

Cornovii Developments Limited Update Report

Responsible Officer Jane Trethewey

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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 5-year Business Plan. The report shown at Appendix A provides detail of its overall progress in developing the number of homes set out in the Business Plan and provides detail of 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 approved business plan since the last board meeting held on 21 October 2021.
- 2.2. The quarterly monitoring report includes a Managing Director's update, which provides some analysis on the housing market and the challenges the sector is currently experiencing. Further, the report provides detail on the progress against the approved Business Plan, providing some detail on the development of the company's two approved schemes at The Frith, Ellesmere Wharf and Ifton Heath.

3. Recommendations

- 3.1. For the Housing Supervisory Board to receive the quarterly Monitoring Report, in accordance with the terms of the Shareholder Agreement.

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. No new risks arise for the Council from the activities set out in this report.

5. Financial Implications

- 5.1. The CDL developments schemes are being delivered within the terms of the approved Shareholder Agreement and loan funding arrangements.
- 5.2. All requests for loan drawdowns are approved by Shropshire Council's Executive Director of Resources. Quarterly Monitoring Meetings are held between CDL and Shropshire Council (as funder) to review CDL's performance against the terms and obligations of the Funding Agreements.

6. Climate Change Appraisal

- 6.1. All new 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 developments 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 compared to building regulations that require an EPC rating of C. CDL were unable to achieve an EPC rating of A on this development due to significant abnormal costs associated with preparing this brownfield site for residential development.
- 6.3. Solar panels are being fitted to the homes at The Frith and Ifton Heath. The installation of the solar panels will not allow the homes to be 100% self-sufficient and there will still be a need to rely on feed from the grid.
- 6.4. It has not been possible to fit solar panels to the homes at Ellesmere Wharf due to the extensive abnormal costs associated with the

schemes meaning that installation of solar panels would have resulted in a financially unviable scheme.

- 6.5. 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.
- 6.6. At the Frith Close, Ellesmere Wharf and Ifton Heath 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. 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. The report in Appendix A, provides an update on progress since the last meeting of the Housing Supervisory Board on 21 October 2021.
- 7.2. Cornovii Developments Limited, Shropshire Council's wholly owned Local Housing Company, has been progressing its 5-year development programme of 574 new homes. The Company's report identifies an increase in the number of homes to be delivered up to 594, as a result of two sites no longer proceeding and one scheme being remodelled to bring forward additional homes. CDL is continuing to engage across the market to identify future opportunities for growth.

8. Additional Information

- 8.1. The progress of CDL against its Business Plan continues to be satisfactory, with an additional 20 homes planned for delivery. Furthermore, the company will present, in March 2022, an updated business plan to the shareholder for approval, which will see the number of homes it aims to deliver increase.
- 8.2. CDL is 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 note the CDL update report on the Company's delivery against its Business Plan, and 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

N/A

Appendix A

CDL update report