

Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: Monday 30th May 2022

**Committee:
Housing Supervisory Board**

Date: Thursday, 9 June 2022
Time: 2.00 pm
Venue: Shrewsbury/Oswestry Room, Shirehall, Shrewsbury, SY2 6ND

You are requested to attend the above meeting.
The Agenda is attached.

There will be some access to the meeting room for members of the press and public, but this will be limited for health and safety reasons. If you wish to attend the meeting please email democracy@shropshire.gov.uk to check that a seat will be available for you.

Members of the public will be able to access the live stream of the meeting by clicking on this link:

<https://shropshire.gov.uk/HousingSupervisoryBoard9June2022>

Tim Collard
Assistant Director – Legal and Democratic Services

Members of Housing Supervisory Board

Robert Macey (Chairman)	Heather Kidd
Vince Hunt (Vice Chairman)	Tony Parsons
Jeff Anderson	Dan Thomas
Julian Dean	Robert Tindall
Simon Jones	

Your Committee Officer is:

Shelley Davies Committee Officer
Tel: 01743 257713
Email: shelley.davies@shropshire.gov.uk

AGENDA

1 Apologies for Absence and Substitutions

2 Disclosable Pecuniary Interests

Members are reminded that they must declare their disclosable pecuniary interests and other registrable or non-registrable interests in any matter being considered at the meeting as set out in Appendix B of the Members' Code of Conduct and consider if they should leave the room prior to the item being considered. Further advice can be sought from the Monitoring Officer in advance of the meeting.

3 Minutes (Pages 1 - 6)

To confirm the minutes of the Housing Supervisory Board meetings held on 31st March and 12th May 2022.

Contact: Shelley Davies on 01743 257718

4 Public Question Time

To receive any public questions or petitions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 5.00 pm on Wednesday 1st June 2022.

5 Member Question Time

To receive any question of which Members of the Council have given notice. The deadline for this meeting is 5.00 pm on Wednesday 1st June 2022.

6 Cornovii Developments Limited - Update Report (Pages 7 - 16)

To receive the Cornovii Developments Limited Update Report from the Assistant Director, Homes and Communities. [Report attached]

Contact Jane Trethewey

7 Housing Supervisory Report to Cabinet (Pages 17 - 20)

To receive the Housing Supervisory Report to Cabinet from the Assistant Director, Homes and Communities. [Report attached]

Contact Jane Trethewey

8 Exclusion of the Press and Public

To resolve in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and Paragraph 10.4[3] of the Council's Access to Information Procedure Rules, the press and public be excluded during consideration of the following item.

9 Exempt Minutes (Pages 21 - 24)

To confirm the exempt minutes of the Housing Supervisory Board meeting held on 31st March 2022.

10 Cornovii Developments Limited - Exempt Items Update Report (Pages 25 - 38)

To receive the Cornovii Developments Limited Exempt Items Update Report from the Assistant Director, Homes and Communities. [Exempt report attached]

Contact: Jane Trethewey

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Committee and Date

Housing Supervisory Board

9th June 2022

HOUSING SUPERVISORY BOARD

**Minutes of the meeting held on 31 March 2022
In the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate,
Shrewsbury, Shropshire, SY2 6ND
2.00 - 3.17 pm**

Responsible Officer: Shelley Davies
Email: shelley.davies@shropshire.gov.uk Tel: 01743 257718

Present

Councillor Robert Macey
Councillors Vince Hunt (Vice Chairman), Jeff Anderson, Julian Dean,
Tony Parsons, Dan Thomas and Robert Tindall

37 Apologies for Absence and Substitutions

Apologies for absence were received from Councillors Simon Jones and Heather Kidd.

38 Disclosable Pecuniary Interests

None were declared.

39 Minutes

RESOLVED: that the minutes of the meeting held on 20th January 2022 be approved as a true record and signed by the Chairman.

40 Public Question Time

There were no public questions.

41 Member Question Time

There were no Member questions.

42 **Cornovii Developments Limited 2022 Business Plan - Summary**

Members received the report of the Assistant Director Homes and Communities which provided a summary of the Cornovii Developments Limited (CDL) 2022 Business Plan. It was noted that all commercially sensitive information, which if disclosed publicly would impact on the ability of the Company to trade commercially had been omitted.

RESOLVED:

That the Housing Supervisory Board received the summary of the CDL 2022 Business Plan in accordance with the terms of the Shareholder Agreement and confirmed that the plan meets Shareholder requirements.

43 **Cornovii Developments Limited: Annual Report**

Members received the Cornovii Developments Limited (CDL) Annual Report for 2020/21. The Assistant Director Homes and Communities presented the report which summarised the overall financial position and performance of the CDL at the end of 2020/21 and provided the Statement of Accounts and Audit Finding Report.

RESOLVED:

That the Housing Supervisory Board received the CDL Annual Report for 2020/21, Statement of Accounts and Audit Finding Report, in accordance with the terms of the Shareholder Agreement.

44 **Exclusion of the Press and Public**

RESOLVED: That in accordance with the provisions of Schedule 12A of the Local Government Act 1972, and paragraph 10.4(3) of the Council's Access to Information Procedure Rules, the press and public be excluded during consideration of the following items.

45 **Exempt Minutes**

RESOLVED: That the exempt minutes of the meeting held on 20th January 2022 be approved as a true record and signed by the Chairman.

46 **Approval of Cornovii Developments Limited Business Plan**

Members received an exempt report from the Assistant Director Homes and Communities.

RESOLVED: That the two recommendations detailed in the report be approved.

47 **Cornovii Developments Limited Annual Report - Exempt Appendices 1b & 1c**

Members received the exempt appendices 1b & 1C from the CDL Annual Report.

RESOLVED: That the two exempt appendices be noted.

48 **Cornovii Developments Limited Teckal Status Update**

Members received an update in relation to Cornovii Developments Limited Teckal Status.

RESOLVED: That the update be noted.

49 **Report to Cabinet - Topics to Cover**

The Chairman gave an update in relation to the report to Cabinet.

RESOLVED: That the update be noted.

Signed (Chairman)

Date:

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<p><u>Committee and Date</u></p> <p>Housing Supervisory Board</p> <p>9 June 2022</p>

HOUSING SUPERVISORY BOARD

**Minutes of the meeting held on 12 May 2022
In the Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND**

Responsible Officer: Shelley Davies
Email: shelley.davies@shropshire.gov.uk Tel: 01743 257713

Present

Councillor Robert Macey
Councillors Vince Hunt (Vice Chairman), Jeff Anderson, Julian Dean, Simon Jones, Tony Parsons, Dan Thomas and Robert Tindall, Ruth Houghton (substitute)

1 Election of Chairman

Councillors Robert Macey and Tony Parsons were both proposed and seconded as Chair of the Committee. On being put to the vote, it was

RESOLVED: that Councillor Robert Macey be confirmed as Chairman for the ensuing year

2 Apologies for absence

Apologies were received from Councillor Heather Kidd. Councillor Ruth Houghton substituted for her.

3 Appointment of Vice-Chairman

Councillors Vince Hunt and Heather Kidd were both proposed and seconded as Vice-Chair of the Committee. On being put to the vote it was

RESOLVED that Councillor Vince Hunt be confirmed as Vice-Chair for the ensuing year

Signed (Chairman)

Date:

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Committee and Date

Housing Supervisory Board

9 June 2022

Cornovii Developments Limited Update Report

Responsible Officer Jane Trethewey

e-mail:	Jane.trethewey@shropshire.ov.uk
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1. Synopsis

The purpose of this report is to update the Housing Supervisory Board on the progress of Cornovii Developments Limited against its approved 10-year Business Plan. The report shown at Appendix A provides detail of the Company's overall progress in developing the homes set out in the Business Plan giving updates on its approved schemes at The Frith, Ellesmere Wharf and Ifton Heath.

2. Executive Summary

- 2.1. The report in Appendix A provides the Housing Supervisory Board with an update from Cornovii Developments (CDL) on the Company's progress against the Business Plan which was approved by the Housing Supervisory Board on 31 March 2022.
- 2.2. The quarterly monitoring report provides detail on the progress against the approved Business Plan, giving updates on the Company's approved schemes at The Frith, Ellesmere Wharf and Ifton Heath, to include investment in contractors and sub-contractors from a Shropshire postcode, detail of average EPC and carbon savings, employment and training opportunities created through CDL activity and number of educational settings supported by CDL.

3. Recommendations

- 3.1. That the Housing Supervisory Board receives the CDL Quarterly Monitoring Report in accordance with the terms of the Shareholder Agreement

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. A Risk Register is monitored by the Homes and Communities Team along with the CDL Monitoring Board. The Register covers the risks for the Council in its capacity of single shareholder of CDL.

5. Financial Implications

- 5.1. The CDL developments schemes are being delivered within the terms of the approved Shareholder Agreement and loan funding arrangements.

6. Climate Change Appraisal

- 6.1. All homes at Frith Close and Ifton Heath will have an EPC rating of A compared to building regulations that require an EPC rating of C. Carbon savings from the properties are anticipated to fall within the predicted energy assessment and will be confirmed at completion of the homes by the EPC certificates provided at handover. It is estimated that the homes at The Frith will produce 0.34 tonnes per year, which, when considered against a typical EPC rated property which produced 3.2 tonnes of Carbon per year, represents a saving of 2.86 tonnes of Carbon per year.
- 6.2. All new homes at Ellesmere Wharf will have an EPC rating of B producing a carbon saving of 1.93 tonnes per year in comparison to a property with an EPC rating of C.
- 6.3. Neither the homes at Frith Close or Ellesmere Wharf benefit from any additional carbon off-setting measures over and above the

landscaping measures approved at planning. The Ifton site is to benefit from the planting of additional trees.

- 6.4. At Frith Close, Ellesmere Wharf and Ifton Heath developments the flood risk assessment undertaken for demonstrated that there is no risk of a 1 in 100 + 30year flood event, which was also demonstrated by the Engineer's drainage calculations. Rainwater goods have been sized by the Architect to capacities required by Building Regulations. The homes at The Frith and Ellesmere Wharf scheme are generally situated on a NE/SW axis, with principal rooms situated in that axis, to prevent extreme heating and extreme cooling. Ifton Heath plots 1-17 are situated on a NW/SE axis, with principal rooms situated on that axis. All other plots are on a NE/SW axis, however, all principal rooms are positioned to limit solar gain and heat loss

7. Background

- 7.1. In accordance with the terms of the Shareholder Agreement CDL is required to report to the Shareholder via the Housing Supervisory Board at quarterly intervals in the operations and performance of the Company in meeting unmet housing need and on the objectives contained within the Business Plan, and otherwise keep the Shareholder informed of the progress of the Company.
- 7.2. On 31 March 2022 the Housing Supervisory Board approved CDL's 10-year Business Plan which set out its aims to deliver 728 homes over the plan period.
- 7.3. To date CDL has 91 homes on site at Frith Close, Ellesmere Wharf and Ifton Heath, with a further 637 within its pipeline. Of the homes to be delivered over the plan period, 138 will be homes for affordable tenures and 590 homes for market sale.
- 7.4. Through its Social Value objectives CDL is meeting targets set by its Board of Directors to invest in local contractors and subcontractors, offer employment and training opportunities, and to support, by its activities, educational settings within the locality of its development sites.

8. Additional Information

- 8.1. The progress of CDL against its Business Plan continues to be satisfactory.
- 8.2. The performance of CDL is also monitored by the Council's Homes and Communities Team, with further oversight being provided the CDL Monitoring Board, formed of a group of Officers from various departments across the Council.

9. Conclusions

- 9.1. The Housing Supervisory Board is asked to receive the CDL update report on the Company's delivery against its Business Plan and note its progress in respect of its approved schemes at The Frith, Ellesmere Wharf and Ifton Heath.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Cllr Dean Carroll

Portfolio Holder for Highways, Assets and Built Housing

Cllr Robert Macey

Chair of Housing Supervisory Board

Local Member

Appendix A

CDL update report

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CDL Quarterly Monitoring Report

Public

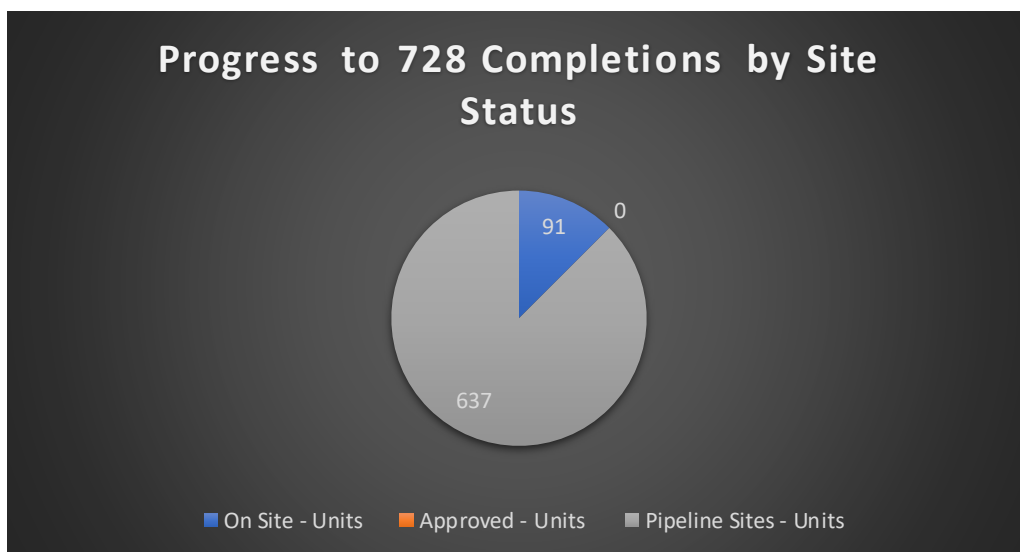
1 Purpose of the report

1.1 The purpose of the Monitoring Report is to update Housing Supervisory Board members on CDL activity to the end of April 2022.

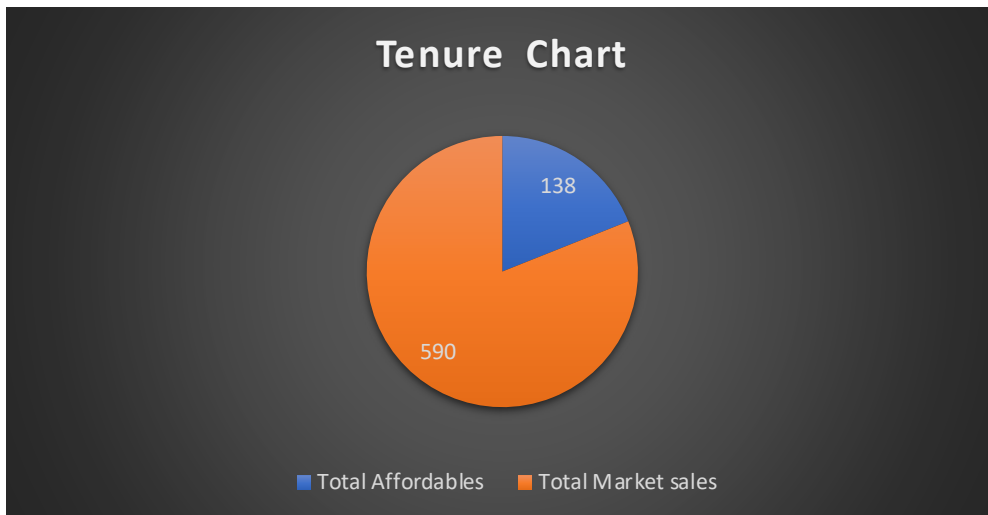
2 Development Summary

2.1 A total of 9 schemes were approved in the March 2022 Business Plan. The business plan will deliver a total of 728 new homes during the life of the business plan. The charts and tables below report on progress against this business plan.

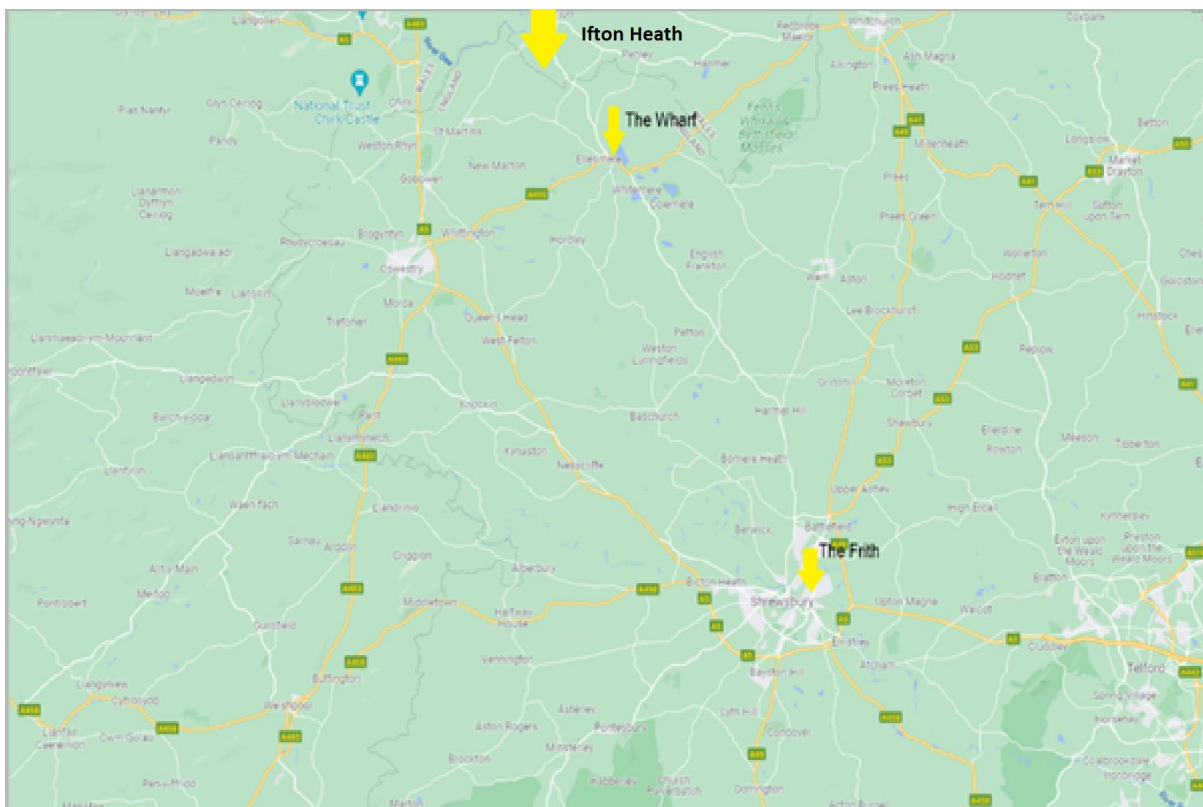
2.2 Fig. 1 - Progress to 728 completions in accordance with the approved business plan:



4.3 Fig. 2 - Tenure chart approved schemes :



4.4 Map 1: – Location of sites across the county (approved schemes only)



3 Social Value

3.1 CDL are currently investing in the following percentage of contractors and subcontractors from a Shropshire postcode on current on site schemes:

- The Frith – 100%
- Ellesmere Wharf – 41% to date
- Ifton Heath – 100%

3.2 Average EPC and carbon savings:

- The Frith – EPC rating A. Carbon savings of 2.86 tonnes/yr in comparison to a property with an EPC rating of C.
- Ellesmere Wharf – EPC rating B. Carbon savings of 1.93 tonnes/yr in comparison to a property with an EPC rating of C.
- Ifton Heath - EPC rating A. Carbon savings of 2.90 tonnes/yr in comparison to a property with an EPC rating of C.

3.3 Employment & training:

- The Frith – The contractor is working with Shrewsbury College to Champion Apprenticeships and have recently taken on an Apprentice Site Manager.
- Ifton Heath – The contractor is looking to work with children services at Shropshire Council to offer apprenticeship opportunities.

4.4 Number and detail of Education settings supported by CDL activities:

- The Frith – CDL and the contractor are supporting Shrewsbury College's Virtual School.
- Ellesmere Wharf – CDL are currently engaging with Welshampton Primary School.
- Ifton Heath – CDL and the contractor are currently engaging with St Martins School

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<u>Committee and Date</u>
Housing Supervisory Board
09 June 2022

Housing Supervisory Board Report to Cabinet

Responsible Officer Jane Trethewey

e-mail:	Jane.trethewey@shropshire.ov.uk
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1. Synopsis

The purpose of this report is to present to the Housing Supervisory Board (HSB) the areas and themes to be covered in the Housing Supervisory Board Update Report to Cabinet and to seek approval that work to develop and finalise the report is delegate to the Assistant Director of Homes and Communities in consultation with the Chair of the Housing Supervisory Board. The areas and themes which are proposed to be covered in the report are set out within the respective headings contained within this report.

2. Executive Summary

- 2.1. This section of the report will deliver the Executive Summary and will cover the following areas:
- 2.2. Set out the rationale for presenting the report to Cabinet in that, The Housing Supervisory Board's Terms of Reference requires regular reporting should be made to Cabinet on the progress of CDL in meeting unmet housing need across the County and in delivering on the objectives of its business plan.
- 2.3. Provide an overview of the role of the HSB in providing strategic direction to the company and in overseeing the performance of the company in accordance with its delegated functions and within the terms of the Shareholder Agreement.
- 2.4. Overview of CDL delivery to date and projections for delivery over the next twelve months.
- 2.5. Detail of the current Business Plan approved to the Housing Supervisory Board in March 2022.

3. Recommendations

- 3.1. Approve the proposed outline content for the Housing Supervisory Board Report to Cabinet
- 3.2. Approve that work to develop and finalise the report is delegated to the Assistant Director of Homes and Communities in consultation with the Chair of the Housing Supervisory Board

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. Advise of the role of the Housing Supervisory Board in monitoring the progress and performance of CDL. Set out the structure of HSB meetings and the role of the Managing Director of CDL in attending the meetings to give account of the Company's activities.
- 4.2. Describe the role of the CDL Board of Directors in managing risk. The use by the company of sensitivity analysis and reporting of outcomes to the HSB.
- 4.3. Outline the role of the CDL Monitoring Board, the Assistant Director of Homes and Communities and the Client and Commissioning Manager in monitoring the activity of CDL.

5. Financial Implications

- 5.1. Describe the financial arrangements of CDL and the nature of the loan facilities in place with the Council, describing how the performance against the terms of the loans is monitored.

- 5.2. Outlined the expected return to the Council over the life of the current Business Plan.
- 5.3. Advise of the current negotiations on the restatement of the loan agreement which is expected to conclude in late summer.

6. Climate Change Appraisal

- 6.1. To cover CDL's approach to Energy and fuel consumption, Renewable Energy Generation, Carbon Offsetting or mitigation and Climate change adaptation in respect of the current Business Plan. Further setting out how schemes at Frith Close, Ellesmere Wharf and Ifton Heath, have, or are set to perform in each area.

7. Background

- 7.1. Set out the background of the Company and current status of delivery.
- 7.2. State the role of the HSB and its functions as delegated by the Council as set out in its Terms of Reference and the Shareholder Agreement.
- 7.3. Present the current CDL business plan approved by the HSB at its March 2022 meeting.
- 7.4. State the role of the HSB in monitoring the progress of the CDL against the objectives of the business plan, setting out how information in the form of the quarterly monitoring reports in presented to the HSB.
- 7.5. Detail the matters of Shareholder Consent to which the HSB has given approval to date, to include approval of the business plan and appointment of company directors.
- 7.6. Provide a summary of CDL's ambitions to meet unmet housing need and the role of the HSB in overseeing delivery of the company's business plan
- 7.7. Highlight the impact CDL's activities are making in respect of addressing unmet housing need, developing unused sites, paying capital receipts to the Council, providing revenue income to the Council

8. Additional Information

- 8.1. To set out the role the HSB and CDL Board Joint Away Days takes in ensuring that there is continued alignment of the strategic direction of the Company and the Council, with a joint annual review of the progress of CDL in meeting unmet housing need and in delivering the objectives of the business plan.

9. Conclusions

- 9.1. The Housing Supervisory Board is asked to approve the proposed outline content for its report to Cabinet and to approve that work to develop and finalise the report is delegated to the Assistant Director of Homes and Communities in consultation with the Chair of the Housing Supervisory Board

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Cllr Dean Carroll

Portfolio Holder for Highways, Assets and Built Housing

Cllr Robert Macey

Chair of Housing Supervisory Board

Local Member

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