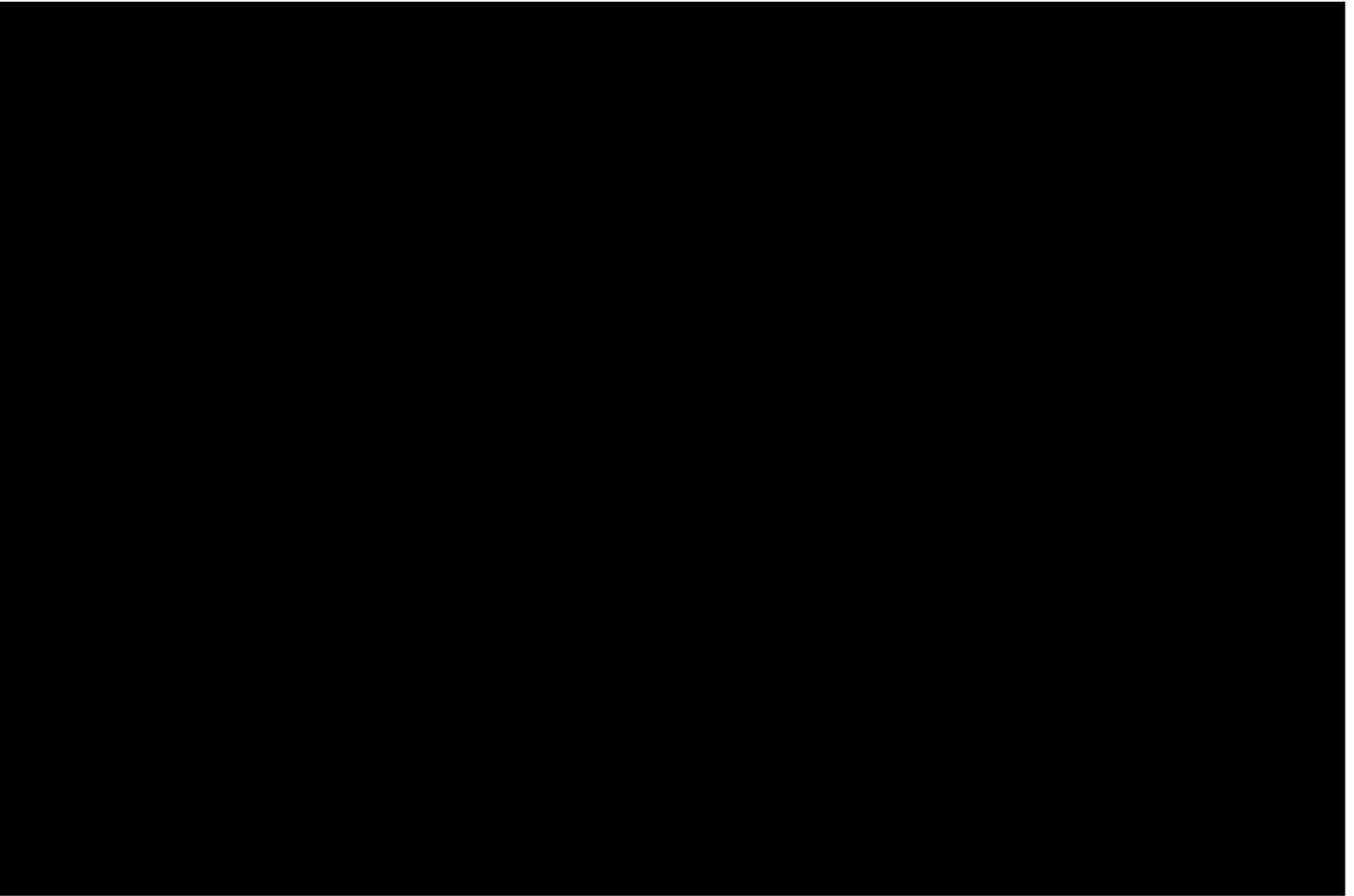
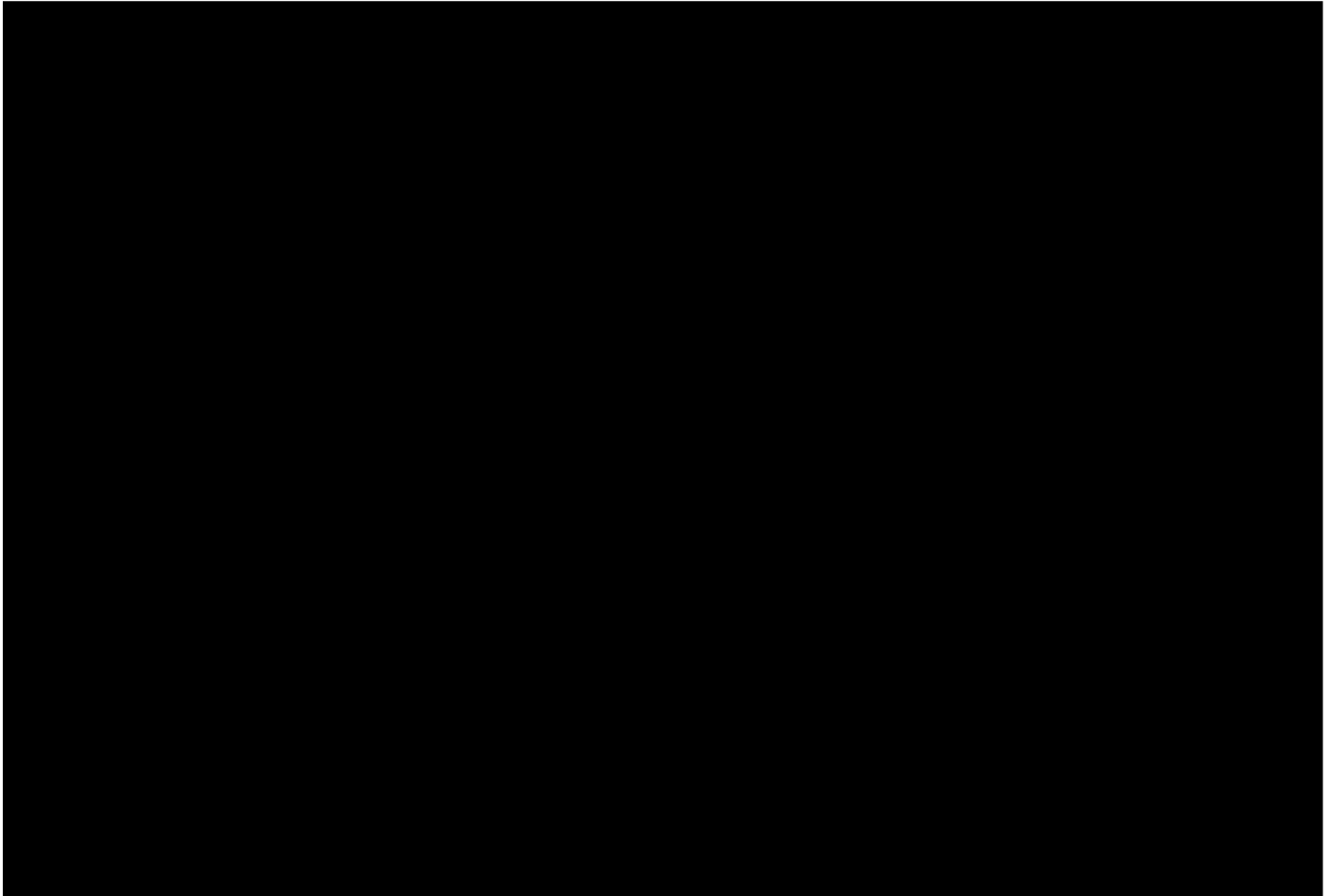




From: Robert Barker [REDACTED]
Sent: 08 December 2021 15:51
To: Claire Potts <Claire.Potts@arun.gov.uk>
Cc: Sofina Ahmed <Sofina.Ahmed@arun.gov.uk>; Bobby Boyce [REDACTED] Fiona Boyce [REDACTED]
Subject: Re: 030-211201-S106

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Without prejudice

Dear Claire

I have spoken with the Boyce's and notwithstanding previous comments regarding the profit, BLV, incorporation of the planning stage surplus/deficit, the inclusion of finance costs and the marketing costs (in the costs), on the basis that the terms of the s106 are agreed today, in accordance with the committees wishes, we propose the following:

The applicant is agreeable to an Early Stage Review. The applicant can agree to the formula and the associated notes proposed in the document 'Draft Review wording for S106v0.1.docx' with the following changes highlighted in green (and attached):

A = Gross Development Value (GDV) =

Based on an updated scheme valuation to determine the Residential Capital value (based on – capital value of open market sales + capital value of affordable housing + value of commercial (including the mooring value) + ground rents.

B = GDV from the baseline figures in the submitted viability appraisal = £ 37,292,409.00

GDV baseline =

Total capital value of residential (based on - capital value of open market sales based on HPI (£33,150,920) + capital value of affordable housing (£1,712,259.45) + Value of commercial £1,932,590.02 + value of ground rents (£496,640.00)

I have excluded the double counting on the mooring value and the GDV is now exactly as the submitted documents, which were reviewed by DSP.

I have attached a copy of your proposal with the track changes. Subject to finalisation by the solicitors in the full s106, I would be grateful if you can confirm by reply that this is agreed.

Best regards

Robert

From: Claire Potts <Claire.Potts@arun.gov.uk>
Date: Thursday, 2 December 2021 at 10:21
To: Robert Barker [REDACTED]
Cc: Sofina Ahmed <Sofina.Ahmed@arun.gov.uk>
Subject: RE: 030-211201-S106

Hi Robert,

Please see attached draft wording and formula for the Viability Review. I have added moorings in to the baseline and review GDV calculation on the basis that this was included in your response to DSP in January. I have excluded ground rents on the basis that either they can no longer be sought if the legislation changes and that there is a clause added (I will liaise with legal about the wording of the clause).

Any queries please let me know.

Thanks

Claire

Claire Potts MRTPI, BSc, MSc, MSc
Strategic Development Team Leader

T: 01903 737698

E: claire.potts@arun.gov.uk

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From: Robert Barker [REDACTED]
Sent: 01 December 2021 15:40
To: Claire Potts <Claire.Potts@arun.gov.uk>
Cc: Bobby Boyce [REDACTED] Sofina Ahmed <Sofina.Ahmed@arun.gov.uk>
Subject: Re: 030-211201-S106

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Hi Claire

I tried calling a few minutes back to catch up. Thanks for the update. Do you know when you would expect to hear back from Arjan, as the 8th is only next week?

It would be helpful if you could give me a call to run me through what you have set out.

thanks

Robert

From: Claire Potts <Claire.Potts@arun.gov.uk>
Date: Wednesday, 1 December 2021 at 15:30
To: Robert Barker [REDACTED]
Cc: Bobby Boyce [REDACTED]

Sofina

Ahmed <Sofina.Ahmed@arun.gov.uk>

Subject: RE: 030-211201-S106

Hi Robert,

I've drafted some wording and formula for the S106 based on our discussions so far, and have sent it to Arjan for comment. Once I've heard back from him I'll send it to you.

Kind regards

Claire

Claire Potts MRTPI, BSc, MSc, MSc
Strategic Development Team Leader

T: 01903 737698

E: claire.potts@arun.gov.uk

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From: Robert Barker [REDACTED]

Sent: 01 December 2021 11:06

To: Claire Potts <Claire.Potts@arun.gov.uk>

Cc: Bobby Boyce [REDACTED]

Subject: 030-211201-S106

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Hi Claire

Further to discussion last week I know that you are prioritising the 106 this week. I have kept my diary free so that I am available anytime today if you need to call to discuss or agree any items.

thanks

Robert Barker | RIBA Fellow

Director
Stolon Studio Ltd
Kaolin Court
London SE23 1AA
[REDACTED]

Open City Event – book your free ticket here and join the debate – Learning from Lockdown: Sociable Housing at a time of Social Distancing

RIBA Award Shortlist 2020/21
Blueprint Award, Commendation 2020
Pitched Roof Award, Commercial Winner
LHC Southwark Framework 2020
RIBA Award Winner 2019
RIBA Small Project, Award Winner
RIBA Emerging Architect
RICS Award Winner, Development of the Year
Brick Awards, Architects Choice Winner
Green Dot Awards, Winner
TOP Sixty Housing, Commendation

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A Viability Review of the development shall be carried out and submitted to the Local Planning Authority 6 months prior to the submission of a reserved matters application pursuant to LU/238/20/OUT. The Viability Review should be carried out in accordance with the latest best practice advice on Viability Assessments from the Royal Institute of Chartered Surveyors (RICS) and the National Planning Policy Framework and associated Planning Practice Guidance. The full costs incurred by Arun District Council in negotiating, undertaking, and assessing the Viability Review should be borne by the applicant.

Commented [p1]: presumably this should be more than 6 months as opposed to exactly 6 months.

The total affordable housing provision following the Viability Review (including 8 intermediate housing units secured at the time of the grant of outline permission) shall be capped at 30% of the total residential units. The affordable housing provision shall be no lower than the 8 shared ownership housing units to be provided on-site.

The additional affordable housing provision should be provided on-site and in accordance with the required tenure split of 75% rented, 25% intermediate homes, unless a different tenure split is agreed in writing with the LPA.

The Viability Review will assess changes to the gross development values and build costs and will be based on the most robust and up-to-date information available at the time of the review.

The Viability Review shall be carried out in accordance with the following formula to calculate the surplus profit available for affordable housing:

X = Surplus profit available for additional affordable housing

$X = (A-B)-(C-D)-P$

Where:

A = Estimated Gross Development Value (GDV) of development as determined at the time of the Viability Review (£)

B = Estimated GDV of development as determined at the grant of the outline planning permission (£)

C = Estimated build costs as determined at the time of review (£)

D = Estimated build costs as determined at the grant of the outline planning permission (£)

$P = (A-B) * Y$ Developer profit on change in GDV (£)

Y = Developer profit as a percentage of GDV as determined at the application stage (17.5% of GDV for market residential, 6% for the affordable housing and 15% for the commercial units)

Notes

A = Gross Development Value (GDV) =

Based on an updated scheme valuation to determine the Residential Capital value (based on – capital value of open market sales + capital value of affordable housing + value of commercial (including the mooring value) + Ground rents. ~~Ground rent has been excluded on the basis that it will not be charged.~~

B = GDV from the **baseline** figures in the submitted viability appraisal = £37,292,409.00 ~~82,156,833~~

GDV baseline =

Commented [CP2]: Included on the basis that this was included as part of applicant's response on viability (Jan 2021)

Commented [p3]: 37,292,409

Commented [p4R3]: Arun has added in the moorings but excluded the Ground Rents

Total capital value of residential (based on - capital value of open market sales based on HPI (£33,150,920) + capital value of affordable housing (£1,712,259.45) + Value of commercial £1,932,590.02 + value of ground rents (£436,620) + moorings (£361,166)

C= based on a detailed cost appraisal by a Quantity Surveyor at the time of the Viability Review.

D = based on baseline figures in the submitted viability appraisal (total residential build costs + commercial build costs + abnormals + fees at 7% = £1,348,284.76. **Total of £26,985,381**

(A-B) = Change in GDV on the residential and commercial element from the date of planning permission to the date of Viability Review (£)

(C-D) = Change in build costs from the date of planning permission to the Viability Review (£)

P = Developer profit on change in GDV (£)

Y = Developer profit as a percentage of GDV as determined at the application stage (17.5% of GDV for market residential, 6% for the affordable housing and 15% for the commercial units)

Commented [p5]: This is not correct as the value of the moorings is already included in the value of the commercial. The £361,166 refers to the net value (ie after costs). Inclusion of the £361k is double counting.

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Commented [p6]: correct