



BUSINESS PLAN 2015/16



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Executive Summary

The Graven Hill development represents a project unlike any other in the UK. It encompasses the country's largest self-build scheme and at a time when most local authorities are reducing expenditure, Cherwell District Council, through the Graven Hill Village Holding and Development Companies, is making significant investments.

The project obviously comes with financial and operational risks; however the benefits of a successful delivery exceed beyond healthy profit margins and the provision of much-needed housing. Graven Hill and Bicester will make history as the first scheme of its kind within the UK and become a benchmark by which all future developments will be measured.

It is expected the Graven Hill project will take ten years to complete and will be separated into different phases which will be delivered periodically. With work due to commence on the first phase in 2016, this document outlines the progress that has been made to date and the actions to be undertaken during the 2015/ 2016 year.

Over the coming months, operational work will begin on site incorporating the first key milestones, such as the adoption of the Local Development Order and the commencement of the demonstrator project. Running concurrently to this will be the ongoing sales and marketing promotion which will utilise a cross-section of channels ranging from traditional media channels to social media and event sponsorship. Both the operations and marketing work, along with the finances, will be carefully monitored through the use of pre-determined key performance indicators.

With the first plot prices due for release in autumn 2015 and the demonstrator works ready to begin in 2016, Graven Hill is nearing the first stages of active development. After several years of negotiations and preparatory work, these discussions will soon come to fruition with the commencement of the UK's largest and most innovative self-build housing scheme.

Introduction

Graven Hill is set to become the largest self-build scheme in the UK and the second largest in Europe. Located in Bicester, Oxfordshire, it forms an important element of the 'Garden Town' programme and is expected to make a significant contribution to the local growth agenda through the creation of the following:

- Up to 1,900 self-build housing opportunities, delivering diversity in the local housing market
- Up to 2,000 new jobs
- Up to c.93,000 (1 million sq ft) of commercial space
- A new primary school and community centre
- Local retail and office provision
- Extensive public open space including, allotments, parks, sports pitches, woodland and a cycle network

In addition, Graven Hill is contributing almost £50m to the local infrastructure through planning obligations to support local secondary schools, adult education, public services and built infrastructure.

It is therefore not difficult to see why Cherwell District Council (CDC) established the Graven Hill Village Holding and Development Companies Ltd. in 2014 to own and develop Graven Hill and ensure the delivery of this strategically important scheme.

Outline planning permission for the site was granted following the successful conclusion of the Section 106 (S106) negotiations in August 2014. This saw the sale of the site from the Ministry of Defence (MOD) to the Graven Hill Village Holding Company, which is wholly owned by Cherwell District Council. This was completed with a 'back-to-back' sale to the Graven Hill Village Development Company and subsequently leased back to the MOD.

Since the completion of the sale, there have been two interrelated 'headline' work programmes these being

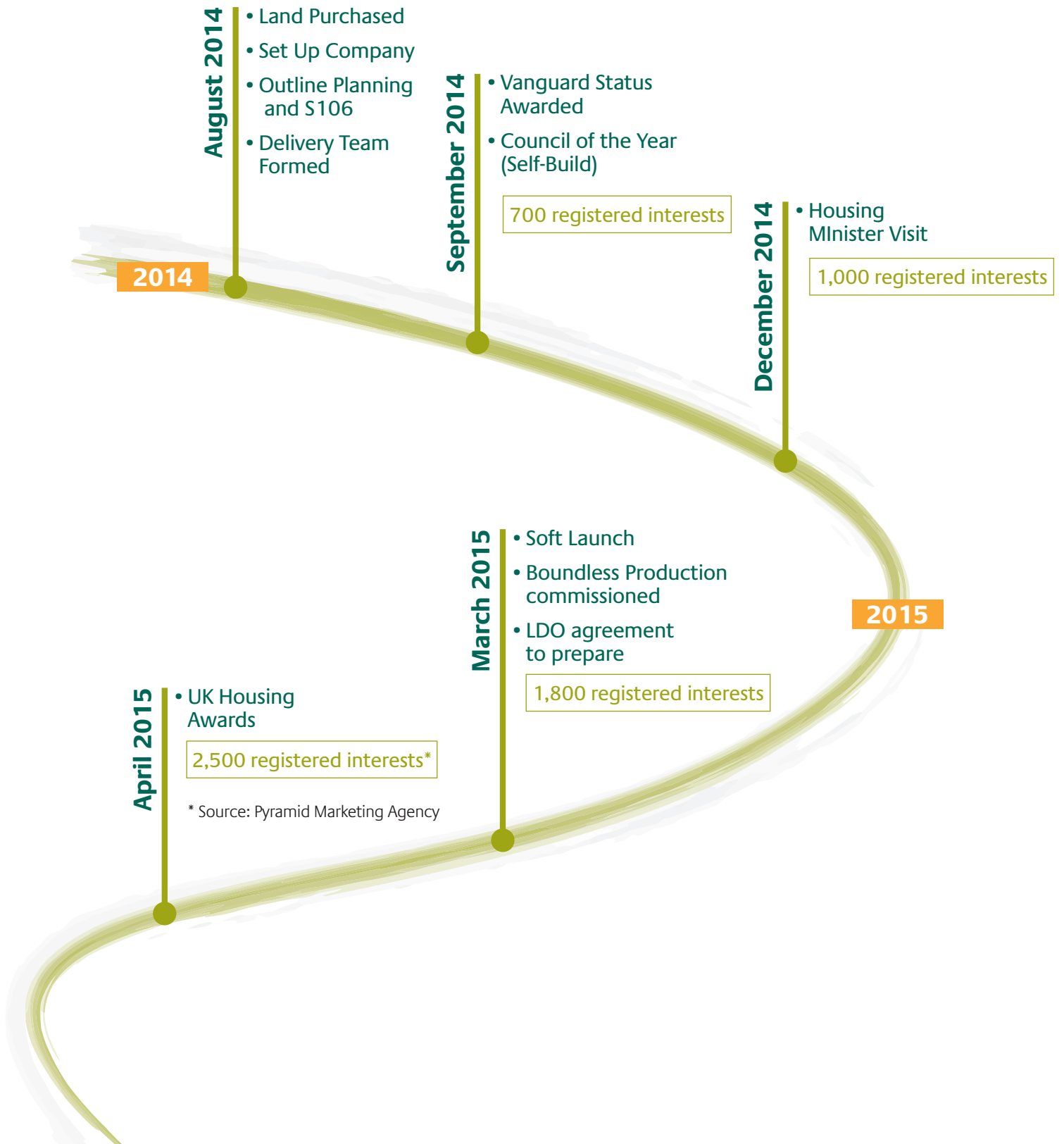
- Operations
- Sales and Marketing

This business plan sets out the key activities, challenges and opportunities for 2015/16.

The key objectives for the year ahead are:

- To deliver the strategic delivery programme including securing approval of the masterplan, Phase 1 design code, and CDC's adoption of a Local Development Order (LDO) for Phase 1a of the development
- To develop Graven Hill branding and profile and maintain Graven Hill's place as a 'market leader' in the national self-build market
- To develop and enhance the customer experience of dealing with the company and its representatives, through all channels of engagement, including website, face-to-face meetings, via telephone and through email.
- To develop product specifications and critical customer and site delivery processes
- The successful delivery of the 'My Grand Designs Project' through to 'golden brick'

Achievements to date





Sales and Marketing

As the UK's largest self-build scheme, Graven Hill is already on the map and high profile both with potential customers and also other stakeholders at both a local and national level. 'Being first' has some benefits, most notably the pent up demand for this form of housing opportunity and the ability to attract inward investment. However, there are some challenges that are also important to note.



Firstly, there is no text book for Graven Hill. Whilst learning can be drawn from large self-build schemes in Europe and from smaller schemes in the UK (including Cherwell District Council's Build! Programme), a self-build scheme on this scale is untested with...

- The UK regulatory frameworks that exist in planning, environmental health and building control
- UK lenders of mortgage finance
- Suppliers, including service suppliers (solicitors etc.) works suppliers (e.g. contractors) and product suppliers (e.g. kit homes)
- Customers

Much of the work under the 'sales and marketing' theme therefore relates to *process development* and *product development*.

Process Development:

Given this is a unique development. New processes will need to be developed to ensure smooth delivery.

- **Customer journey.** From awareness to registered interest, to exchange through to completion and occupation.
- **Legal process.** This includes the suite of sales and transfer documents with consideration to legal implications for both the Development Company and the customer.
- **Golden brick** design and delivery
- **Site logistics.** Deliveries, working hours, health and safety, site welfare etc.
- **Customer relationship management processes.** This includes registered interest and customer contact.
- **Specific customer processes and support packages.** This relates to technical and sales support, pre, during and post development for both groups and individual self-builders.

Product Development:

In terms of product development there are likely to be twelve products available at Graven Hill:

Open market housing (70 per cent of development)

1. Detached plots
2. Terraced plots semi-detached plots
3. Group terraced plots (for groups to jointly commission builder/manufacturer to construct apartments)
4. Group apartment plots (for groups to jointly commission builder/manufacturer to construct apartments)
5. Individual watertight shell apartments
6. Individual watertight shell terraces

Affordable housing (30 per cent of development)

1. Watertight shells to rent (apartments and houses)
2. Watertight shells for shared ownership and shared equity (apartments and houses)
3. Community self-build for rent
4. Leased land for shared ownership
5. Extra Care provision is housing for over 55s delivered in a flexible model enabling residents to purchase the care and support services they require at the point they need them.
6. Shared housing for single people in employment and education (e.g. apprenticeships)



During the course of 2015/16 a product specification will be created for each of the aforementioned products to accompany sales particulars. This specification will be both technical and sales in nature, including issues such as process and the 'offer' from the Development Company to the customer.

Likely content will include aspects such as site welfare, working hours, health and safety, warranties and so on. The sales element will consider what is going to make this product attractive to customers and process map the product to identify particular challenges. This work will dovetail with the work to produce the plot passports, which again, by their very nature deliver both sales and operational objectives.

Over the course of the first two years the product specifications will be reviewed on a regular basis, assessing which products deliver the best return for the company, which products are particularly popular and so on.

Key Work Streams

Moving on from product and process development there are a number of other key work streams under the banner of sales and marketing. These are:

- **Branding:** a focus group exercise 'tested' the name Graven Hill and the brand proposed by the Company's appointed branding agency. The outcome of this work is that the name Graven Hill will remain, along with the proposed brand. During 2015/16, this brand will be developed and to enable its promotion in a range of settings and mediums. Furthermore, the focus groups identified that potential customers are positive about the historical links with Graven Hill and therefore there will be a greater focus to promote and develop this aspect.
- **Review of existing customer register:** there are over 2,250 people registered with Graven Hill, however it is necessary to now review this list to see a) how many are serious potential purchasers and b) how this list relates the opportunities in Phase One of the development. This will identify any potential 'mismatch' and the need for targeted sales and marketing. Examples include attracting people to work collectively on apartment and terrace housing opportunities.
- **Proactive customer engagement** through monthly newsletters and customer events.
- **Reactive customer engagement** by ensuring a professional and timely response to enquiries received through phone calls, emails and the website.
- **Website.** The procurement of a new website, to include collaboration space for staff and suppliers to Graven Hill Company. The website will be fresh, fully branded and will include a 3D master plan and opportunity for customers to download plot passports and product information.
- **Develop a panel of lenders.** Whilst there is existing relationships with a number of lenders through the Build Programme, it is important that this panel is extended and educated to ensure lending capacity for Graven Hill.
- **Show Homes.** The procurement of up to 10 'off site manufactured' show homes, adjacent to the My Grand Designs Project on the demonstrator land. During 2015/16, the specification and procurement of this project will commence.
- **My Grand Designs Project.** In partnership with Boundless Productions and Channel Four. During 15/16, the selection process will complete and customers will exchange contracts ahead of the 'golden brick' foundation works commencing on each plot, to enable a customer start on site in 2016.
- **Supply Chain engagement.** Focusing on the customer supply chain, engaging through newsletters, events and providing a 'media package' to enable suppliers to promote Graven Hill.
- **The specification of a sales and marketing suite at Graven Hill.** It is proposed to have a fully functioning sales and marketing centre which will include a project delivery office. This will be on the site of the Rodney House Social Club, and open in summer 2016.
- **Engagement with potential tenants and/or operators** for the local pub, retail and local office space.
- **Conveyance.** Work is underway to create a suite of legal documents to include contracts for registered interest and sales.

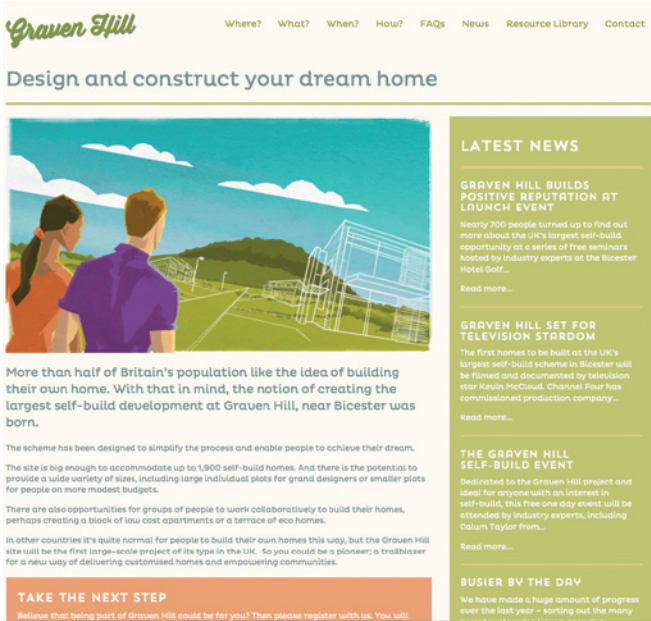
This is an ambitious programme and as such the financial model has ensured sufficient resources to deliver this; including directly employed staff, Council staff (through a Service Level Agreement) and external consultants and agencies.

Promotions

Graven Hill and the self-build concept has and continues to receive widespread coverage both locally and nationally.

In January 2015, a branding agency was appointed following a competitive tendering exercise to develop an identity and to make recommendations for its roll-out. Since this time there has been a number of activities:

Website— www.gravenhill.co.uk



An interim website exists which has been refreshed in terms of appearance, structure and functionality and enhanced through the development of a registered interest area for customers and also suppliers.

Registered interest via the site continues steadily with in excess of 2,250 registrations (as at July 2015). Messages posted via the site are monitored on an ongoing and daily basis.

The functionality of the current website is not sufficient for our future needs and therefore during 2015, a new marketing website, complete with collaboration platform and one that has future scalability will be developed.

Self-Managed Events

Graven Hill hosted its first self-build event in March 2015, open to anyone with an interest in the self-build concept and particularly those with an interest in living at the Graven Hill site.



Television Personality Charlie Luxton
Guest presenter at the Graven Hill event in March 2015

The event, which took place in Bicester, ran over a single day and attracted almost 700 attendees. Hosted by representatives of the Graven Hill Development Company, the event included a range of six workshops that were presented by a selection of industry experts and high profile speakers. Such was the success of the day that many sessions were oversubscribed and it led to calls for a repeat event—this took place in July 2015 and attracted a further 190 attendees.



Newsletters

Keeping potential customers, suppliers and stakeholders up-to-date with information, details of forthcoming events and any development at Graven Hill is something we are committed to. We aim to achieve this by compiling and issuing a monthly e-zine which is direct mailed to all of those registered with us. It is also available to download direct from the Graven Hill website.



Social Media

It has always been our intention to develop bespoke social media accounts for Graven Hill. However, whilst the branding exercise was underway, promotion of Graven Hill via social media has been managed through the CDC Corporate Channels. Promotion of the event in March was highly successful with our reach extending beyond 300,000 individuals. The CDC Facebook site currently has in excess of 7,500 likes with Twitter standing in excess of 4,800. Both channels are updated on a daily basis.

 7,500 followers
 4,800 followers



Partner Events



Whilst we continue to manage our own event programme, we remain committed to exploring other opportunities that may present, including sponsorship and dual branding alongside other high-profile industry events, such as Build It Live! It is the intention to run a Build It Live Bicester event in the summer of 2016.

Television

Graven Hill continues to make news both locally and nationally and during the course of 2014, the team was approached by Boundless Productions, working on behalf of Channel 4.



Following negotiations, Boundless have now agreed to make available the first 10 plots at the Graven Hill site. This involves individuals or groups who are looking to build at the site and are willing to have their journey followed by the television production company. The production will be fronted by presenter and self-build champion Kevin McCloud. Applications are being reviewed and selection of those who will take part is taking place later this year.

Traditional Media Channels

The communications team continue to promote Graven Hill and self-build opportunities through a wide variety of traditional communications channels including press releases issued to the local, national and trade press; broadcast and electronic media and also through CDC's corporate website.

Good levels of positive and neutral coverage have been achieved with all coverage being monitored and reported on a weekly basis.



Operations

The year ahead will be an exciting one for the operations aspect of Graven Hill. We will 'break ground' and start on the delivery of infrastructure (and housing opportunities.)



The work will be a mix of design, planning, survey and construction activities. The draft programme sets out in detail the activities and key milestones.

Summer 2015

- Finalise Local Development Order
- Archaeology investigation commence

Autumn 2015

- Reserved matters determination
- Precommencement discharge of conditions
- Confirm start of Grand Design works
- Procure demolition contractor

Winter 2015/16

- Determine affordable housing provider
- Woodland specification plan
- Procure infrastructure contractor
- School design plan
- Agricultural tenancy ends

The key noteworthy activities are as follows:

- Masterplan and Phase 1 design code approved by Local Planning Authority (LPA)
- Local Development Order (LDO) adopted by Cherwell District (development of plot passports for up to 198 units) (Appendix 1)
- Conclude procurement strategy for Graven Hill
- Site transfer: Land' (for the My Grand Designs project and show homes project) together with vacant possession of demonstrator land area one (see site map – Appendix 2)
- Site separation: monitoring MOD site exit works and decanting and an early start (where possible) on service relocations
- Discharge of planning conditions (e.g. M40 junction 9 improvements and district heating feasibility)
- Reserved matters applications (for first phases)
- Section 73 (S73) progress applications to ensure the conditions are better aligned to self-build process
- Surveys (ground investigations, services etc.)
- Ecological and archaeological mitigation works
- Procurement of utilities supplies, including a Multi Utility Supply Company (MUSCO) and potential supplies from MOD (e.g. water)
- Procurement and commencement of highway works at Rodney House roundabout
- Procurement of main infrastructure commences (highways, footways, strategic landscape and forming of services and plots)
- 'My Grand Designs' demonstrator project and show homes project commencement.
- Scope and procurement of a marketing suite
- Procurement and commencement of demolition of the Garrison Theatre and of other old buildings.

When set out as a list Graven Hill may appear no different to any other development, as clearly the above activities are in many ways 'business as usual'.

This is an ambitious programme and as such the financial model has ensured sufficient resources to deliver this; including directly employed staff, Council staff (through a Service Level Agreement) and external consultants and agencies. These staff will report to the newly appointed Operations Director.

Key Performance Indicators

Sales and Marketing—Delivery of key work streams

- Secure sales of ten plots for My Grand Designs
- Deliver new website for Graven Hill
- Conclude specification for show homes
- Secure planning consent for marketing suite
- Conclude suite of legal documents for plot sales
- Complete product specifications for 12 products
- Continue engagement events
- Customer Relationship Management System
 - Lenders
 - Solicitors
 - Mortgage brokers
 - Kit home manufacturers (through show home project)
- Deliver price preview event and series of thematic workshops

Operations—Delivery of a strategic programme

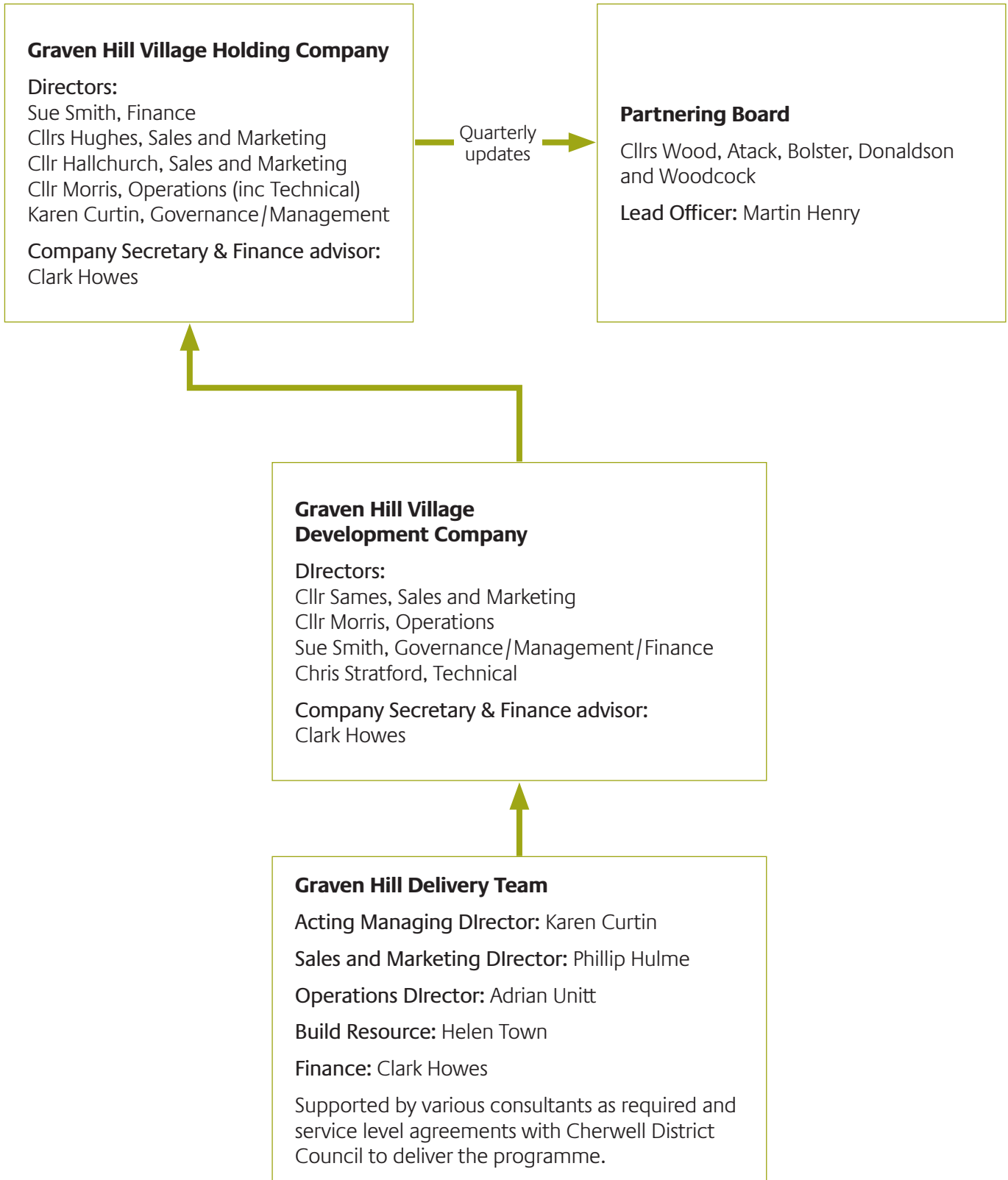
- Take possession of demonstrator land
- Ensure infrastructure to demonstrator land commences
- Procurement of main contractor for infrastructure works and 'golden brick' for My Grand Designs
- Secure discharge of pre-commencement planning conditions
- Obtain approval of Reserved Matters applications for early phases
- Secure utility services to site
- Deliver against programme

Finance and Governance

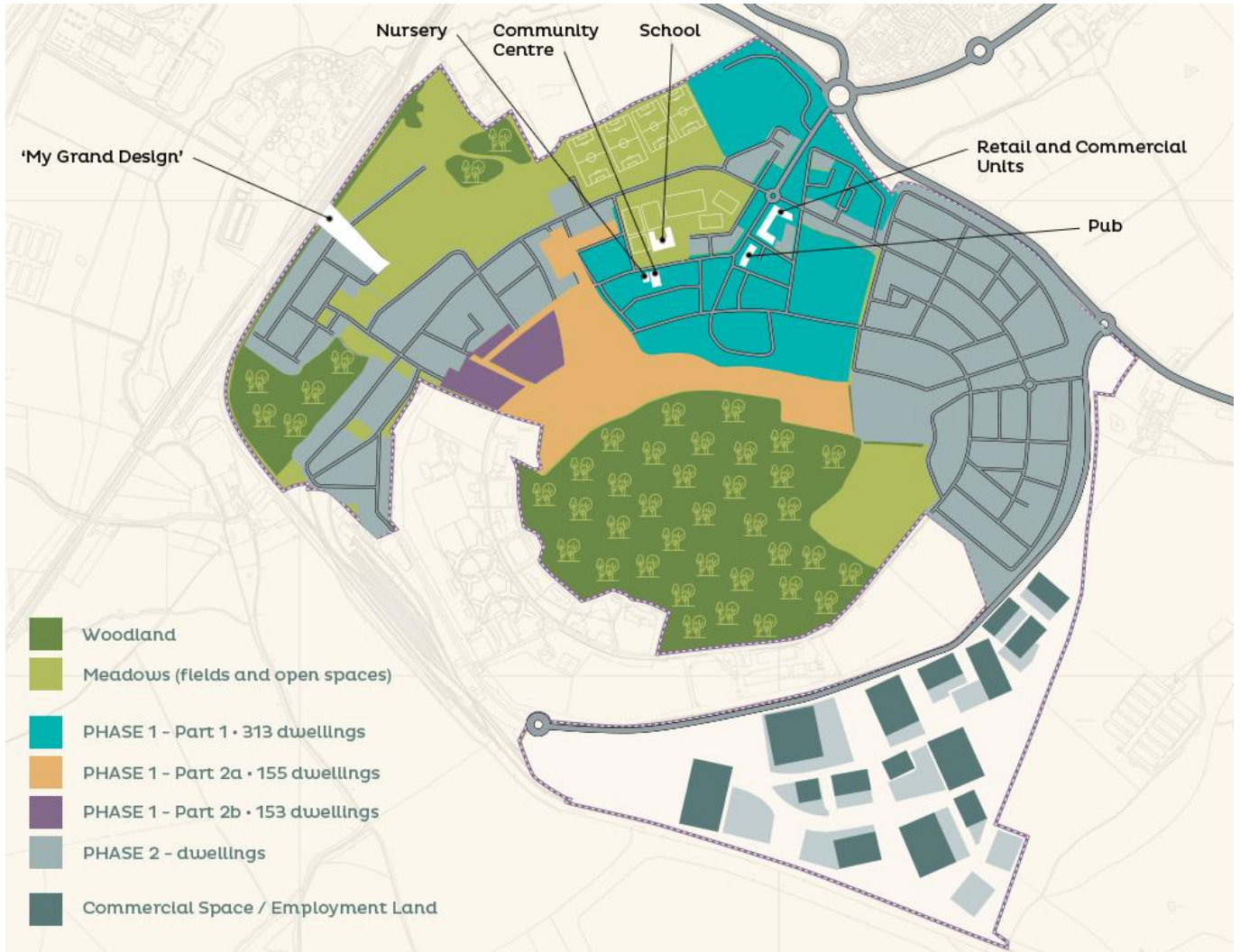
- Deliver within agreed 15/16 budget
- Operate within agreed 15/16 cashflow
- Provide timely and informative management information reports
- Provide quarterly updates to Partnering Board
- Ensure compliance with all statutory processes

Governance

Graven Hill Delivery Governance structure



Appendix 2







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