

Shropshire Council  
Legal and Democratic Services  
Guildhall,  
Frankwell Quay,  
Shrewsbury  
SY3 8HQ

Date: Wednesday, 12 March 2025

**Committee:**  
**Housing Supervisory Board**

**Date:** Thursday, 20 March 2025

**Time:** 2.00 pm

**Venue:** The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

You are requested to attend the above meeting. The Agenda is attached

There will be some access to the meeting room for members of the press and public, but this will be limited. If you wish to attend the meeting please email [democracy@shropshire.gov.uk](mailto:democracy@shropshire.gov.uk) to check that a seat will be available for you.

Please click [here](#) to view the livestream of the meeting on the date and time stated on the agenda

The recording of the event will also be made available shortly after the meeting on the Shropshire Council Youtube Channel [Here](#)

Tim Collard  
Assistant Director - Legal and Governance

**Members of Housing Supervisory Board**

Vince Hunt (Chairman)

Garry Burchett (Vice Chairman)

Jeff Anderson

Rosemary Dartnall

Roger Evans

Ruth Houghton

Simon Jones

Robert Tindall

Your Committee Officer is:

**Shelley Davies** Committee Officer

Tel: 01743 257718

Email: [shelley.davies@shropshire.gov.uk](mailto:shelley.davies@shropshire.gov.uk)

# **AGENDA**

## **1 Apologies for Absence and Substitutions**

## **2 Disclosable Pecuniary Interests**

Members are reminded that they must declare their disclosable pecuniary interests and other registrable or non-registrable interests in any matter being considered at the meeting as set out in Appendix B of the Members' Code of Conduct and consider if they should leave the room prior to the item being considered. Further advice can be sought from the Monitoring Officer in advance of the meeting.

## **3 Minutes (Pages 1 - 4)**

To confirm the minutes of the Housing Supervisory Board meeting held on 28<sup>th</sup> November 2024.

Contact: Shelley Davies on 01743 257718

## **4 Public Question Time**

To receive any public questions from the public, notice of which has been given in accordance with Procedure Rule 14. The deadline for this meeting is 12.00 pm, Friday 14<sup>th</sup> March 2025.

## **5 Member Question Time**

To receive any question of which Members of the Council have given notice. The deadline for this meeting is 12.00 pm, Friday 14<sup>th</sup> March 2025.

## **6 Cornovii Developments Limited - Update Report (Pages 5 - 16)**

To receive the Cornovii Developments Limited Update Report from the Assistant Director, Homes and Communities. [Report attached]

Contact Jane Trethewey

## **7 Summary of Cornovii Developments 2025 Business Plan (Pages 17 - 30)**

To receive the Cornovii Developments Limited Update Report from the Assistant Director, Homes and Communities. [Report attached]

Contact Jane Trethewey

**8 Exclusion of the Press and Public**

To resolve in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and Paragraph 10.4[3] of the Council's Access to Information Procedure Rules, the press and public be excluded during consideration of the following item.

**9 Exempt Minutes (Pages 31 - 32)**

To confirm the exempt minutes of the Housing Supervisory Board meeting held on 28<sup>th</sup> November 2024.

**10 Cornovii Developments Limited - Exempt Items Update Report (Pages 33 - 86)**

To receive the Cornovii Developments Limited Exempt Items Update Report from the Assistant Director, Homes and Communities. [Exempt report attached]

Contact: Jane Trethewey

**11 Cornovii Development Limited 2025 Business Plan (Pages 87 - 112)**

To receive the exempt report from the Assistant Director, Homes and Communities. [Exempt report attached]

Contact: Jane Trethewey

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## Committee and Date

Housing Supervisory Board

20<sup>th</sup> March 2025

## **HOUSING SUPERVISORY BOARD**

**Minutes of the meeting held on 28 November 2024**

**In the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND**

**2.00 - 2.55 pm**

**Responsible Officer:** Shelley Davies

Email: shelley.davies@shropshire.gov.uk      Tel: 01743 257718

### **Present**

Councillor Vince Hunt (Chairman)

Councillors Garry Burchett (Vice Chairman), Jeff Anderson, Julian Dean,

Rosemary Dartnall, Roger Evans, Ruth Houghton, Simon Jones and Dan Thomas

### **27 Apologies**

None received.

### **28 Disclosable Interests**

None were declared.

### **29 Minutes**

#### **RESOLVED:**

That the minutes of the meeting held on 19<sup>th</sup> September 2024 be approved as a true record.

### **30 Public Question Time**

There were no public questions.

### **31 Member Question Time**

There were no member questions.

### **32 Cornovii Developments Limited - Update Report**

Members received the report of the Assistant Director Homes and Communities which gave an update from Cornovii Developments Limited (CDL) on the company's progress against the approved 10-year Business Plan.

The Assistant Director Homes and Communities introduced the report and referred to Appendix A which provided detail of the company's activity to the end of September

2024. It was explained that the forecast number of units to be delivered remained at 913 but with an increase in affordable homes from 18% to 20%.

The Managing Director of CDL gave an update noting that the sites at Ellesmere Wharf, Ifton Green, and Oaklands had been completed and all properties had either been reserved, sold, or identified for affordable housing or private rented use.

In response to questions the Managing Director of CDL confirmed that:

- The majority of affordable homes completed by CDL were to be retained by the Housing Revenue Account (HRA), managed by STAR Housing on behalf of the local authority.
- A breakdown would be provided in relation to the type of properties/number of bedrooms.
- There had been a small increase in cost inflation and house prices had stabilised, but noted that market confidence remained low which was affecting the rate of sales.
- There had been interest in shared ownership, where properties were typically sold to a registered provider with the buyer then purchasing a percentage of the home and the remaining balance rented at a lower rate than a mortgage.
- At present CDL did not offer shared ownership properties. It was added that this could be investigated but would require an agreement with the local authority and Homes England.

**RESOLVED:** That the report be noted.

### 33 Exclusion of the Press and Public

**RESOLVED:**

That in accordance with the provisions of Schedule 12A of the Local Government Act 1972, and paragraph 10.4(3) of the Council's Access to Information Procedure Rules, the press and public be excluded during consideration of the following items.

### 34 Exempt Minutes

**RESOLVED:**

That the exempt minutes of the meeting held on 19<sup>th</sup> September 2024 be approved as a true record.

**35 Cornovii Developments Limited - Exempt Items Update Report**

Members received an exempt report from the Assistant Director Homes and Communities.

**RESOLVED:**

That the report be noted.

**36 Date of Next Meeting**

It was noted that the next meeting of the Housing Supervisory Board would be held at 2.00 p.m. on Thursday 20<sup>th</sup> March 2025.

Signed ..... (Chairman)

Date: .....

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## Committee and Date

Housing Supervisory Board

20<sup>th</sup> March 2025

## Item

6

Public

## **Cornovii Developments Limited Update Report**

### **Responsible Officer**

Jane Trethewey

e-mail:

Jane.trethewey@shropshire.ov.uk

### **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 December 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 and completed schemes at Ellesmere Wharf, Ifton Heath, The Oaklands 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 remained the same since last reported from 882 to 913. The Q3 forecast estimates 20% of the 913 homes to be delivered will be affordable. To date, four sites have been completed delivering 39 affordable homes including 10 LAHF properties delivered as affordable rent. One further development is on site and is due to deliver a further 29 affordable homes.

- 2.4. Following market feedback, a decision was taken to increase the number of properties for private rent. The average time taken to rent properties is four weeks from identifying a potential tenant to occupancy. Private rented properties at Ifton Green, Oaklands and Ellesmere are all now occupied. London Road Private Rented Sector (PRS) apartments are due to handover mid-March 2025.

### **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 three now continues to forecast 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. Two properties remain to be sold due to previous reservations falling through. All other properties have been sold and all private rented properties have been let.
- 8.3. Ellesmere Wharf site has now reached practical completion, one open market sale remains available and one private rented sector remains available. CDL have confirmed four properties 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 in process.
- 8.4. The Oaklands Development has now reached practical completion all open market properties have been sold and all private rented properties have been let. CDL have confirmed four properties 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 in process,
- 8.5. CDL are currently on site at London Road where the point of connection to the substation has caused a six month. The revised completion date has changed from June 2025 to December 2025. The site is now energised, and seven open market properties have been reserved.
- 8.6. From the current live and completed schemes, CDL will deliver a total of 249 units, of which 157 will be for market sale, 66 will be affordable tenure and 26 will be for private rent.

- 8.7. CDL aim to deliver 62 private rented homes over the plan period, 12 of which will be on the London Road development.
- 8.8. At section 2.4 Figure 3 of appendix A, CDL set out their sales forecast against the approved business plan. There have been no changes since the last HSB.
- 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 10<sup>th</sup> of March 2025.

Ellesmere Wharf							
	<b>Unit Summary</b>						
	<b>Affordable Rent</b>	<b>Shared Ownership</b>	<b>LAHF</b>	<b>PRS</b>	<b>Market Sales</b>		
	Unreserved	0	0	0	0	0	
	Reserved	2	0	0	0	1	
	Completed	0	0	4	9	7	
Ifton Green							
	<b>Unit Summary</b>						
	<b>Affordable Rent</b>	<b>Shared Ownership</b>	<b>LAHF</b>	<b>PRS</b>	<b>Market Sales</b>		
	Unreserved	0	0	0	0	1	
	Reserved	0	0	0	0	1	
	Completed	7	6	2	10	8	
The Oaklands							
	<b>Unit Summary</b>						
	<b>Affordable Rent</b>	<b>Shared Ownership</b>	<b>LAHF</b>	<b>PRS</b>	<b>Market Sales</b>		
	Unreserved	0	0	0	0	0	
	Reserved	2	0	0	0	0	
	Completed	0	0	4	7	10	

- 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.

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
<b>Cabinet Member (Portfolio Holder)</b> Cllr Dean Carroll Portfolio Holder for Housing and Assets Cllr Vince Hunt Chair of Housing Supervisory Board
<b>Local Member</b>
<b>Appendix A</b> CDL update report

# Cornovii Development Ltd Quarter Three Monitoring Report Public

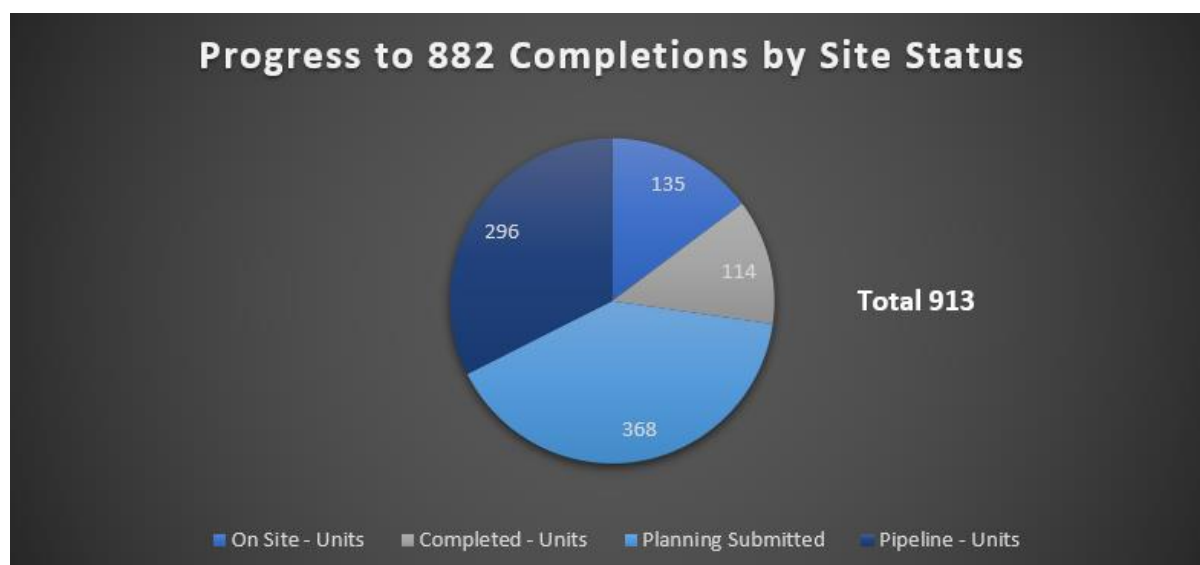
## 1 Purpose of the report

- 1.1 The purpose of the Monitoring Report is to update Housing Supervisory Board members on Cornovii Development Limited CDL activity to the end of December 2024.

## 2 Development Summary

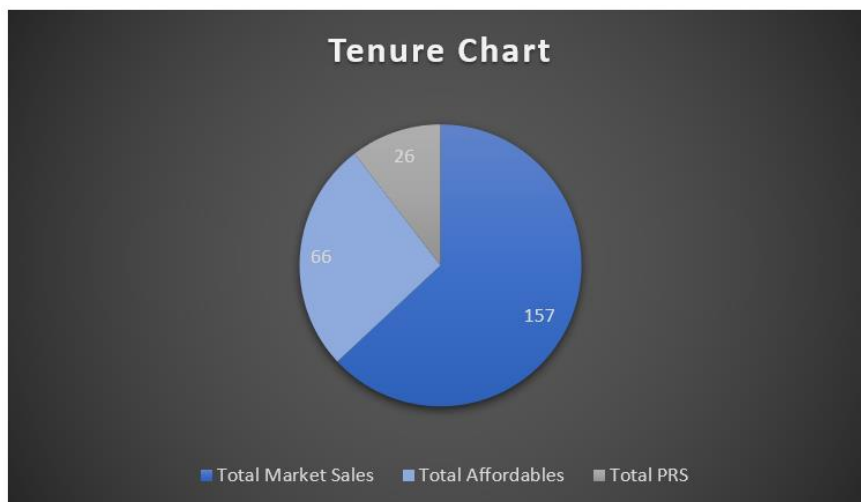
- 2.1 A total of 11 schemes were approved in the March 2024 Business Plan. The business plan aims to deliver a total of 882 new homes during the life of the business plan. The charts and tables below report on progress against this business plan.

- 2.2 Fig. 1 - Progress to 882 completions in accordance with the approved business plan:



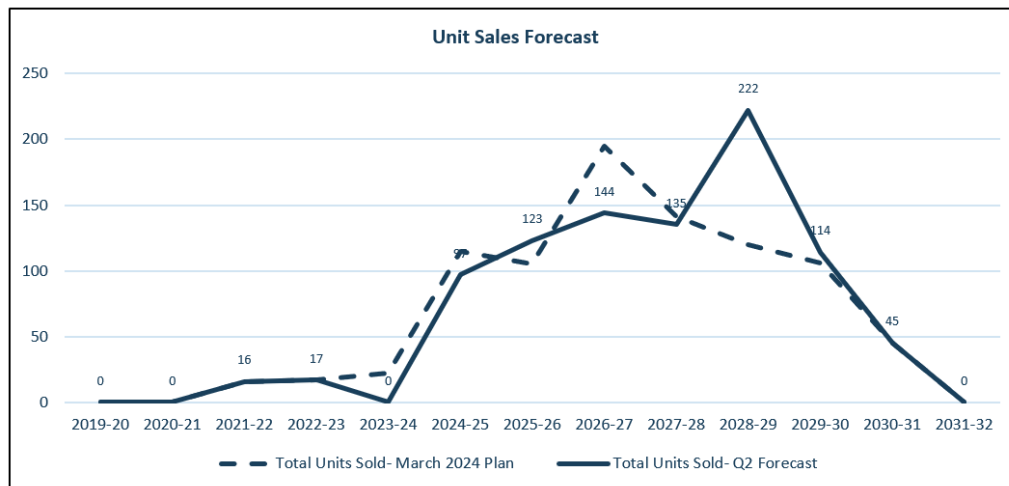
N.B. The number of units forecast has increased since the plan was approved.

2.3 Fig. 2 - Tenure chart approved schemes :



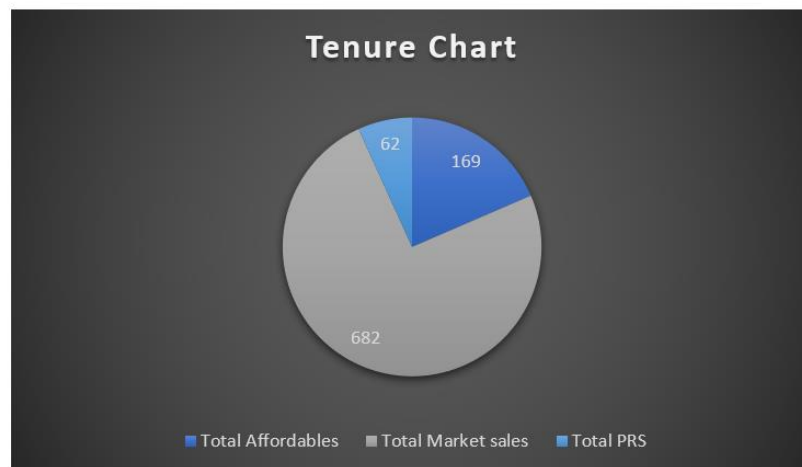
2.3.1 The Q3 forecast estimates 20% of the 913 homes to be delivered will be affordable. To date, four sites have been completed delivering 39 affordable homes. One further development is on site and is due to deliver a further 29 affordable homes at London Road, including two more bungalows, also at London Road to be used for specialist affordable accommodation

2.4 Fig. 3 – Sales forecast within the approved business plan and as at Q3





2.5 Fig. 4 - Number of units forecast by tenure over plan period:



- 2.6 Due to strong demand and market feedback, a decision was taken to increase the number of properties for private rent. As CDL properties are tenure blind the change was technically visible. The breakdown of property tenure is below as at March 2025 :

Site Name	PRS	OMS	AFFORDABLE
Ifton Green	10	10	15
Oaklands	7	10	6
Ellesmere	9	8	6
London Road Ph1	12	41	29
<b>TOTAL</b>	<b>38 (23%)</b>	<b>69 (43%)</b>	<b>56 (34%)</b>

The average time taken to rent properties is 4 weeks from identifying a potential tenant to occupancy. Ifton Green, Oaklands and Ellesmere are all now occupied. London Road PRS apartments are due to handover mid March 2025.

2.7 Fig. 5 - Tenure chart (live and completed sites only):

Tenure Type								
	Market Sale	Affordable Rent	Shared Ownership	Private Rent	Total Affordable Homes	Total Market Sale	Total PRS	Total No. Units
<b>Crowmoor</b>	21	12	0	0	12	21	0	33
<b>Ellesmere Wharf</b>	12	6	0	5	6	12	5	23
<b>Ifton</b>	13	9	6	7	15	13	7	35
<b>Oaklands</b>	15	6	0	2	6	15	2	23
<b>London Road</b>	96	19	8	12	27	96	12	135
					<b>66</b>	<b>157</b>	<b>26</b>	<b>249</b>

2.8 Homes by tenure type and bedroom size forecast to complete over the plan period (live and completed sites only):

**Homes by tenure type and bedroom size**

1 bed	24	10%
2 bed	65	26%
3 bed	82	33%
4 bed	70	28%
5 bed	8	3%
<b>Total Units</b>	<b>249</b>	

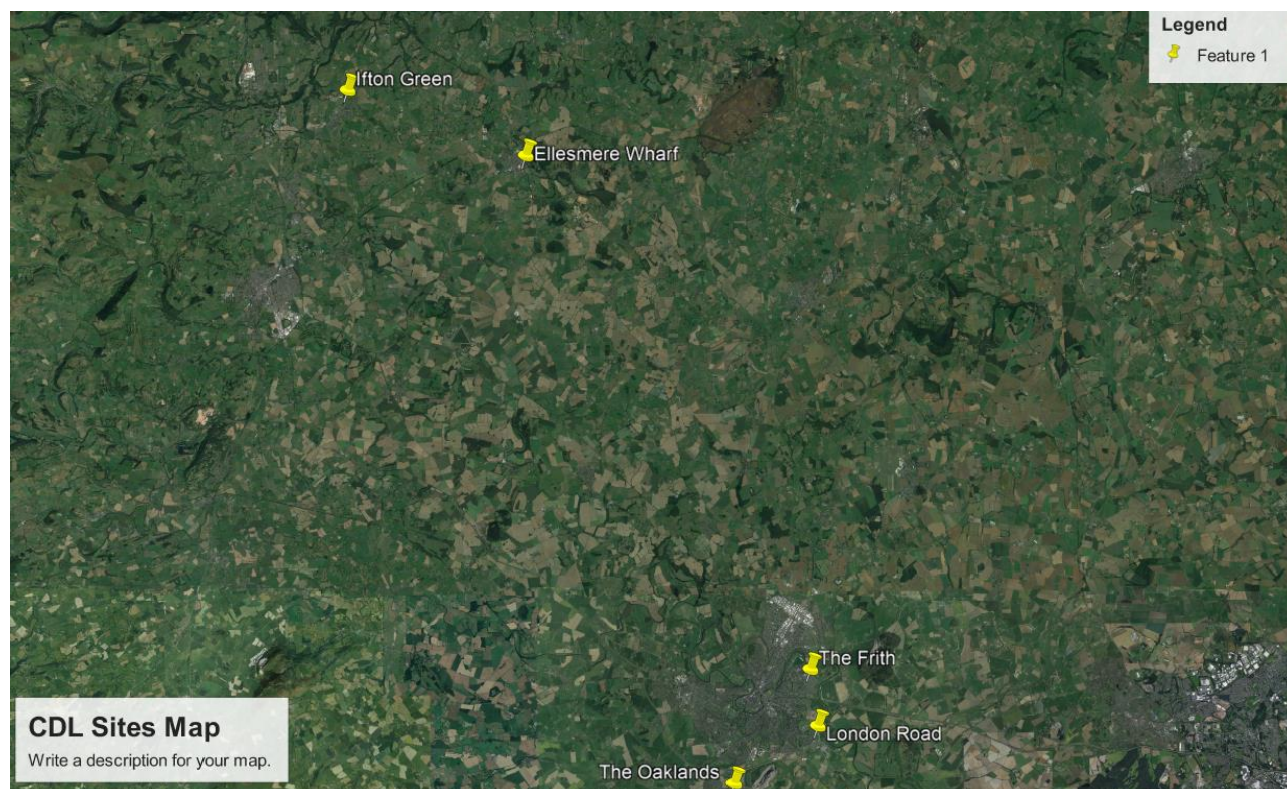
Bungalow	33	13%
House	196	79%
Apartment	20	8%
<b>Total Units</b>	<b>249</b>	

2.9 Number of completions in the plan period against the approved business plan of 882 units:

	Prior Years	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	Total
<b>Completions Forecast</b>	<b>33</b>	<b>97</b>	<b>123</b>	<b>144</b>	<b>135</b>	<b>222</b>	<b>114</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>913</b>
Outright sales	21	43	97	144	110	156	75	26	0	0	682
Affordable rent & SO	12	28	26	0	25	66	18	4	0	0	169

PRS	0	26	0	0	0	0	21	15	0	0	62
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## 2.10 Map 1: – Location of sites across the county (approved schemes only)



### 2.11 Ifton Heath Development Update

This scheme has now reached practical completion. 2 properties remain to be sold due to previous reservations falling through. All other properties have been sold and all private rented properties have been let.

### 2.12 Ellesmere Wharf Development Update

This site has now reached practical completion. All bar one of the open market properties remain to be sold and all bar one of the private rented properties remain to be let. The two affordable (S106) properties will be sold to STAR. The legal transaction is in process.

### 2.13 The Oaklands Development Update

This scheme has now reached practical completion. All open market sale properties have been sold and all private rented properties have been let. The two affordable (S106) properties will be sold to STAR. The legal transaction is in process.

### 2.14 London Road Development Update

A 6 month delay to programme is being worked through with the contractor, this is due to the point of connection for the substation. The revised completion date has changed from June 2025 to December 2025. The site is energised, and 7 open market properties have been reserved on a first option basis.

### 3 Social Value

3.1 CDL are currently investing in the following percentage of contractors and subcontractors from a Shropshire postcode on current on site schemes:

- The Frith – 100%
- Ifton Green – 65%
- Ellesmere Wharf – 70%
- The Oaklands – 95%
- London Road – 60% to date

3.2 Average EPC and carbon savings:

- The Frith – EPC rating A (SAP 2012). Carbon savings of 2.86 tonnes/yr in comparison to a property with an EPC rating of C.
- Ellesmere Wharf – EPC rating A (SAP 2012). Carbon savings of 2.93 tonnes/yr in comparison to a property with an EPC rating of C.
- Ifton Heath - EPC rating A (SAP 2012). Carbon savings of 2.90 tonnes/yr in comparison to a property with an EPC rating of C.
- Oaklands - The final EPC rating is 'B' (SAP 10), with a score of 86. The Environmental Impact Rating is 'A'. Calculated Co2 emissions are (for a typical plot) 0.2 tonnes (vs 6 tonnes produced by a typical household).

3.3 Employment & training:

- Ifton Green – Six apprentices were supported on site.
- Ellesmere Wharf – Six apprentices were supported on site.
- The Oaklands - 16 apprentices have been supported on site.
- London Road - 5 apprentices have been supported on site to date.

3.4 Number and detail of Education settings supported by CDL activities

- Preliminary plans are underway to invite the local school and college to the showhome and site to showcase London Road and its eclectic offering in housing type, tenure and affordability to the Shrewsbury market
- Ifton Heath – Pupils at St Martins School have taken part in a competition and have provided the three street names within the Ifton Heath development which have been approved by Shropshire Council and Royal Mail. The winning street names are:
  - Levi Lane
  - Miners Way
  - Old School Avenue



Committee and Date

Housing Supervisory Board

20<sup>th</sup> March 2025

Item

7

Public

## Summary of Cornovii Developments 2025 Business Plan

<b>Responsible Officer:</b>		Jane Trethewey	
email:	Jane.trethewey@shropshire.gov.uk	Tel:	01743 258913
<b>Cabinet Member (Portfolio Holder):</b>		Dean Carroll	

### 1. Synopsis

The purpose of this report is to present to the Housing Supervisory Board, Cornovii Developments Limited (CDL) 2025 summary Business Plan, shown at Appendix A.

### 2. Executive Summary

- 2.1. This report brings forward a summary of the CDL 2025 Business Plan to the Housing Supervisory Board for consideration and comment. The information contained within this report presents a summary of the Business Plan, which omits all commercially sensitive information, which if disclosed publicly would impact on the ability of the Company to trade successfully. The full Business Plan is presented to the Housing Supervisory Board as an exempt item for approval in accordance with the terms of the Shareholder Agreement.
- 2.2. The Business Plan outlines CDL activity over the plan period, during which period the Company aims to deliver 582 homes across seven schemes.
- 2.3. The total number of affordable dwellings anticipated to be delivered over the plan period has decreased by 300 units since the 2024 CDL business plan. This is due to the reduced build programme but as a percentage of total units remains the same as the March 24 business plan.

The business plan presents a policy compliant approach across the majority of developments. This proposal presents the most commercial proposition and maximises the financial return to the shareholder. Additional affordable units can be added to future sites on a site-by-site basis if there is an acceptance that shareholder return will reduce.

2.4. CDL set out that the majority of its homes will meet the following standards:

- CDL is working towards all homes being built to Future Homes Standards which will result in all homes adopting 'fabric first' principles, with renewable technologies, a EPC rating B (Environment Impact Assessment rating 'A') and will be 75% above existing building regulations. Further, CDL is exploring options to move all properties from gas heating to electric renewable heating.
- All CDL homes will meet National Described Space Standards and will be built to M4(2) compliance where possible.
- CDL will deliver a net gain in biodiversity across its development sites.
- All CDL homes are designed to be tenure blind.
- Affordable homes will be integrated into CDL sites rather than being isolated on a layout.

### 3. Recommendations

3.1. The Housing Supervisory Board is asked to receive the Summary of the CDL 2025 Business Plan, noting the Company's and feedback as to whether the plan meets Shareholder requirements.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1 The 2025 Business Plan will deliver 582 homes across seven schemes, funded by loans provided by Shropshire Council.
- 4.2 Performance of the Business Plan is monitored by CDL's Board of Directors and is the subject of a comprehensive risk register which is reviewed by the CDL Board on a quarterly basis. Sensitivity analysis has been undertaken on the 2025 Business Plan to understand the level of risk in relation to build cost, interest rates and income, the three cost categories in the plan, most exposed to wider economic forces. This

process of analysis is repeated regularly with outcomes to be reported to the CDL Board and Housing Supervisory Board.

- 4.1. In addition to the monitoring of the Business Plan by the CDL Board and the Housing Supervisory Board, the CDL Monitoring Board, made up of officers from departments across the Council, meets on a quarterly basis to review the activity of CDL, supported with further oversight by the Homes and Communities Team. A Risk Register, which covers risk to the Council in its role as Company Shareholder, is monitored by the CDL Monitoring Board and the Assistant Director of Homes and Communities and the Client and Commissioning Manager.
- 4.2. The proposed Business Plan will be delivered within the terms of the Shareholder Agreement and approved loan funding arrangements.

## **5. Financial Implications**

- 5.1. Full financial details pertaining to the 2025 Business Plan, to include proposals to develop homes for private rent, are contained within the associated exempt report.
- 5.2. The Business Plan will be financed by loans provided by Shropshire Council on commercial terms. The performance of the company against the terms of the loan are monitored by Shropshire Council's Finance Department.
- 5.3. All requests for loan drawdowns are approved by the Executive Director of Resources and subject to a viable Development Appraisal, approved by CDL's Board of Directors.
- 5.4. The 2025 Business Plan will deliver a return to the Council in line with stated expectations. With a total of £69m is to be invested in new build activity over the period, with a total of £12m to be invested in PRS over the 10-year plan period.
- 5.5. CDL have set out that they expect £36.832m of financial benefits will be returned to the Council across the life of the company.

## **6. Climate Change Appraisal**

- 6.1. Energy and fuel consumption. In order to facilitate carbon reduction and energy efficiency, the projects contained within the Business Plan will capitalise on sustainable design solutions, use processes and materials that are not detrimental to the environment and ensure that post-construction operations are environmentally friendly. Carbon savings from design measures will be quantified wherever possible.



- 6.2. Renewable Energy Generation. There are a range of opportunities for the generation and storage of renewable energy from building mounted solar panels and battery energy storage, which will be incorporated into the design of homes where possible.
- 6.3. Carbon offsetting or mitigation. Designs of schemes within the Business Plan will incorporate tree planting and landscaping to support carbon capture and storage, biodiversity, natural flood management and urban cooling. CDL will also aim to deliver a biodiversity net gain across all development sites within the business plan.
- 6.4. Climate Change adaptation. It is anticipated that the homes will be designed in a way which is sympathetic to the climate using materials and construction methodologies that reduce the emission of carbon into the atmosphere and also ensure homes are protected from overheating.

## **7. Background**

- 7.1. CDL was incorporated in 2019 by Shropshire Council to meet unmet housing need across the County. Since its establishment CDL has successfully developed a pipeline of sites for delivery of homes and is currently on site with four schemes, having completed development at its first scheme, The Frith.
- 7.2. The approval of the Company's Business Plan requires Shareholder Consent under the terms of Shareholder Agreement. The Housing Supervisory Board, acting as Shareholder in respect of matters requiring Shareholder Consent is asked annually to approve the Business Plan. The approved Business Plan forms the basis upon which the Housing Supervisory Board monitors the activity of the Company over the Plan period, through Monitoring Reports presented to the Housing Supervisory Board and attendance by the Managing Director of CDL at quarterly meetings.

## **8. Additional Information**

- 8.1. The Business Plan has been presented to the CDL Monitoring Board following which no concerns in relation to the proposed business plan have been raised.

## **9. Conclusions**

- 9.1. The Housing Supervisory Board is asked to note the summary 2025 Business Plan and to provide comment and feedback as to whether the plan meets Shareholder requirements.



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

**Local Member:**

**Appendices**

**Appendix A CDL Summary 2025 Business Plan - Public**

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**Housing Supervisory Board:** 20/03/2025

**Item:** 2025 CDL Business Plan (Public)

**Report Author:** Emily Swinnerton

**Contact No.** 01743 256028



**Purpose/ Summary:** To present to the Housing Supervisory Board the 2025 CDL Business Plan

**Recommendations:**

The Housing Supervisory Board is requested to:

- Receive the summary of the March 2025 business plan

Discussion or Decision	Decision	Anticipated time	
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**Financial Implications:**

The report presents the 2025 Business Plan. The following are the key financial headlines:

- A total of £69m to be invested in new build development activity over the plan period
- A total of £12m to be invested in PRS over the plan period

**Intended outcomes:**

The 2025 Business Plan aims to deliver the following key outcomes:

- 582 new homes

**People: shareholder, customer, stakeholder and staff implications:**

A fully funded Business Plan ensures that adequate resources are available for CDL to achieve its Corporate Objectives.

Shareholder: CDL has assumed that £36.832m of financial benefits will follow back to the shareholder across the life of the business plan. The business plan will deliver energy efficient, adaptable, affordable housing for sale and rent in communities throughout Shropshire, providing housing solutions for key workers as well as properties which can be adapted for people with disabilities. The developments will often be on complex land parcels which have been undeveloped or derelict for some time, thereby regenerating communities. Build contracts will be let to local contractors wherever possible and apprenticeships and local schools supported and involved during the build process. In this way the business plan will address the key areas as set out in the Shropshire Plan of healthy people, healthy economy, healthy environment and healthy organisation.

Customer: CDL will deliver a mix of homes which will meet unmet housing demand within Shropshire . This includes 2 bedroom homes, bungalows and low carbon homes, some of which will be offered for rent.

Stakeholder: CDL will engage with key stakeholders including Homes England, STAR Housing, local contractors, Registered Providers (RPs) and local agents to support CDL to deliver the programme.

Staff Implications: CDL has outlined a staffing structure within the business plan which will support activity for at least a five year period.

### Relevant Risks and Controls (as per proposed register Q3)

There are a number of strategic risks covering the financials of the business. These and the current controls are shown below. The business plan is a key tool in managing financial risk.

Risk No.	Description of Risk	Current Controls In Place
1	Capacity to deliver the programme	<p>Following the sharing of key leadership roles with sTAR housing and the company entering into a development agreement with STAR the Cornovii team has been restructured and added to ensure adequate capacity is in place. The current status of the team is shown below:</p> <p>Managing Director (Shared with STAR),  Assistant Director of Development,  Senior Development Manager  Senior Technical Manager,  Senior Commercial Accountant &amp; Company Secretary,  Executive Assistant &amp; Office Manager,  Senior Development Officer,  Senior Development Officer  Sales &amp; Aftercare Manager,  Defects Coordinator / Sales Executive  Development Contracts Officer,</p> <p>There is a robust Recruitment Process in Place  A high performance culture encouraged within the team.  Efficient processes are in place to ensure high productivity.  Salary benchmarking exercise completed.  Remuneration committee established.  Sales process review completed to streamline processes ahead of next sales phases.  Teams are now collocated at Mount McKinley allowing for ease of access to shared roles.  Halls Estate Agents appointed to support sales function</p>

2	Increased construction costs	<p>1) All development appraisals and cost plans will include inflation associated with changes forecasted within the BCIS indices and all developments will be competitively tendered or a VFM report will be produced by an independent cost consultant. Appraisal takes account of abnormal on site as far as possible. The JCT contract allows for a large proportion of this risk to fall with the contractors for on site contracts.</p> <p>2) One Public Estate funding is secured wherever possible to assist with the cost of abnormals.</p> <p>3) 46% of the build programme is now delivered or in contract which reduces the exposure to build cost increases.</p> <p>4) Forecast assumptions are reviewed quarterly to capture any new information.</p>
3	Customer satisfaction measures show adverse feedback	<p>1) Ensure focus on customer experience by working with high quality contractor and after care service provider.</p> <p>2) Aftercare and Sales Manager in place prior to sales on first site. Role is supported by local agent on first four developments.</p> <p>3) Communications plan in place.</p> <p>4) Clixyfix (defects management system) now live.</p> <p>5) Customer survey issued to first homeowners, recently reviewed version is now being used.</p> <p>6) Sales Manager now supported by one full time Sales Executive</p> <p>7) Clear protocols in place for delivering after care services. Documented and shared with customers.</p>
4	Shocks to the economy including Brexit, COVID 19 interest rate changes and war	<p>1) The Business Plan is stress tested quarterly against increases in build cost, reductions in income and interest rate changes to understand sensitivities to such external factors.</p> <p>2) Agreed methodology in 22/23 to take into account collateralisation levels when setting the interest rates. The higher the asset strength the lower the interest rate. In the immediate term this has allowed CDL to reset borrowing at 2.5 percentage points lower than before.</p> <p>3) BoFE forecast underlying increase/decrease in Interest rates is captured in base business plan forecast and applied to future projections.</p>
5	Insufficient Land Supply or delays in securing land in line with business plan assumptions. (Including delays or inability to secure required planning permissions).	<p>1) Meetings held on a site by site basis to provide the strategic leadership for the land options appraisal work between CDL and SC Estates Team, to deliver clarity around SC owned residential sites which are suitable for development</p> <p>2) On-going market engagement with land owners and land agents</p>
6	Funding Structure is illegal or not HMRC compliant and penalties incurred	<p>1) Transfer pricing advice and defence documents commissioned and regularly updated.</p> <p>2) Company status confirmed via Counsel</p> <p>3) On-going liaison with Shareholder (sc)</p> <p>4) Tax computations now sitting with Big 4 company rather than local firm.</p>

		<p>5) New company set up to deal with land transfers more efficiently from a tax perspective (all HMRC compliant)</p> <p>6) Advice has been sought on PRS structures from a tax perspective.</p>
7	Changes to legislation to mitigate climate change impacts on home specification and increases costs	<p>1) Monitoring of Government guidance and changes to legislation/ new regulations.</p> <p>2) Sustainability Strategy in place</p>
8	Changes in National and Local Government priorities impacts on project delivery	<p>1) Ensure continued strong relationship with shareholder (SC)</p> <p>2) Monitor changes in political makeup and policy direction.</p> <p>3) Clear governance arrangements for the company in place. Relationship between the Council and CDL is set out in Shareholder Agreement.</p> <p>4) CDL operating independently through structures, decision making processes and own policies.</p> <p>5) CDL Staff have transferred from Council to STAR under TUPE arrangement in order to ensure ongoing effective deliver of the programme.</p>
9	Departure of key staff, board members with special proven skill and tacit critical knowledge	<p>1) Processes and procedures in place, to enable activity to be picked up in an efficient way</p> <p>2) Documents saved to shared work space</p> <p>3) Regular 1.1s to address concerns and dissatisfaction</p> <p>4) Notice periods across all roles</p> <p>5) Recruitment supported by STAR Housing HR to ensure efficient recruitment process is in place</p> <p>6) Remuneration committee established.</p>
10	Interruption to supply of materials and labour. Logistic/Supply Chain risk. Including contractor failure.	<p>1) Close working relationships with Contractors to identify signs of early issues and formulate appropriate responses.</p> <p>2) Appropriately qualified employer's agents employed at all developments to monitor contractor activities.</p> <p>3) Credit checks commissioned at tender stage to confirm financial capacity to deliver contract requirements and financial due diligence questionnaires completed with all major partners.</p> <p>4) Performance bonds in place as part of all JCT contracts (at the cost of the contractor) to insure up to 10% of contract cost is reimbursed in the event of contractor failure.</p> <p>5) Project Bank Accounts considered where further risk mitigations required.</p> <p>6) A portfolio of creditors has been set up through Creditsafe and is monitored on an ongoing basis for any changes</p> <p>7) Sub-contractor register to assess the risk between each project</p> <p>8) Additional PRS units added to March 2025 Business Plan to mitigate against sales delays.</p>

11	Sales risk Decrease in sales values or partners not willing to take on affordables at the values required to maintain the required return at a project level.	1) Careful management of sales programmes to ensure incentives offered where possible at the right time. 2) Good publicising of the benefits of a CDL property over a.n. other 3) Discussions held with the council about reputational damage of not delivering additional affordable homes as a result of internal policy changes 4) Contingency in place to mitigate to a limited extent. 5) Sales targets per month established and specific sales cashflow monitoring reported monthly . 6) Additional PRS units added to March 2025 Business Plan to mitigate against sales delays.
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Legal and regulatory issues:	No	Advice taken:	Yes
CDL continues to procure financial advice where appropriate from its external advisors including; RSM, KPMG and Cubed tax advisors, Trowers and Gateley's legal advisors, Azets Accountants and Shropshire Council finance department.			

The Housing Supervisory Board is asked to:

- Receive the summary of the March 2025 business plan

## 1. Report Headlines

- 1.1.** In accordance with the Shareholder agreement the Housing Supervisory Board is required to approve Cornovii's annual business plan. The report brings forward the 2025 CDL Business Plan for consideration. The following are the main headlines:
- The 2025 CDL business plan delivers 582 units across seven schemes
  - Homes delivered will average an EPC rating of B (in line with updated SAP 10 regulations)
  - The plan proposes an expansion of the PRS portfolio with the retention of 81 units
  - There are an additional 320 units in the developing pipeline

## 2. Business Plan Deliverables

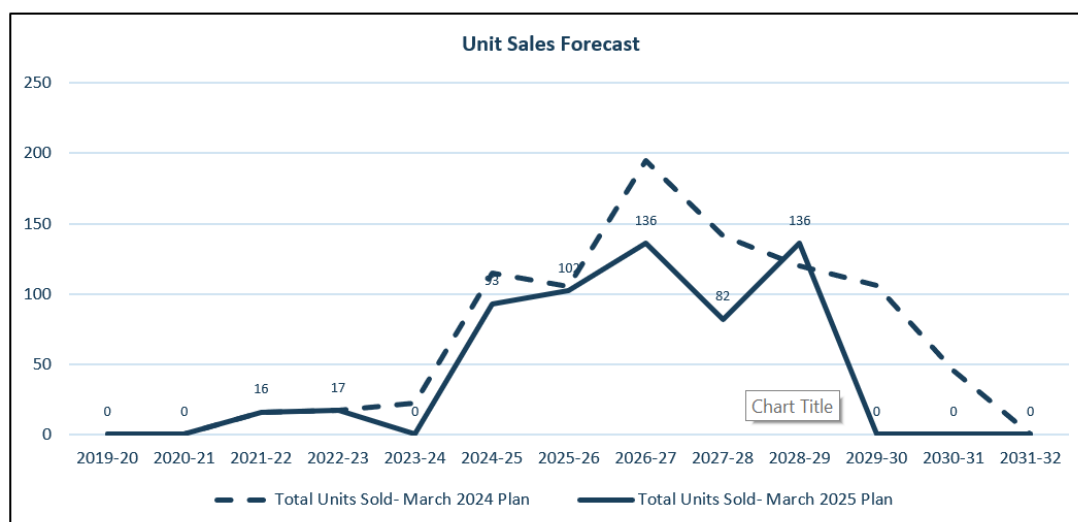
### Units

- 2.1.** The 2025 CDL business plan delivers 582 units across seven schemes. This is a decrease of 300 units on the 2024 CDL business plan. Table 1 summarises the scheme units.

Scheme Name	March 2025 Plan
The Frith, Crowmoor	33
Ellesmere Wharf	23
Ifton	35
Oaklands	23
London Road	135
Phase 2 Scheme	283
Phase 2 Scheme	50
Phase 2 Scheme	0
<b>TOTAL (1 &amp; 2 confidence)</b>	<b>582</b>

2.2. Starts on site and unit sales are shown below.

Year	24/25	25/26	26/27	27/28	28/29
Start on site	0	333	0	0	0



2.3. The total number of affordable units has decreased due to the reduced build programme but as a percentage of total units remains the same as the March 24 business plan. The business plan presents a policy compliant approach only across the majority of developments. This proposal presents the most commercial proposition and maximises the financial return to the shareholder. Additional affordable units can be added to future sites on a site-by-site basis if there is an acceptance that shareholder return will reduce.

2.4. The mix of unit types in the business plan is shown below.



1 Bed	35	6%
2 Bed	143	25%
3 Bed	199	34%
4 Bed	147	25%
5 Bed	8	1%
Not yet known	50	9%
<b>Total Units</b>	<b>582</b>	

Bungalow	33	6%
House	468	80%
Flat	81	14%
<b>Total Units</b>	<b>582</b>	

- 2.5.** Every project in the business plan covers its own costs and exceeds the 5% shareholder return threshold.
- 2.6.** The March 2025 business plan includes proposals for CDL to expand the PRS portfolio by increasing retention at the London Road development and retaining units another upcoming development. It is proposed that in total 81 units will be retained within CDL's ownership and operated via a managing agent. The aim of the proposal is to offer a long-term investment solution to the Shareholder, with a different risk profile to CDL's core business of new build, as well as providing CDL with alternative options should a market slowdown adversely impact sales rates. This approach was approved by CDL Board as part of the approval of the March 2023 Business Plan.

## Specification

- 2.7.** CDL remains committed to building good quality sustainable homes. The majority of CDL Homes will meet the following standards:
- CDL is working towards all homes being built to Future Homes Standards which will result in all homes adopting 'fabric first' principles, with renewable technologies, a EPC rating B (Environment Impact Assessment rating 'A') and will be 75% above existing building regulations. Further, CDL is exploring options to move all properties from gas heating to electric renewable heating.
  - All CDL homes will meet National Described Space Standards and will be built to M4(2) compliance where possible.
  - CDL will deliver a net gain in biodiversity across all our development sites.
  - All CDL homes are designed to be tenure blind.
  - Affordable homes will be integrated into CDL sites rather than being isolated on a layout.

## Supporting the local economy/Social Value – Live Sites

- 2.8.** A key objective of CDL is to support local SME and suppliers to build capacity, create job and training opportunities.
- 2.9.** In addition to the affordable housing delivery the operational sites are currently expected to deliver the following social value outputs.

**Table 8**

<b>Social Value (live sites)</b>				
Project Name:	Ellesmere Wharf	Ilfton Green	Oaklands	London Road
<b>Social Value Headings</b>				
% of contractors and subcontractors from a Shropshire postcode	65%	60%	92%	60%
Average EPC and carbon savings.	A	A	B	B
Employment and training opportunities	6 apprentices on site	6 apprentices on site	16 apprentices on site	13 apprentices on site
Number and detail of Education settings supported by CDL activities		St Martins School, Oswestry, SY10 7BD	Oakmeadow Church of England Primary and Nursery School Bayston Hill SY3 0NU	Shrewsbury College London Road Shrewsbury SY2 6PR
	Quarterly updates to Ellesmere Town Council clerk and local member	Stakeholder Group with two parish councillors and two residents	Quarterly updates to Parish Council	Sponsorship to Mereside Primary School for The Bumbles of Honeywood programme
	One Public Estate funding	Regular engagement with childrens services home adjacent to the site		SJR in constant communication with SCAT college to arrange various events and activities with students interested in construction
	Regular letter drop to local residents to inform of on-site activity	Competition for street naming at St Martins School is now complete.		
	Town Councillor and local member updated bi-monthly as a minimum.			

### 3. Company Financing

#### Capacity

- 3.1.** The peak debt in the new business plan reaches £38.515m in Dec-27 for new build activity. This increases to £58.165m in the same month with the addition of PRS cashflows. This is within the overall funding availability of £69.000m following the approval of an additional £20m for PRS activity and below the Golden Rules level which requires 7.5% headroom is left available within the loan capacity at all times.

### 4. Recommendation

The Housing Supervisory Board is asked to:

- Receive the summary of the March 2025 business plan.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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