

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 (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 March 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 16 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 increased since last reported from 723 returning to 882. There has also been an increase since the last report in the number of affordable homes the company now anticipates it will deliver, increasing from 17% to 18%, which still remains lower than the planned amount of 19%. In total (including both shared ownership and affordable rent) the Company expects it will deliver 163 affordable dwellings over the plan period which is an increase from the 123 reported previously.

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 will have 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.
- 6.2. All new homes at Ellesmere Wharf will 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.
- 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.
- 6.4. All homes at Oaklands 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 Oaklands will be fitted with ASHPs to all plots, and a maximum of 1.7 kwp to roofs.
- 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.

- 8.2. CDL is currently onsite at Ifton Heath and Ellesmere Wharf with 58 homes under construction or completed, of which 15 will be affordable tenures. Ellesmere Wharf reached practical completion in April 2024. The quarter 2 forecast estimates 18% of the 882 homes to be delivered will be affordable. This compares to a planned amount, set out in the approved business plan, to deliver 19% affordable.
- 8.3. A further two developments are on site. The Oaklands and London Road which will deliver a further 29 affordable homes. The London Road development has experienced a delay due to statutory services. These have now been rectified and the build continues with an estimated practical completion date of June 2025.
- 8.4. From the current live schemes, CDL will deliver a total of 249 units, of which 175 will be for market sale, 56 will be affordable tenure and 18 will be for private rent.
- 8.5. CDL aim to deliver 94 private rented homes over the plan period, 12 of which will be on the London Road development. CDL is yet to set out their rents and lettings policy for these dwellings, the adoption of both policies will be subject to the approval of the Housing Supervisory Board.
- 8.6. 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 2026-27, with sales continuing into 2030-2031.
- 8.7. 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.
- 8.8. 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 respect of its approved schemes at, Ellesmere Wharf Ifton Heath, London Road and the Oaklands.
- 10.2. The Housing Supervisory Board is asked to note the increase from the last report in November 2023 in the number of units forecast since the plan was approved in March 2024 returning to 882, and the increase to 18% from 17% in the number and percentage of affordable homes now forecast to be delivered during the plan period against the original plan of 19%.
- 10.3. The Housing Supervisory Board is also asked to note the increase as per Section 2.8 of the CDL Quarterly Monitoring report in Private Rented properties from 67 in the November report to 94 currently forecast, affordable Shared Ownership forecast from 18 to 29, affordable rent from 105 to 134 and outright sales forecast from 533 to 625.

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