



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

Date: Wednesday, 20 November 2024

Committee: Housing Supervisory Board

Date: Thursday, 28 November 2024

Time: 2.00 pm

Venue: Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, 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. If you wish to attend the meeting please email democracy@shropshire.gov.uk to check that a seat will be available for you.

Please click [here](#) to view the livestream of the meeting on the date and time stated on the agenda

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel [Here](#)

Tim Collard
Assistant Director - Legal and Governance

Members of Housing Supervisory Board

Vince Hunt (Chairman)

Garry Burchett (Vice Chairman)

Jeff Anderson

Julian Dean

Rosemary Dartnall

Roger Evans

Ruth Houghton

Simon Jones

Dan Thomas

Your Committee Officer is:

Shelley Davies Committee Officer

Tel: 01743 257718

Email: shelley.davies@shropshire.gov.uk

AGENDA

1 Apologies

2 Disclosable 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 meeting held on 19th September 2024.

Contact: Shelley Davies

4 Public Question Time

To receive any public questions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 12.00 pm, Friday 22nd November 2024.

5 Member Question Time

To receive any question of which Members of the Council have given notice. The deadline for this meeting is 12.00 pm, Friday 22nd November 2024.

6 Cornovii Developments Limited - Update Report (Pages 7 - 18)

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

Contact: Jane Trethewey

7 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 items.

8 Exempt Minutes (Pages 19 - 22)

To confirm the exempt minutes of the Housing Supervisory Board meeting held on 19th September 2024. [Exempt Minutes Attached]

9 Cornovii Developments Limited - Exempt Items Update Report (Pages 23 - 42)

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

Contact: Jane Trethewey

10 Date of Next Meeting

To note that the next meeting of the Housing Supervisory Board will be held at 10.00 am on Thursday 20th March 2025.

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Committee and Date

Housing Supervisory Board

28th November 2024

HOUSING SUPERVISORY BOARD

Minutes of the meeting held on 19 September 2024

In the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

2.00 - 3.22 pm

Responsible Officer: Shelley Davies

Email: shelley.davies@shropshire.gov.uk Tel: 01743 257718

Present

Councillor Vince Hunt (Chairman)

Councillors Garry Burchett (Vice Chairman), Julian Dean, Roger Evans, Ruth Houghton, Simon Jones, Dan Thomas and Alan Mosley (substitute for Rosemary Dartnall)

14 Apologies for Absence and Substitutions

Apologies for absence were received from Councillors Jeff Anderson and Rosemary Dartnall (Substitute: Alan Mosely)

15 Disclosable Pecuniary Interests

None were declared.

16 Minutes

RESOLVED:

That the minutes of the meeting held on 6th June 2024 be approved as a true record.

17 Public Question Time

There were no public questions.

18 Member Question Time

There were no member questions.

19 Cornovii Developments Limited - Update Report

Members received the report of the Assistant Director Homes and Communities which gave an update from Cornovii Developments Limited (CDL) on the company's progress against the approved 10-year Business Plan.

The Assistant Director Homes and Communities introduced the report and referred to Appendix A which provided detail of the company's activity to the end of June 2024.

The Managing Director of CDL clarified that 114 new homes had been completed across 4 sites, delivering 39 affordable homes and reported that work had started on the London Road site with the show home due to be launched at the end of October. He added that there had been a steady interest in the site and work at present was focussed on resolving issues in relation to services.

In response to questions the Managing Director of CDL confirmed that:

- CDL has a conservative sales rate which assumed that properties would not be sold for at least a period of six months.
- The key issues affecting viability in relation to standing stock included charges such as council tax and interest payments related to loan facilities. He added that when properties were not sold it meant the capital cannot be recycled to build more homes which potentially affects future projects.
- The split between affordable rent and shared ownership was approximately 80/20. He added that a breakdown of the figures would be circulated following the meeting and a regular update would be provided at future meetings.
- Moving forward, CDL were focussing more on social rented homes to provide more affordable housing options to cater to a broader range of affordability needs within the community.
- CDL were committed to the delivery of affordable homes, with a focus on achieving and exceeding local policy requirements and had currently delivered 34% across the first four sites.
- The challenges in delivering affordable housing, including securing grant funding and finding partners to take on the affordable units and added that CDL were exploring new funding opportunities and models to increase the provision of affordable housing.

RESOLVED: That the report be noted.

20 **Cornovii Developments Limited - Private Rent Sector Policies**

Members received the report of the Assistant Director Homes and Communities which requested approval from the Housing Supervisory Board on the Cornovii Developments Limited (CDL) private rent sector, lettings policy, debt management and recovery policy, planned maintenance policy, rent setting policy and day to day repairs policy.

The Assistant Director Homes and Communities introduced the report which set out the policies in regard to the retention of new homes for private rent and added that CDL had identified 33 homes for PRS across five schemes.

In response to concerns raised by a member, the Assistant Director Homes and Communities explained that the company was not set up to solely to deliver affordable housing but to meet unmet housing needs in Shropshire.

The Managing Director of CDL, in response to further questions confirmed that:

- The lettings for PRS properties will be managed through an estate agent under a development management agreement to ensure professional handling of the rental process.
- The policies included a focus on providing rental options for key workers, highlighting an effort to support essential service providers in accessing quality housing.
- Exploring the possibility of a local lettings policy would be considered, and updates will be provided accordingly.
- The policies were drafted on a risk-based approach, which was considered appropriate to manage the tenancy risks effectively and he acknowledged the need for flexibility to accommodate different circumstances to ensure that the policy remained inclusive and responsive to the changing legal and social contexts.

RESOLVED:

1. That the CDL PRS Policy Consultation report be noted.
2. That the draft CDL PRS Rent Setting Policy, as at appendix B of the report be approved.
3. That the draft CDL PRS Lettings Policy, as at appendix C of the report be approved.
4. That the draft CDL PRS Debt Management & Recovery Policy, as at appendix D of the report be approved.
5. That the draft CDL PRS Planned Maintenance Policy, as at appendix E of the report be approved.
6. That the draft CDL PRS Day to Day Repairs Policy, as at appendix F of the report be approved.
7. That the request for CDL to charge the maximum deposit allowed of five weeks (as referred to in appendix G of the report) be approved.

8. That the implementation of the Tenancy Deposit (custodial) Scheme for managing tenant deposits (as referred to in appendix G of the report) be approved.

21 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.

22 Exempt Minutes

RESOLVED:

That the exempt minutes of the meeting held on 6th June 2024 be approved as a true record.

23 Cornovii Developments Limited - Exempt Items Update Report

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

RESOLVED:

That the report be noted.

24 Cornovii Developments Limited - Joint Venture Report

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

RESOLVED:

That the recommendations contained within the exempt report be approved.

25 Matters presented to the CDL board within the Preceding Quarter

Members received a verbal update from the Managing Director of Cornovii Developments Limited.

RESOLVED:

That the update be noted.

26 Date of Next Meeting

It was noted that the next meeting of the Housing Supervisory Board would be held at 2.00 p.m. on Thursday 28th November 2024.

Signed (Chairman)

Date:

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<u>Committee and Date</u>
Housing Supervisory Board
28 th November 2024

<u>Item</u>
6
Public

Cornovii Developments Limited Update Report

Responsible Officer Jane Trethewey

e-mail:	Jane.trethewey@shropshire.gov.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 (CDL) against its approved 10-year Business Plan. The report shown at Appendix A provides detail of the Company's activity to the end of September 2024.

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 16th March 2024.
- 2.2. The quarterly monitoring report provides detail on the progress against the approved Business Plan, giving updates on the Company's live schemes at Ellesmere Wharf, Ifton Heath, The Oakland and London Road 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.
- 2.3. The number of units forecast to be delivered over the plan period has remained the same since last reported from 882 to 913. The Q2 forecast now estimates and increase from 18% to 20% of the 913 homes to be delivered will be affordable. To date, four sites have been completed delivering 39 affordable homes including 10 LAHF

properties delivered as affordable rent. One further development is on site and is due to deliver a further 27 affordable homes.

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 Ifton Heath have achieved an EPC rating of A (SAP 2012) compared to building regulations that require an EPC rating of C, producing a carbon saving of 2.90 tonnes per year in comparison to a property with an EPC rating of C, therefore the climate plan has been met.
- 6.2. All new homes at Ellesmere Wharf have an EPC rating of A (SAP 2012) producing a carbon saving of 2.93 tonnes per year in comparison to a property with an EPC rating of C, therefore the climate plan has been met.
- 6.3. All homes at London Road will have an EPC rating of B (SAP 10.2) and an Environmental Impact Rating of A. Design stage predicted energy assessments are not yet available for this development. In addition, all homes at London Road will be electrically heated, utilising ASHP for houses, and electric panel heating for apartments. Therefore, London Road is on target to reach climate plan objectives once complete.
- 6.4. All homes at Oaklands have an EPC rating of B (SAP 10.2) and an Environmental Impact Rating of A. In addition, all homes at Oaklands

will be fitted with ASHPs to all plots, and a maximum of 1.7 kwp to roofs. Calculated Co2 emissions are (for a typical plot) 0.2 tonnes (vs 6 tonnes produced by a typical household), therefore meeting climate plan objectives.

- 6.5. The homes at Ellesmere Wharf and Oaklands do not benefit from any additional carbon off-setting measures over and above the landscaping measures approved at planning. The Ifton and London Road sites are to benefit from the planting of additional trees.
- 6.6. At all four developments the flood risk assessment undertaken 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.
- 6.7. The homes at 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.
- 6.8. The homes at London Road are generally situated on a NW/SE axis, with principal rooms situated in that axis, to prevent extreme heating and extreme cooling. All properties will be subject to an overheating assessment, which will result in all being fitted with a DMEV ventilation system, and low emissivity glazing to minimise solar gain. Properties will be fitted with a minimum of 0.8 Kwp Photovoltaic panels to houses, and 1.6 Kwp to apartments.
- 6.9. The homes at Oaklands are generally situated on a NW/SE axis, with principal rooms situated in that axis, to prevent extreme heating and extreme cooling. All properties will be subject to an overheating assessment, which will result in all being fitted with measures to minimise solar gain.

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 on 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. In accordance with the terms of the Shareholder Agreement, Schedule 1, Shareholder Consent Matters, Part A Corporate Matters,

the company shall not, unless it has Shareholder Consent, alter its registered office.

8. Operations and performance of the Company in meeting unmet housing need and objectives contained within the Business Plan

- 8.1. On 16 March 2024 the Housing Supervisory Board approved CDL's 10-year Business Plan which set out its aims to deliver 882 homes over the plan period. The forecast as of Quarter two now forecasts a delivery of 913 homes over the plan period.
- 8.2. Ifton Heath has now reached practical completion. CDL have confirmed two properties have completed for Local Authority Housing Fund (LAHF). There has also been the successful sale and purchase of 13 affordable homes to Connexus Housing Group which completed in July 2024.
- 8.3. Ellesmere Wharf site has now reached practical completion. CDL have confirmed four properties recently completed for Local Authority Housing Fund (LAHF). CDL have confirmed STaR Housing received board approval in July 2024 to purchase 2 x S106 1 bed bungalows from CDL. Legal completion is anticipated for December 2024.
- 8.4. The Oaklands Development has now reached practical completion. CDL have confirmed four properties recently completed for Local Authority Housing Fund (LAHF). STaR Housing received board approval in July 2024 to purchase 2 x S106 1 bed bungalows from CDL. Legal completion is anticipated for December 2024.
- 8.5. CDL are currently on site at London Road where the point of connection to the substation has caused a delay due to the road adoption S38 notice with a third party. A secondary option has been identified and agreed to energise the site ready or sale with a target date being set at mid-December.
- 8.6. From the current live and completed schemes, CDL will deliver a total of 249 units, of which 157 will be for market sale, 66 will be affordable tenure and 26 will be for private rent.
- 8.7. CDL aim to deliver 62 private rented homes over the plan period, 12 of which will be on the London Road development. CDL have drafted their rents and lettings policy for these dwellings, and these were approved at the last Housing Supervisory Board.
- 8.8. At section 2.4 Figure 3 CDL set out their sales forecast against the approved business plan. Due to changes in the programme peak

sales forecast have slipped to 2028-29, with sales continuing into 2031-2032.

- 8.9. The current position of sales, reservation and unsold on completed and live scheme is reported as CDL in the below table. These figures are as of the 14th November 2024.

Quarter 2

The Oaklands:

Unit Summary

	Affordable Rent	Shared Ownership	LAHF	PRS	Market Sales
Unreserved	0	0	0	0	4
Reserved	2	0	0	2	4
Completed	0	0	4	0	7

Ifton Green:

Unit Summary

	Affordable Rent	Shared Ownership	LAHF	PRS	Market Sales
Unreserved	0	0	0	0	5
Reserved	0	0	0	7	3
Completed	7	6	2	0	5

Ellesmere Wharf:

Unit Summary

	Affordable Rent	Shared Ownership	LAHF	PRS	Market Sales
Unreserved	0	0	0	0	4
Reserved	2	0	0	4	3
Completed	0	0	4	0	6

- 8.10. 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.

- 8.11. At Appendix A section three CDL report on the local Social Value generated from their activity, to include percentage of contractors and subcontractors from a Shropshire postcode, employment and training opportunities and number of educational settings supported by CDL activities.

9. Additional Information

- 9.1. 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.

10. **Conclusions**

10.1. 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 relation to live and completed schemes.

10.2. The Housing Supervisory Board is asked to note the increase from the last report in September 2024 in the percentage of homes over the agreed plan which will be affordable from 18% to 20%.

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 Housing and Assets Cllr Vince Hunt Chair of Housing Supervisory Board
Local Member
Appendix A CDL update report

Cornovii Development Ltd Quarter Two Monitoring Report Public

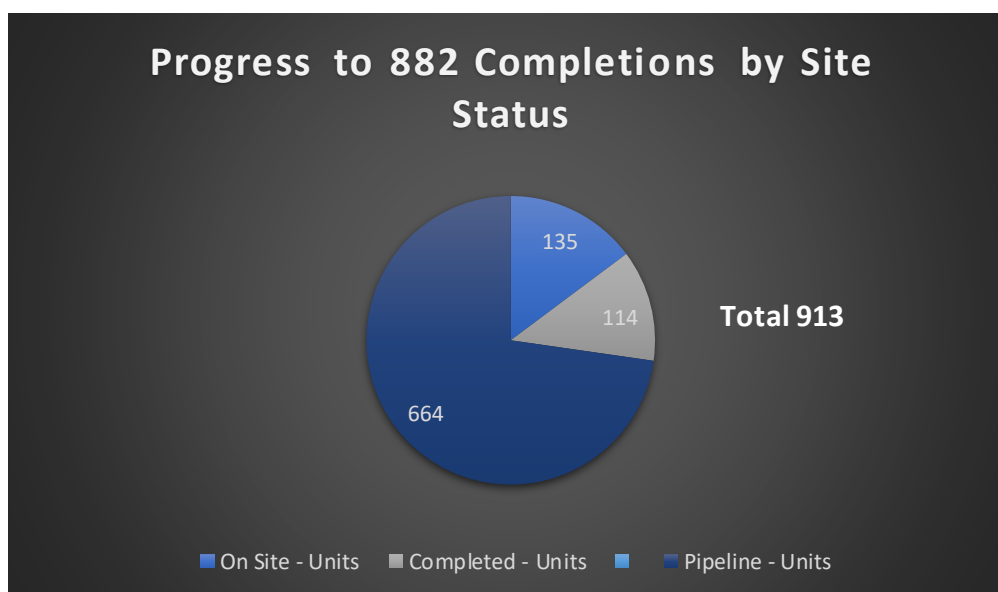
1 Purpose of the report

- 1.1 The purpose of the Monitoring Report is to update Housing Supervisory Board members on Cornovii Development Limited CDL activity to the end of September 2024.

2 Development Summary

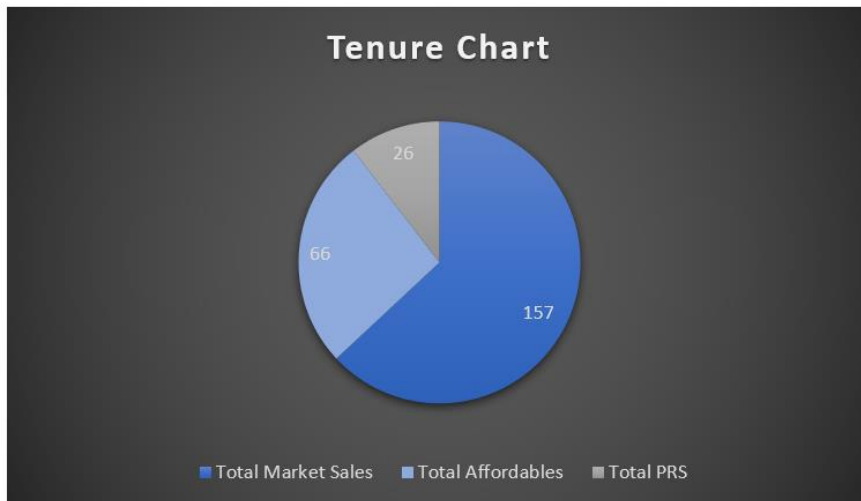
- 2.1 A total of 11 schemes were approved in the March 2024 Business Plan. The business plan aims to deliver a total of 882 new homes during the life of the business plan. The charts and tables below report on progress against this business plan.

- 2.2 Fig. 1 - Progress to 882 completions in accordance with the approved business plan:



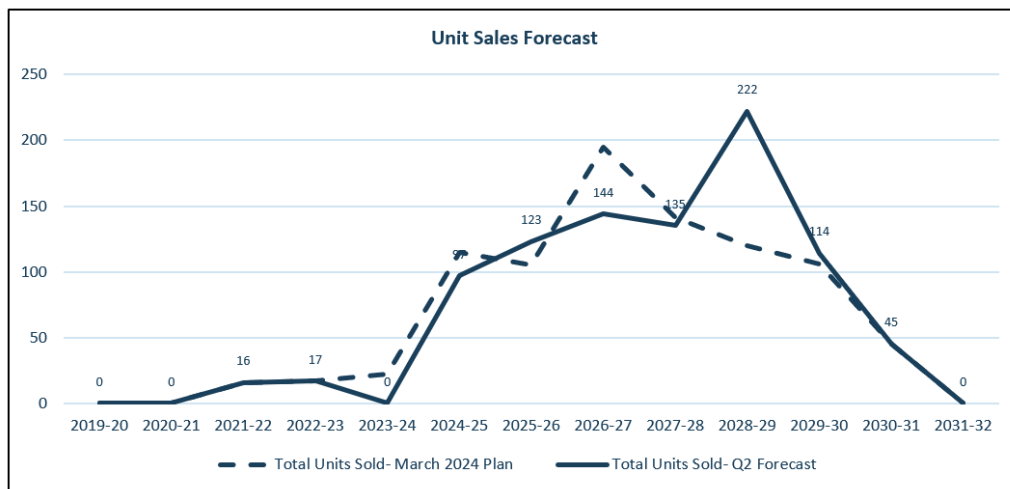
N.B. The number of units forecast has increased since the plan was approved.

2.3 Fig. 2 - Tenure chart approved schemes :

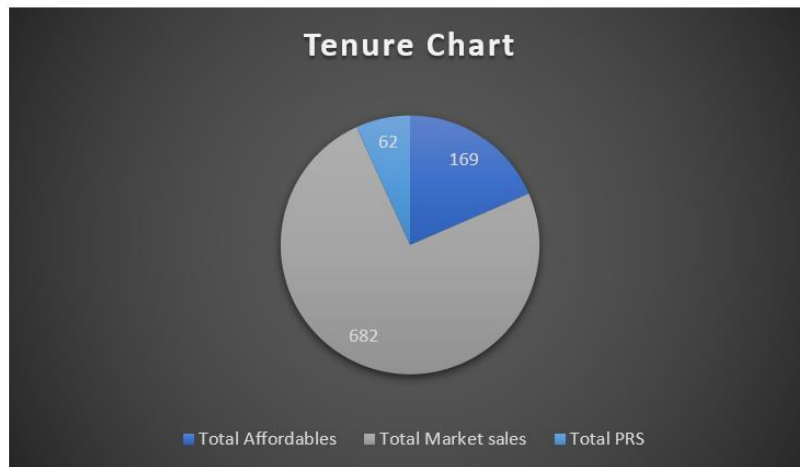


The Q2 forecast estimates 20% of the 913 homes to be delivered will be affordable. To date, four sites have been completed delivering 39 affordables including 10 LAHF properties delivered as affordable rent. One further development is on site and is due to deliver a further 27 affordables.

2.4 Fig. 3 – Sales forecast within the approved business plan and as at Q2



2.5 Fig. 4 - Number of units forecast by tenure over plan period:



2.6 Fig. 5 - Tenure chart (live and completed sites only):

Tenure Type								
	Market Sale	Affordable Rent	Shared Ownership	Private Rent	Total Affordable Homes	Total Market Sale	Total PRS	Total No. Units
Crowmoor	21	12	0	0	12	21	0	33
Ellesmere Wharf	12	6	0	5	6	12	5	23
Ifton	13	9	6	7	15	13	7	35
Oaklands	15	6	0	2	6	15	2	23
London Road	96	19	8	12	27	96	12	135
					66	157	26	249

2.7 Homes by tenure type and bedroom size forecast to complete over the plan period (live and completed sites only):

Homes by tenure type and bedroom size

1 bed	24	10%
2 bed	65	26%
3 bed	82	33%
4 bed	70	28%
5 bed	8	3%
Total Units	249	

Bungalow	33	13%
House	196	79%
Apartment	20	8%
Total Units	249	

2.8 Number of completions in the plan period against the approved business plan of 882 units:

	Prior Years	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	Total
Completions Forecast	33	97	123	144	135	222	114	45	0	0	913
Outright sales	21	43	97	144	110	156	75	26	0	0	682
Affordable rent & SO	12	28	26	0	25	66	18	4	0	0	169
PRS	0	26	0	0	0	0	21	15	0	0	62

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



2.10 Ifton Heath Development Update

This scheme has now reached practical completion. We are pleased to confirm 2 properties have completed for Local Authority Housing Fund (LAHF). The successful sale and purchase of 13 affordable homes to Connexus Housing Group in July 2024.

2.11 Ellesmere Wharf Development Update

This site has now reached practical completion. We are pleased to confirm 4 properties recently completed for Local Authority Housing Fund (LAHF). STAR Housing received board approval in July 2024 to purchase 2 x S106 1 bed bungalows from CDL. Legal completion is anticipated for December 2024.

2.12 The Oaklands Development Update

This scheme has now reached practical completion. We are pleased to confirm 4 properties recently completed for Local Authority Housing Fund (LAHF). STAR received board approval in July 2024 to purchase 2 x S106 1 bed bungalows from CDL. Legal completion is anticipated for December 2024.

2.13 London Road Development Update

Point of Connection to the sub-station has caused a slight delay due to the road adoption S38 notice with a third party. A second option has been identified and agreed with the statutory body to energise the site ready for sale and a target date for such is mid December. Practical completion is still anticipated for October 2025. A soft launch for sales took place on 11th November.

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%
- Ifton Green – 60%
- Ellesmere Wharf – 65%
- The Oaklands – 95%
- London Road – 60% to date

3.2 Average EPC and carbon savings:

- The Frith – EPC rating A (SAP 2012). Carbon savings of 2.86 tonnes/yr in comparison to a property with an EPC rating of C.
- Ellesmere Wharf – EPC rating A (SAP 2012). Carbon savings of 2.93 tonnes/yr in comparison to a property with an EPC rating of C.
- Ifton Heath - EPC rating A (SAP 2012). Carbon savings of 2.90 tonnes/yr in comparison to a property with an EPC rating of C.
- Oaklands - The final EPC rating is 'B' (SAP 10), with a score of 86. The Environmental Impact Rating is 'A'. Calculated Co2 emissions are (for a typical plot) 0.2 tonnes (vs 6 tonnes produced by a typical household).

3.3 Employment & training:

- Ifton Green – Six apprentices were supported on site.
- Ellesmere Wharf – Six apprentices were supported on site.

- The Oaklands - 16 apprentices have been supported on site.
- London Road - 5 apprentices have been supported on site to date.

3.4 Number and detail of Education settings supported by CDL activities

- Preliminary plans are underway to invite the local school and college to the showhome and site to showcase London Road and its eclectic offering in housing type, tenure and affordability to the Shrewsbury market
- Ifton Heath – Pupils at St Martins School have taken part in a competition and have provided the three street names within the Ifton Heath development which have been approved by Shropshire Council and Royal Mail. The winning street names are:
 - Levi Lane
 - Miners Way
 - Old School Avenue

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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