



South
Derbyshire
District Council

New Build - progress



ARCH seminar
9th July 2014



INVESTOR IN PEOPLE

South Derbyshire Changing for the better

Who we are

- 100,000 population, mainly rural, urban centre of 36,000.
- Labour controlled until 2007 and Conservative since – by two seats.
- Good recent record of attracting RP investment in last 4/5 years – highest number in the County
- Home to Toyota, Nestle and some parts of JCB.
Economically doing reasonably well. Unemployment half national average
- Over 2,000 applications on the waiting list (current stock 3,000 with 220 p.a. turnover
- Initial borrowing headroom of £8.1m

Vision / aspirations for LA New Build

- Limited political steer. Started to float the idea 3 or more years ago. Background was debt free and proud of it.
- Strong member vision though of planning development – properties that add to the quality of the built environment
- Which meant we could identify what we didn't like and that became the start of the South Derbyshire specification
- Strong theme in getting a political mandate was - are we here to 'just mind the shop' or are we going to positively influence our community?
- Used external 'experts' to build the case – we employed CIH in both a finance and development capacity
- Neutral corporate agenda

South Derbyshire Changing for the Better

We don't want more of...



South Derbyshire Changing for the Better

We do want: Sustainable Affordable Housing



South Derbyshire Changing for the Better

Our phase 1 - agreed April 2013

- New build fund of £5.37m funded by £1.01m RTB receipts, £1.44m balances and borrowing of £2.92m. In effect RTB and balances will be higher and borrowing lower
- Applied for HCA grant on one 10 unit site
- 50 homes target – mainly new build but to include acquisition (1 already done)
- Reviewed over 30 sites. Half privately owned, others Council either HRA or GF. HRA is paying the GF for a site

Phase 1

- Building on our own land in phase 1 enabled us to get started rather than go through protracted negotiation on purchases which can take many months.
- End product is that 5 sites being promoted i.e. development opportunity is led by land availability and ownership, housing demand and likely planning position.
- Employed NCHA to hand hold in design and feasibility stage

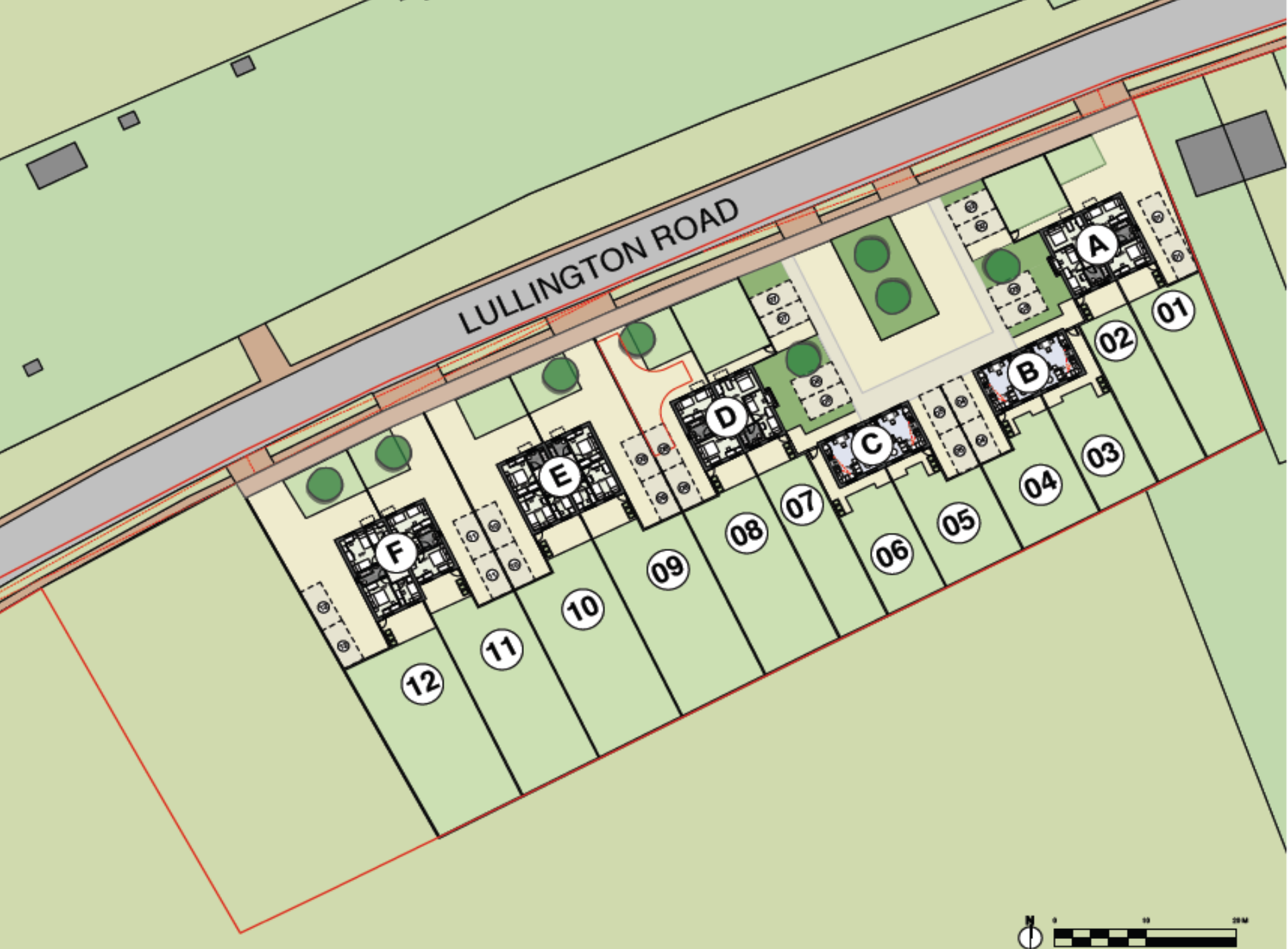
Also progressing a turn key partnership on another 19 properties to enable a direct comparison on price and process (phase 1A)

Phase 1 sites

	Ownership	No and type of units
Lullington Road, Overseal	HRA	12 houses 4 x 1 bed, 4 x 2 bed, 3 x 3 bed, 1 x 4 bed
Coton Park, Linton	GF	23 houses 4 x 1 bed, 12 x 2 bed, 6 x 3 bed, 1 x 4 bed
Peninne Way, Swadlincote	HRA	8 houses, 2 bungalows
Pine Grove, Newhall	HRA	2 bungalows 2 x 1 bed
St Catherine's Road, Newhall	HRA	2 houses 2 x 2 bed
Smallthorne Place Woodville	HRA	1 flat acquisition (complete)
		Total 50 units

South Derbyshire Standard

- Created a design guide
- Tenure blind
- Higher energy efficiency.
- Higher sound insulation between and within
- Level thresholds around all properties
- At least 10% to full “lifetime homes” standard
- Through colour window frames and doors
- Trying to blend a modern feel with traditional





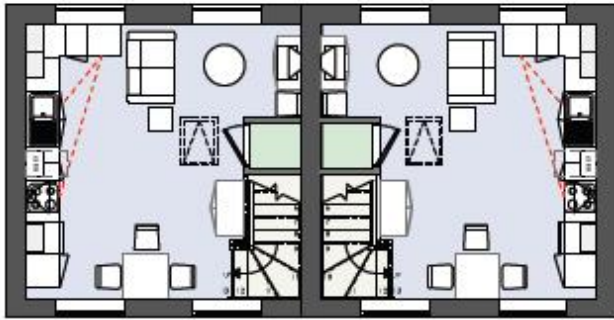
Procurement – what seemed like a good idea!

Separate lots to give small local builders every opportunity – but it costs money and its more time consuming

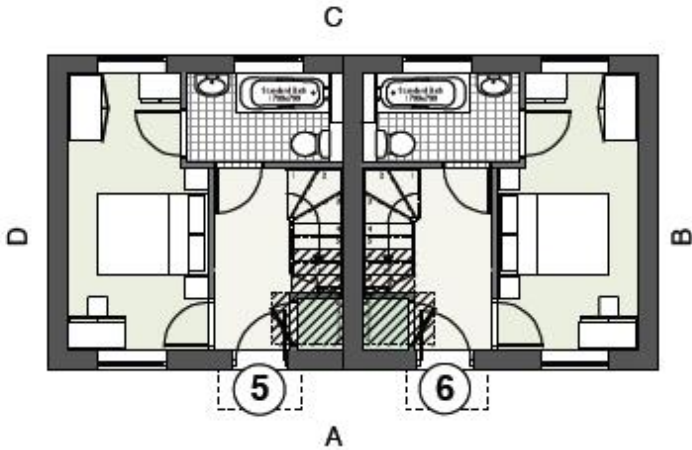
Specified local suppliers and sub-contractors – but it costs

When appointing for the first time consider establishing your own frameworks or sign up to other frameworks – we had separate procurement process for Architects, Employers Agent, Ground investigations et al as well as actual developer.

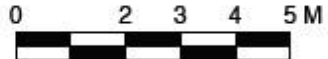
Lesson learnt - In this economic climate you need to gear your process to best developer price – try to eliminate unknowns and avoid developers over pricing risk



FIRST FLOOR PLAN



GROUND FLOOR PLAN





B



C



A



D



What does phase 2 look like?

- Running out of borrowing headroom although at least £5m left
- Therefore re-examining the HRA Business plan in all party working group to release all available resources
- Looking for headline investment in the autumn of 2014.
- Interested to explore building and borrowing outside of the HRA
- Explore a longer term developer partnership

Lessons learnt

- In a DIY solution you need a good employer's agent
- Small infill sites very expensive to develop – think about how you package them,
- If you can, assess the market about the best time to tender
- Establish a vision for what product you want e.g. solar, pv.
- Sell your vision to a good architect
- Try to allow flexible Cabinet or Committee approvals.
- Minimise risk in your developer tender
- Need to make house building a 'standard activity'