

**BOLSOVER DISTRICT COUNCIL**

**MEETING OF THE EXECUTIVE ON 6<sup>TH</sup> OCTOBER 2025**

**MILL LANE BOLSOVER, PRE-CONSTRUCTION FUNDING ARRANGEMENTS**

**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING**

<b>Classification</b>	This report is Public.
<b>Contact Officer</b>	Steve Brunt, Strategic Director of Services

**PURPOSE/SUMMARY OF REPORT**

To seek approval to reduce the level of dividend to be returned to the Council arising from Dragonfly Development Ltd profit, achieved during the 2023\24 financial year, so as to fund pre-construction works at Mill Lane, Bolsover.

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**REPORT DETAILS**

**1. Background**

- 1.1 Dragonfly Development Ltd (DDL) during the 2023\24 financial year, realised a profit after tax of £808,803. After repaying loans owed to the Council as previously agreed by the Dragonfly Board of £421,292.06, a balance remains of £387,510.94. This could normally be returned to the Council as a dividend as 100% shareholder of the Dragonfly group of companies.
- 1.2 DDL is one of the Council's strategic vehicles in delivery of its Bolsover Homes pipeline ambitions by way of increasing its affordable social housing stock by 200 units within the Council's current strategic plan, (The Future) 2024 to 2028.
- 1.3 The Council, in consultation with Dragonfly, has reviewed its schedule of potential development sites concluding that smaller sites limiting development potential to 3 units, are not viable. Therefore, other sites have been considered which were not included in the original Bolsover Homes pipeline.
- 1.4 One such site is Mill Lane Bolsover, which it is considered, offers potential to develop approximately 38 units. However, pre-construction work (i.e. design\investigatory) is necessary to confirm viability.

**2. Details of Proposal or Information**

- 2.1 It is proposed that the development of Mill Lane Bolsover should be included within the Bolsover Homes pipeline, thus delivering approximately 38 further 38 homes towards the 200 target. However, before this can be further considered for inclusion in the Bolsover Homes funding pipeline and submitted to Members for approval, viability of the scheme needs to be undertaken.

- 2.2 Dragonfly Development costing of pre-construction services is **£275,362.13** excluding VAT, summarised as follows:
- RIBA Stage 2 Pre-Construction Services: £20,728.83
  - RIBA Stage 3 Pre-Construction Services: £40,161.33
  - RIBA Stage 4 & 5 Pre-Construction Services: £214,471.97
- 2.3 It is proposed that Dragonfly (DDL) fund pre-construction works for development at Mill Lane Bolsover, from their 2023\24 profit, which would result in any dividend returned to the Council being lowered.
- 2.4 The Council's Shareholder Agreement provides facility for the Council to agree the distribution of profit (i.e. dividend) it receives from the Dragonfly companies. This report seeks Executive\Council approval to reduce the level of dividend received from Dragonfly's 2023\24 profit after tax.

### **3. Reasons for Recommendation**

- 3.1 To undertake pre-construction works for development at Mill Lane Bolsover, to assess viability of a scheme for inclusion in the Bolsover Homes pipeline, which would be subject to a further report to Council.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 Members could choose not to consider Mill Lane Bolsover for inclusion in the Bolsover Homes envelope; however, this would mean that much needed housing would not be developed, undermining the potential to meet the Council's current strategic plan target, to increase the number of affordable social housing units by 200 during (The Future) 2024 to 2028 period.

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### **RECOMMENDATION(S)**

1. Executive\Council approves the reduction in the dividend receivable from Dragonfly Development for the 2023\24 financial year by £275,362.13, to allow pre-construction works at Mill Lane Bolsover, to be undertaken and paid for by the company.
2. A further report is submitted to Executive and Council to include Mill Lane, Bolsover within the Bolsover Homes funding pipeline, following viability of the scheme being established.

Approved by Councillor Phil Smith, Portfolio Holder for Housing

### **IMPLICATIONS:**

<b><u>Finance and Risk</u></b>	<b>Yes</b> <input checked="" type="checkbox"/>	<b>No</b> <input type="checkbox"/>
<b>Details:</b>		
Allowing Dragonfly Development to reduce the amount of dividend payable to the Council, will mean they are able to fund the necessary pre-construction works on Mill Lane Bolsover from their profit instead.		

Subject to viability, Mill Lane Bolsover would be included within the £36.2million Bolsover Homes funding stream, for which the financial implications are already included within the HRA business plan.

On behalf of the Section 151 Officer

**Legal (including Data Protection)**      Yes ☒      No ☐

**Details:**

The Council's Shareholder Agreement provides facility for the Council to agree the distribution of profit (i.e., dividend) it receives from Dragonfly Development.

On behalf of the Solicitor to the Council

**Staffing**      Yes ☐      No ☒

**Details:**

None arising from this report.

On behalf of the Head of Paid Service

**Equality and Diversity Impact and Consultation**      Yes ☐      No ☒

**Details:**

None arising from this report.

On behalf of the Information, Engagement and Performance Manager

**Environment**      Yes ☒      No ☐

**Details:**

Design and development of schemes will meet necessary environmental requirements, such as building energy efficiency standards and Biodiversity Net Gain.

**DECISION INFORMATION:**

☒ ***Please indicate which threshold applies:***

**Is the decision a Key Decision?**

A Key Decision is an Executive decision which has a significant impact on two or more wards in the District or which results in income or expenditure to the Council above the following thresholds:

**Revenue (a)** Results in the Council making Revenue Savings of £75,000 or more or **(b)** Results in the Council incurring Revenue Expenditure of £75,000 or more.

**Capital (a)** Results in the Council making Capital Income of £150,000 or more or **(b)** Results in the Council incurring Capital Expenditure of £150,000 or more.

Yes ☒      No ☐

(a) ☐      (b) ☒

(a) ☐      (b) ☐

<p><b>District Wards Significantly Affected:</b>  <i>(to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District)</i>  Please state below which wards are affected or tick <b>All</b> if all wards are affected:</p> <p><b>Is the decision subject to Call-In?</b>  <i>(Only Key Decisions are subject to Call-In)</i></p> <p>If No, is the call-in period to be waived in respect of the decision(s) proposed within this report? <i>(decisions may only be classified as exempt from call-in with the agreement of the Monitoring Officer)</i></p> <p><b>Consultation carried out:</b>  <i>(this is any consultation carried out prior to the report being presented for approval)</i></p> <p> Leader <input type="checkbox"/>   Deputy Leader <input type="checkbox"/>   Executive <input checked="" type="checkbox"/>   SLT <input type="checkbox"/>  Relevant Service Manager <input type="checkbox"/>   Members <input checked="" type="checkbox"/>   Public <input type="checkbox"/>  Other <input checked="" type="checkbox"/> </p>	<p><b>All</b> <input type="checkbox"/></p> <p><b>Yes</b> <input checked="" type="checkbox"/>   <b>No</b> <input type="checkbox"/></p> <p><b>Yes</b> <input type="checkbox"/>   <b>No</b> <input type="checkbox"/></p> <p><b>Yes</b> <input checked="" type="checkbox"/>   <b>No</b> <input type="checkbox"/></p>
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<b>Links to Council Ambition: Customers, Economy, Environment, Housing</b>
Enabling Housing Growth: increasing the supply, quality, and range of housing to meet the needs of the growing population and support economic growth

**DOCUMENT INFORMATION:**

Appendix	Title
N\A	N\A

<b>Background Papers</b>
(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).
N\A