

Cornovii Developments Limited

Update Report

1.0 Purpose

- 1.1 To update the Housing Supervisory Board (HSB) on Cornovii Development Limited (CDL) progress since the previous HSB meeting held on 5th November 2020.

2.0 Introduction

- 2.1 The report will update the HSB on key company activities including staff recruitment, marketing, specification development and progress of its first four sites at Crowmoor, Frith Close; Overton Road, Ifton Heath; Ellesmere Wharf, Ellesmere and Tilstock Road, Whitchurch.

3.0 Recommendations

- 3.1 The Housing Supervisory Board are requested to note the content of this report.

4.0 Homes England Affordable Homes Programme

- 4.1 In September 2021 Homes England published guidance for providers and partners looking to bid for the Affordable Homes Programme (AHP) for the period 2021 to 2026. £12bn will be made available across the country for affordable homes during the funding round.
- 4.2 CDL has decided, in partnership with Shropshire Council and ST&R Housing to bid for affordable homes grant funding. CDL have recently submitted its first grant bid to HE in partnership with Shropshire Council and ST&AR Housing for the development at Frith Close, Crowmoor.

5.0 Recruitment

- 5.1 CDL has recently completed the successful recruitment of two new posts into the CDL Team, a Sales and Aftercare Manager and a Development Officer. Both new members of staff will be joining the team in February 2021 and will support CDL in its drive to push forward its development and sales activity. CDL hope to recruit a company Business Support Assistant during Q1 of 2021/22 to support CDL with company administration activity.
- 5.2 CDL are working with the Finance Team to recruit a Senior Commercial Accountant who will be supporting CDL during the next 12 months. The postholder will be recruited by Shropshire Council and contracted into CDL through the Finance Contract. Interviews will be held in advance in February 2021 and it is expected that the appointee will be in post during quarter one 2021/22.

6.0 Virtual Tour

- 6.1 CDL held its virtual tour with the CDL Board, Housing Supervisory Board and Cabinet in December 2020. The virtual tour was a success and CDL have been asked to undertake the tour with all members in February 2021 and with new members post-election.

7.0 Sustainability

- 7.1 Shropshire Council agreed a new Climate Change Strategy Framework at Full Council in December 2020 setting a clear commitment and direction to reduce Shropshire Council carbon footprint. The aim of the Framework is to reduce Shropshire Council's carbon footprint and establish the council as a community leader in tackling the climate change crisis. The decision means that Shropshire Council has committed to reducing its' own greenhouse gas (GHG) emissions to net carbon zero by 2030. An important measure to achieve this will be the preparation of an annual Carbon Impact Budget. This will identify the carbon impacts of Council services and major projects. It will report on annual performance trends, alongside the Council's financial budget increasing accountability for carbon reduction.
- 7.2 CDL is committed to reducing its carbon footprint by building ultra-efficient sustainable homes, supporting the local supply chain and investing in new eco efficient technologies. Furthermore, CDL have committed to work with the Climate Change Team to record its carbon footprint for inclusion within the annual carbon footprint statement. CDL is awaiting further guidance on the carbon footprint monitoring system and may request a specialist calculation due to the nature of CDL work.

8.0 Covid 19 update

- 8.1 The CDL team have recently been asked to support the role out of a Covid vaccination centre at Ludlow Racecourse. CDL were given six working days' notice to setup the vaccination centre which included all logistical, operational and clinical setup matters. The Ludlow Vaccination Centre went live on the 2nd February 2020. This was a massive achievement for the team and demonstrated how CDL have supported this national effort.
- 8.2 The Covid 19 crisis continues to be a major challenge for the housing sector and the wider economy. CDL continues to monitor the impact the crisis has on company activities through its strategic risk register.
- 8.3 Shropshire based estate agents continue to confirm that the market in Shropshire remains buoyant with many new purchasers buying properties within Rural Communities with excellent transport links. Shrewsbury and some of the North Shropshire Town continue to be popular with new buyers. A key issue currently is a lack of supply, with many offers being accepted that are at least 5% above the asking price.
- 8.4 The tightening of underwriting guidelines by mortgage lenders and the impact this has had on mortgage availability continues to be a challenge with many first-time buyers with low deposit and adverse mortgage products being removed from the market. This continues to be an area of high concern for the company given its proposed product range. Furthermore, solicitors have advised on delays with the conveyancing process due to the impending end of the stamp duty holidays.

9.0 Private Rental Opportunities

- 9.1 CDL is continuing to explore opportunities to enter into the private rental sector. In December 2020 the company commissioned Arc4 to undertake a Supply and Demand Assessment of the rental market in Shropshire. The findings of this survey are due within the coming weeks. In addition, the company is seeking tax advice from specialist Tax Consultants and is working with partners to ensure that appropriate company structures and governance arrangements for the ownership and management of homes are established.

10.0 Marketing and Branding

- 10.1 The company has recently launched its new brand identity, logo and corporate values. As part of this comprehensive branding process, four clearly defined corporate values – Quality, Service, Community and Sustainability were created to form the foundations on which the company is built.
- 10.1 The company has now established its digital presence, with the launch of Facebook, Instagram and LinkedIn Pages. These digital channels will be supported by the company's new website which is scheduled to go live in mid-February. A successful social media campaign, which ran over the Christmas and New Year period, has generated strong interest in the company and its upcoming developments.

11.0 Crowmoor

- 11.1 CDL issued tender documents for the build contract for the Crowmoor development in September 2020 to five Shropshire based contractors. Tender returns were received in November 2020 and underwent an assessment in partnership with CDL professional advisory team. Following CDL Board approval on the 26th November 2020, Morris Property have been appointed as the main contractor. CDL have issued Morris Property with a letter of intent to start enabling and demolition works whilst the contract is negotiated, the Severn Trent drainage issue is resolved and CDL formalise the purchase of the site from the council.
- 11.2 All utilities to Crowmoor House have been disconnected and Morris Property has completed vegetation soft-strip and tree removal and asbestos strip within the existing building. Demolition of Crowmoor House also commenced in January 2021.
- 11.3 Over 40 expressions of interest have already been registered by potential home buyers for the Crowmoor scheme.
- 11.4 The current site plan for Crowmoor can be found in Appendix A

12.0 Ifton Heath

- 12.1 CDL revised the site layout at Ifton Heath in October 2020 following feedback from the planners, the parish council and children services. CDL have also reviewed the draft local plan and additional consultee comments. An updated scheme was submitted to the planning department in early December 2020 for the new site layout of 35 homes (see Appendix B) comprising a mix of 1 and 2 bedroom bungalows and 2, 3 and 4 bedroom houses.
- 12.2 The revised layout has taken the following into consideration:

- Retaining the existing school house, which is occupied by Children’s Services, and will remain under their management, in addition to reducing the garden area and providing additional parking as requested by Children’s services.
- Additional tree surveys commissioned for the new layout.
- Revised storm water drainage strategy.

12.3 CDL and CDL’s Planning Consultant are currently responding to consultation comments issued by SC Planners which includes the requirement for an additional Open Space Assessment. A planning decision is anticipated in late spring.

13.0 Ellesmere Wharf

13.1 CDL submitted a planning application for 23 new homes, 15 for market sale and 8 affordable homes, in October 2020. The proposed site plan can be found in Appendix C and comprises of 1 and 2 bedroom wheelchair adaptable bungalows and 2, 3 and 4 bedroom houses.

13.2 The planning application is to be considered by the Northern Planning Committee on 9th February 2021. Should the scheme be approved CDL will be looking to appoint a contractor in April with an anticipated start on site date towards the end of May.

14.0 Tilstock Road, Whitchurch

14.1 CDL continue to meet regularly with Brenig Construction and Resolve 106 to progress the Tilstock Road opportunity to unlock delivery of 500 units across four phases. Brenig Construction would deliver 90-100 units on behalf of CDL under a JCT Design and Build Contract following successful negotiation to purchase an agreed portion of the site identified under phase 1.

14.2 APD Architects have been appointed by CDL to draw a new masterplan and the layout will be completed in April 2021. House-types layouts have also been prepared.

14.3 Technical due diligence has been carried out on the site by Brenig Construction and CDL and regular meetings are being held to keep track of progress with detailed design.

14.4 An updated feasibility appraisal will be undertaken once the new site layout plan is complete and all confirmed costs received.

14.5 The biggest risk with the bringing forward the site is resolving the rising main connection. CDL continue with its partners to engage with Welsh Water to resolve this issue.

Appendix B – Ifton Proposed Layout

- House Type Legend
- 1 Bed Bungalow
 - 2 Bed
 - 2 Bed Bungalow
 - 3 Bed @ 54
 - 3 Bed @ 60
 - 3 Bed @ 93
 - 3 Bed Bungalow
 - 4 Bed
 - Existing
 - Garage



Appendix C – Ellesmere Proposed Layout

