
EXPENDITURE POST COMPLETION  
SUPPORTING 35 FTE JOBS

**2**  
ACRE PUBLIC PARK  
WILL BE CREATED





# VERIFICATION STATEMENT

The purpose of the verification statement is to provide assurance to all stakeholders that the claims and data contained in the report are based on actual and reliable information. The scope for RPS's verification was to:

- Conduct high level data verification of performance measures identified in the report specifically within the objectives;
- Review the validity and accuracy of statements made in the report.

## Methodology

In conducting the verification, RPS verified statements and data through interviews with key individuals at Group level and document review. Sample data streams were interrogated. In addition, a sample of active sites was visited and selected issues audited. Evidence of target achievement was reviewed to ensure consistency with reported progress.

## Conclusions

In 2016 the Company launched its sustainability strategy 'Building a Living Legacy'. This was developed following a materiality assessment undertaken in 2016 and the published report has been structured to reflect the overarching road map to achieve the Company's vision which also informs a summary section included within the annual report.

Telford Homes measures progress against its core set of objectives and targets, and has achieved strong performance in key metrics relating to customer satisfaction, health and safety and its employees.

The Company is also exploring innovative approaches in specific areas such as the work on the Net Carbon Positive journey and progress is also being made with regards to supply chain management through engagement with the Supply Chain Sustainability School.

The progress against its peer group has been endorsed by the external recognition from the NextGeneration Initiative, whereby the 2016 ranking of seventeenth has improved to sixth in 2017.

Based on the agreed scope of work and the approach outlined above, nothing has come to our attention that causes us not to believe that, in all material respects, the Telford Homes Sustainability Report 2018 provides a credible and fair representation of the organisation's sustainability performance.



**Tanya Lloyd Jones**

MA (Oxon), MSc, MIEMA, CEnv

Technical Director  
RPS Planning and Development

**29 May 2018**











**Telford Homes Plc**

Telford House  
Queensgate  
Britannia Road  
Waltham Cross  
Hertfordshire EN8 7TF

Tel: 01992 809 800  
Email: [buildinglivinglegacy@telfordhomes.london](mailto:buildinglivinglegacy@telfordhomes.london)

[www.telfordhomes.london](http://www.telfordhomes.london)