



Cornovii Development Ltd – Quarter Three Monitoring Report

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Cabinet Member (Portfolio Holder):	Cllr James Owen		

1. Synopsis

This report provides an update on Cornovii Development Ltd.'s performance to December 2025, including progress against the approved business plan, housing delivery, tenure mix, financial performance, and key development milestones.

2. Executive Summary

- 2.1. This report supports delivery of The Shropshire Plan, particularly the Healthy People priority, by increasing the supply of high-quality market and affordable homes across the county.
- 2.2. Cornovii Development Ltd (CDL) continues to deliver against its approved March 2025 Business Plan, which aims to deliver 582 homes over the plan period. As at the end of Quarter 3 (December 2025), four sites have been completed, and one site is live on site.
- 2.3. Progress to date shows:
 - 114 homes completed
 - 135 homes currently on site
 - 283 homes within the development pipeline

The total forecast delivery has reduced by 50 units compared to the original business plan, reflecting updated viability and scheme changes.

- 2.4 Affordable housing delivery remains a strong feature of the programme. While the overall forecast is that 21% of homes delivered will be affordable, completed sites have achieved 34% affordable housing, with a further 27 affordable homes and two specialist accommodation properties delivered on the live site.
- 2.5 The tenure mixes across live and completed schemes includes market sale, affordable housing, private rented sector (PRS), and Rent to Own, supporting a broad range of housing needs including first-time buyers, key workers, and households with local connections. CDL has entered the PRS market, with 41 PRS properties and 9 Rent to Own homes, all currently tenanted. Rental income to date totals £0.440m, with capital growth of £0.922m.
- 2.6 Key development sites, including London Road (Charles View), Sue West Welshpool Road, and Shrewsbury Road Oswestry, continue to progress, with planning, procurement, and funding activity underway.

3. Recommendations

- 3.1. That Members note the progress made by Cornovii Development Ltd to the end of December 2025 against the approved business plan.
- 3.2. That Members note the updated delivery profile, tenure mix, and financial performance outlined in the Quarter Three Monitoring Report.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The primary risks relate to:

- Planning timescales and statutory consultees impacting delivery programmes
- Construction market conditions and procurement capacity
- Ongoing viability pressures affecting scheme scale and tenure mix

Mitigation measures include early engagement with planning authorities and consultees, flexible procurement approaches including joint venture options, and regular review of scheme viability and phasing.

4.2. The key opportunity remains CDL's ability to deliver mixed-tenure housing, supporting local housing need, affordable delivery, and wider regeneration objectives.

4.3. Risk table

<i>Risk</i>	<i>Mitigation</i>
Planning delays	Early engagement with planning officers and statutory bodies
Market volatility	Flexible delivery models and procurement routes
Financial viability	Regular monitoring and business plan refresh
Delivery slippage	Phased development and pipeline management

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. CDL's activities are monitored to ensure alignment with the Council's financial sustainability. CDL has generated:

- £0.440m rental income from PRS and Rent to Own properties
- £0.922m capital growth across its PRS portfolio

5.3. Significant transactions include the sale of 27 S106 affordable homes to Shropshire Council for £3.853m. Financial performance will continue to be reviewed alongside wider Council budgets.

6. Climate Change Appraisal

6.1. CDL developments contribute to improved energy efficiency and modern building standards compared to older housing stock.

6.2. **Energy and fuel consumption:** Reduced through modern construction standards.

6.3. **Renewable energy generation:** Scheme-specific and assessed at planning stage.

6.4. **Carbon mitigation:** Embedded through design and material choices.

6.5. **Climate adaptation:** Considered through site design and drainage strategies.

7. Background

- 7.1. Cornovii Development Ltd (CDL) is Shropshire Council's wholly owned housing development company. It was established to support the Council's strategic housing objectives by increasing the supply of new homes across the county, including affordable housing, and by contributing to wider regeneration and place-making priorities.
- 7.2. CDL operates within an agreed governance framework, with strategic oversight provided through the Housing Supervisory Board. The company delivers homes across a range of tenures, including market sale, affordable housing, private rented sector (PRS), and Rent to Own, in order to respond to local housing need and market demand.
- 7.3. In March 2025, CDL's Business Plan was approved, setting out a programme to deliver 582 homes over the life of the plan across a number of development sites. The Business Plan also confirmed CDL's intention to diversify tenure, including entering the PRS market and piloting a Rent to Own product to support first-time buyers.
- 7.4. This Quarter Three Monitoring Report covers activity up to December 2025 and provides an update on progress against the approved Business Plan. It reports on housing delivery, tenure mix, financial performance, pipeline development, and key site-specific milestones. The report also reflects updated viability assessments and scheme changes which have resulted in a reduction of 50 units from the original forecast.
- 7.5. The report is presented to the Housing Supervisory Board to enable Members to maintain oversight of CDL's performance, understand emerging risks and opportunities, and ensure alignment with the Council's wider housing and financial objectives.

8. Additional Information

- 8.1. As at the end of December 2025, 114 homes have been completed across four sites, with a further 135 homes currently on site. A total of 283 homes remain within the development pipeline. Completed and live schemes demonstrate a broad tenure mix, including market sale, affordable housing, PRS, and Rent to Own.
- 8.2. Affordable housing delivery remains a strong feature of the programme. While the overall forecast across the Business Plan is that 21% of homes will be affordable, completed sites have delivered 34% affordable housing, with additional affordable and specialist accommodation delivered on the live site at London Road.
- 8.3. CDL entered the PRS market in December 2024 and currently owns 41 PRS properties and 9 Rent to Own homes, all of which are fully tenanted. The PRS portfolio has generated £0.440m in rental income to date, alongside £0.922m in capital growth.

- 8.4. The Rent to Own product is being piloted at the London Road (Charles View) development. The product allows households to rent a home for a defined period with the option to purchase, supported by linked savings and mortgage products. The initiative is aimed primarily at first-time buyers and supports local housing affordability.
- 8.5. Appendix A includes updates on key strategic sites:
- **London Road (Charles View)** – Phase one is complete and in the defects period, with homes delivered across market sale, PRS, Rent to Own, and affordable tenures. Work is underway to progress phase two, likely through a joint venture approach.
 - **Sue West Welshpool Road, Shrewsbury** – Planning activity continues, including further technical work required by statutory consultees. A revised application is expected in late Spring or early Summer 2026.
 - **Shrewsbury Road, Oswestry** – Outline planning permission has been granted, with funding support agreed in principle. Revised layouts are being explored, including potential provision for older persons' accommodation.
- 8.7 CDL's performance continues to be monitored to ensure alignment with the Council's financial sustainability objectives. Key risks relate to planning timescales, construction market conditions, and scheme viability, with mitigation actions in place.

9. Conclusions

- 9.1. Cornovii Development Ltd has continued to deliver against its approved Business Plan during Quarter Three, with measurable progress in housing delivery and a demonstrable contribution to the Council's housing objectives, including affordable housing and mixed-tenure provision. Completed and live schemes show that delivery is being maintained despite a challenging operating environment, and new tenure products such as PRS and Rent to Own are now established within the programme
- 9.2. The updated delivery forecast, including a reduction in total unit numbers, reflects the ongoing impact of viability pressures, market conditions, and planning complexity. These challenges, alongside wider construction and funding risks, continue to present uncertainty for future delivery profiles and require close monitoring. In the context of the Council's wider financial position, it remains essential that CDL's activity continues to align with financial sustainability, value for money, and risk management expectations.
- 9.3. The Housing Supervisory Board will therefore continue to play a critical role in providing oversight, ensuring that emerging risks are actively managed, delivery assumptions remain realistic, and CDL's programme continues to support the Council's strategic housing priorities within prevailing financial and market constraints.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member: N/A

Appendices

Appendix A - March 2026 CDL Quarterly Monitoring Report PUBLIC
