

**BOLSOVER DISTRICT COUNCIL**

**MEETING OF THE EXECUTIVE 19<sup>th</sup> May 2026**

**BRIAR CLOSE, SHIREBROOK & HIGH STREET, TIBSHELF, PRE-  
CONSTRUCTION FUNDING ARRANGEMENTS**

**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING**

<b>Classification</b>	This report is Public
<b>Contact Officer</b>	Strategic Director of Property, Assets & Construction

**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 2024/25 financial year, so as to fund pre-construction works at the above sites, to be completed before the 31<sup>st</sup> of September 2026.

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**REPORT DETAILS**

**1. Background**

- 1.1 Dragonfly Development Ltd (DDL) during the 2024\25 financial year, realised a profit after tax of £1,898,495. This could be returned to the Council as a dividend as 100% shareholder of the Dragonfly group of companies.
- 1.2 DDL was 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, had previously reviewed its schedule of potential development sites concluding that smaller sites limiting development potential to 3 units, are not viable. Therefore, other sites included in the original Bolsover Homes pipeline have been considered.
- 1.4 Two of these sites are Briar Close, Shirebrook & High Street, Tibshelf, which have potential to develop approximately 30+ units. However, pre-construction work (i.e. design\investigatory) is necessary to confirm scheme mix and viability.

**2. Details of Proposal or Information**

- 2.1 Before these schemes can be further considered for delivery through the Bolsover Homes funding pipeline and submitted to Members for approval, viability of the schemes needs to be undertaken.
- 2.2 Bolsover District Council's newly formed Projects and Construction Team have provided high level cost estimates for these two schemes, and have shown that these schemes are viable, provided that funding can be obtained from Homes England.

- 2.3 Following this analysis, should the Council wish to proceed with the sites the next stage would be to commence pre-construction works so that planning permission can be obtained.
- 2.4 The costs for pre-construction services for these two schemes at **£488,500** excluding VAT is summarised as follows:

**Briar Close, Shirebrook. Pre-construction Costs**

<b>Stage</b>	<b>Cost</b>
RIBA Stage 2 Pre-Construction Services	£ 11,750
RIBA Stage 3 Pre-Construction Services	£ 27,530
RIBA Stage 4 & 5 Pre-Construction Services	£ 111,210
Additional Provisional allowances to cover design costs as RIBA stages are progressed	<u>£ 188,010</u>

**Total Budget to be allocated for Briar Close (including provisional amounts) £ 338,500**

**High Street, Tibshelf. Pre-construction Costs**

<b>Stage</b>	<b>Cost</b>
RIBA Stage 2 Pre-Construction Services	£ 8,050
RIBA Stage 3 Pre-Construction Services	£ 15,100
RIBA Stage 4 & 5 Pre-Construction Services	£ 41,900
Additional Provisional allowances to cover design costs as RIBA stages are progressed	<u>£ 84,950</u>

**Total Budget to be allocated for High Street (including provisional amounts) £ 150,000**

- 2.5 Should any scheme be identified as non-viable at any of the above stages, pre-construction work can be stopped at any RIBA stage with no further costs incurred.
- 2.6 Following the granting of planning permission the Council can proceed towards starting on site using the approved designs to provide a more detailed estimate of costs and allowing confirmation of funding available from Homes England.
- 2.7 It is proposed that the DDL profit from 2024/25 is used to fund pre-construction works for development at the above schemes, which would result in any dividend returned to the Council being lowered.
- 2.8 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 approval to reduce the level of dividend received from Dragonfly's 2024\25 profit after tax.

**3. Reasons for Recommendation**

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

3.2 To enable the on-going pipeline of work for the Council's Construction team to be given the best chance of achieving the Council's vision of building 200 new homes by 2028, pre-construction work needs to start as soon as possible.

**4 Alternative Options and Reasons for Rejection**

4.1 Members could choose not to consider these pre-construction schemes for inclusion in the Bolsover Homes schemes; 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.

**RECOMMENDATION(S)**

1. Executive approves the reduction in the dividend receivable from Dragonfly Development Ltd for the 2024\25 financial year in the amount of £488,500 to allow pre-construction works at Briar Close, Shirebrook & High Street, Tibshelf, to be undertaken and paid for.
2. Further reports are submitted to Executive and Council for Bolsover Homes funding pipeline, following detailed viability of the scheme being established.

Approved by Councillor Phil Smith Portfolio Holder for Housing

**IMPLICATIONS:**

<b><u>Finance and Risk</u></b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
<b>Details:</b>		
<p>Allowing Dragonfly Development Ltd to reduce the amount of dividend payable to the Council, will mean they are able to fund the necessary pre-construction works on Briar Close, Shirebrook and High Street, Tibshelf from their profit instead.</p> <p>Subject to viability, Briar Close, Shirebrook and High Street, Tibshelf could be included within the £36.2million Bolsover Homes funding stream but if both were to move forward additional funding would need to be approved, unless additional external funding is received.</p>		
On behalf of the Section 151 Officer		
<b><u>Legal (including Data Protection)</u></b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
<b>Details:</b>		
<p>The Council's Shareholder Agreement provides facility for the Council to agree the distribution of profit (i.e., dividend) it receives from Dragonfly Development.</p>		
On behalf of the Solicitor to the Council		
<b><u>Staffing</u></b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
<b>Details:</b>		

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:

Yes

No

**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.

(a)

(b)

**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.

(a)

(b)

**District Wards Significantly Affected:**

*(to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District)*

Please state below which wards are affected or tick **All** if all wards are affected:

All

**Is the decision subject to Call-In?**

*(Only Key Decisions are subject to Call-In)*

Yes

No

If No, is the call-in period to be waived in respect of the decision(s) proposed within this report? *(decisions may only be classified as exempt from call-in with the agreement of the Monitoring Officer)*

Yes

No

**Consultation carried out:**

*(this is any consultation carried out prior to the report being presented for approval)*

Yes

No

Leader  Deputy Leader  Executive  SLT

Relevant Service Manager  Members  Public

Other

**Links to Council Ambition: Customers, Economy, Environment, Housing**

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:**

<b>Appendix</b>	<b>Title</b>
	N\a

**Background Papers**

**(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