



New Vista
Homes

Summary of the Business Plan

2020/21 – 2026/7

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1. Introduction

1.1 About this Business Plan

This is an updated version of the New Vista Homes Business Plan, agreed in 2021. It sets out the areas of work in which we will focus, a summary of our governance and funding arrangements, provides a financial plan and an overview of top level operational objectives for the period.

This Business Plan covers the period 2020/21 – 2026/2027 and will be updated annually.

This Business Plan evidences that New Vista Homes is financially viable.

1.2 About New Vista Homes

New Vista Homes is part of the Central Bedfordshire Group of companies which is wholly owned by Central Bedfordshire Council.

1.3 Vision

New Vista Homes will:

Aim to be an active developer of homes for sale in the open market, distinguishing ourselves from many developers by delivering a more diverse range of housing, by delivering 30% of the homes as affordable housing and where land values can facilitate it, considering a greater amount of affordable housing.

Initially focus on brownfield sites, with 4 out of the 5 sites we are planning to first develop being regeneration sites, where we will be re-using, improving and adding value to local communities through the improvement of these areas.

Focus on helping people to manage the rising cost of living by designing high quality, energy efficient homes that cost less to run. We will also focus on maximizing access to our new homes by developing a range of different designs of homes, including flats, bungalows and houses that are accessible to people with restricted mobility.

With the agreement of our Shareholder, differ from many housing developers in that we may use our surpluses, and any land subsidies the Council may agree, to develop and then let, through a subsidiary company, homes for private rent and to provide new homes within gaps in the market.

1.4 Key Objectives

Our Objectives are to:

Respond to climate change and the increases in the cost of living by building high quality, sustainable, energy efficient homes that reduce running costs, meeting the needs of our customers now and in the future.

Deliver homes that support the Council's housing and sustainability strategies and that offer flexible tenures and opportunities for homeownership to our customers.

Offer great value for money, be financially robust and make a return to the Council during the life of this Business Plan.

1.5 Strategies for delivering the Vision and Key Objectives

4 brownfield and 1 greenfield sites have been identified by the Council for sale to New Vista Homes for housing. New Vista Homes will work with the Council to obtain planning approvals, purchase the sites, regenerate and develop them. 60% of the homes will be for sale in the open market, 10% of plots will be reserved for self-build and 30% will be sold to the Council as affordable housing. The affordable housing will include both housing for affordable rent and shared ownership.

Whilst these developments are underway, the Company will identify and secure further sites, either owned by the Council or in the market. Funding has been agreed with the Council. As necessary, the Company will work with support from Council colleagues, employ staff and procure external support from consultants and contractors to efficiently deliver developments and sales.

1.6 Supporting the Council's Priority on Climate Change and its Sustainability Plan

In July 2019 the Council unanimously supported a proposal to prioritize responding to climate change. The Council aims to 'lead by example in our everyday practices, encouraging and supporting our residents and businesses to do likewise. We'll also be looking to invest in programmes that support a carbon neutral Central Bedfordshire for 2030 and beyond'.

New Vista Homes is ideally placed to support this Council priority on climate change and will embed consideration of the aims of the Sustainability Plan in its operational and development activities.

Company Structure

Shareholder



Parent and Holding Company



Subsidiary Companies



New Vista
Homes



Care is
Central

The Board Directors of the Central Bedfordshire Group are also the Board Directors for New Vista Homes, as the boards are currently co-terminus. In the future it is likely that the Boards will separate, with The New Vista Homes Board being responsible for producing and recommending the Company's Vision, Key Objectives, Strategies and Business Plan, for the Group Board to consider and approve.

2.1 Governance

The Group Board are responsible for ensuring good governance, effective risk management and performance against the Business Plan. The Group Board are responsible for approving key strategies and an annual budget, recommended to them by The New Vista Homes Board. The Group and New Vista Homes Boards will establish appropriate delegated authorities, financial controls, and risk management systems to ensure sound governance and they will agree a set of audited annual accounts for presentation to the Shareholder.

The Managing Director is responsible for the performance management of the business and the implementation of the strategies required to deliver the Business Plan. The Managing Director will seek approval of a budget annually, that fits within the scope of the Business Plan, and will report performance against budget and key objectives to the New Vista Homes Board, along with key risks and plans to mitigate them.

The Managing Director will seek Project Approvals from the New Vista Homes Board for individual development projects, that fit within financial parameters and the parameters of the overall development programme approved within the Business Plan by the Group Board.

The Board of Directors for New Vista Homes is currently made up of:

Bill McCarthy	Non-Executive Independent Chair
Lorna Carver	Non-Executive Director
Cllr Eugene Ghent	Non-Executive Director
Cllr Carole Hegley	Non-Executive Director
Julie Ogley	Non-Executive Director
Adrian Davey	Executive Managing Director

2.2 Operational Resources

Each development project will have within its budget costs for key project roles, such as Employer's Agent, Architect, Quantity Surveyor, Valuer, Estate Agent, Solicitors etc. These roles will be procured from suitably qualified and experienced external suppliers.

The Company will share payment to the Council for the services of the Management Accountant, Financial and Systems Accountant, Company Secretary and Accountant's Assistant with Care Is Central. The Company may purchase HR support from The Council and will procure ICT, Payroll and other administrative/business management support from suitably qualified and experienced external suppliers.

3. Developments

3.1 Council Owned Land

Houghton Close, Ampthill - This brownfield site was initially identified by the Council for delivery of high-quality accommodation for the over 55s, however the market has changed and proposals are now to develop circa 35 energy efficient, accessible homes of a variety of sizes, including 30% affordable housing.

Steppingley Road, Flitwick - A brownfield site with outline planning permission for new homes for over 55s. Part of a larger development, including a care home and extra care housing, containing affordable housing, which is being delivered by the Council's MANOP (Managing the Accommodation Needs of Older People) for Care Is Central to manage.

The Courthouse and Ambulance Station, Dunstable – A centrally located brownfield site suitable for approximately 60 apartments of which 30% of which will be affordable.

Heathfield School, Caddington – Initially it was thought this site could be suitable for the development of circa 49 small new homes with communal gardens and a Community Centre within part of the old school buildings. Issues of drainage, parking, mature trees and overlooking have resulted in proposals being worked up for mix of circa 30-35 energy efficient accessible houses, of which 30% will be affordable.

Northwood End Road, Haynes – A development of a mix of 27 energy efficient, accessible, flats, bungalows and houses, including 4 bedroom houses with garages that can be converted to 1 bedroom annexes.

3.2 Future Sites

The Council has a significant land holding and may be able to identify a pipeline of sites which may be suitable for residential development. New Vista Homes will work with the Council to bring a number of these sites forward and, if necessary to maintain turnover, will also seek to buy sites in the open market.

3.3 Development Appraisals

Each individual development project will be considered and approved by the New Vista Homes Board. They will be appraised using LandVal with advice from estate agents, a layout that is, as far as can be determined, planning policy compliant, and a cost plan.

Standard financial assumptions will be used in the appraisal and these will be periodically agreed with the Board. Where any assumptions deviate from those used in the business plan this will be drawn to the Board's attention.

4. Finance

4.1 Funding

Investment – The Council as sole Shareholder is to invest up to £10m in equity in New Vista Homes mostly in the form of land.

Lender – The Council and New Vista Homes formally agreed a £5m start up loan for 5 years and a £40m long fixed-term investment loan when the Company was set up. The Council and New Vista Homes have since agreed informally to change the £40m long term loan to a series of development project loans, with a loan agreement for each new project, repayable upon completion of the project.

4.2 Financial Inputs & Outputs

The Company has a commercially Financial Plan that is incorporated within the Business Plan. This is updated annually and provides the Shareholder with assurance that the Company is viable. The Financial Plan is commercially confidential and not publicly available.

5.0 Non-Financial Outputs

300 New Homes – Approximately 170 new homes will be completed on the initial 5 sites bought from the Council and the Company aims to find further sites to deliver the building and sale of a further 130 new homes by the end of 2026/27.

30% Affordable Housing – Many Developers provide less than 30% affordable housing, arguing that financial viability prevents this. New Vista Homes is not required to provide affordable homes at Steppingley Road in Flitwick because it is part of a larger development consisting of affordable housing. On all our other developments it is our intention to deliver the full 30% affordable housing, and this will provide additional homes for the Council.

Sustainability – The build costs used to build the financial plan assume that New Vista Homes will provide levels of sustainability within our homes that exceed basic targets. We will build to Government space standards, aim to achieve at least 20% reduction in carbon dioxide production from living in the homes and improve on other basic energy efficiency standards to help reduce household's cost of living. We will also aim to make all our new homes accessible to people with restricted mobility.

Gaps in the market - In determining the types of homes we build on each site; we will balance the need to provide a land value and viable development with the objective to address gaps in the market. Where possible, we will provide a wider range of flats, bungalows and houses, than is typical, so that a wide variety of households can benefit from living in our homes.

Subject to the agreement of the Shareholder, the New Vista Homes Board could decide to utilise funds from the Balance Sheet to provide more than 30% affordable housing on some sites and/or to provide private rented homes and/or to support rent to buy initiatives. The Council could also support New Vista Homes in achieving these additional outputs by allowing the land value created for their sites to be used to fund such activities.