



<u>Committee and Date</u>
Housing Supervisory Board
19th September 2024

<u>Item</u>
6
Public

Cornovii Developments Limited Update Report

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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 June 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 increased since last reported from 882 to 913. The Q1 forecast estimates 18% of the 913 homes to be delivered will be affordable. This percentage has decreased by 1% since the planned amount due to the inclusion of PRS and increased market sale homes. To date, three sites have been completed delivering 27 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 on 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 October 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 October 2024
- 8.5. CDL are currently on site at London Road where underground cables have now been laid, and the build programme has been re-programmed to

accommodate. A previous extension of time had been granted at nil cost to either party and practical completion is now anticipated for October 2025. The show homes have been handed over to CDL with a Sales launch planned in mid-September. STaR Housing are working through an offer to CDL for the purchase of 25 x S106 affordable homes.

- 8.6. From the current live and completed schemes, CDL will deliver a total of 249 units, of which 156 will be for market sale, 66 will be affordable tenure and 27 will be for private rent.
- 8.7. CDL aim to deliver 61 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, the adoption of the policies will be subject to the approval of the 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 2026-27, with sales continuing into 2030-2031.
- 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 27th of June 2024.

Quarter 1 (Reservations to 27th June 2024)

Scheme	Sold	Unsold	Reservations	Unsold Balance
Oaklands	2	21	6 OMS 4 LAHF	11
Ifton	4	31	4 OMS 13 AFF 2 LAHF	12
Ellesmere	1	22	7 OMS 4 LAHF	11
London Road	0	135	0	135

- 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 July 2025 in the number of units forecast since the plan was approved in March 2024 increasing to 913.
- 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 94 forecast in Quarter 4 to 61 forecast in Quarter 1, affordable Shared Ownership and affordable rent forecast from 163 in Quarter 4 to 175 in Quarter 1 and outright sales forecast from 625 to 677.

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