

DATED

18th

AUGUST

2016

THE COUNCIL OF THE BOROUGH OF HAVANT (1)

and

GARY CHARLES SHEATH (2)

and

HAMPSHIRE COUNTY COUNCIL (3)

AGREEMENT

Pursuant to Section 106 of the Town and Country
Planning Act 1990 (as amended)

relating to land lying at

MARKET PARADE, HAVANT

MOORE BLATCH
solicitors

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Hampshire
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Moore Blatch is the trading name of Moore Blatch LLP, which is a limited liability partnership registered in England and Wales, registration number OC335180. The registered office is 11 The Avenue, Southampton SO17 1XF.

THIS AGREEMENT is made the 18th day of

AUGUST 2016

BETWEEN

(1) **THE COUNCIL OF THE BOROUGH OF HAVANT** of Public Service Plaza Civic Centre Road Havant Hampshire PO9 2AX ("the Council");

(2) **GARY CHARLES SHEATH** of Futuremost Windows, Robinson Way, Airport Service Road Portsmouth PO3 5SA ("the Owner")

(3) **HAMPSHIRE COUNTY COUNCIL** of The Castle Winchester Hampshire SO23 8UJ ("the County Council")

1. DEFINITIONS AND INTERPRETATION

1.1. Wherever the context so permits the following words and phrases shall have the meanings herein attributed to them:

"the Act"

the Town and Country Planning Act 1990 as amended by the Planning and Compensation Act 1991.

"Affordable Housing Contribution"

means such sums payable to the Council in accordance with the provisions of paragraph 6 of Schedule 1 to this deed up to a maximum of £2,432,238.99 TWO MILLION FOUR HUNDRED AND THIRTY TWO THOUSAND TWO HUNDRED AND THIRTY EIGHT POUNDS AND NINETY NINE PENCE together with any Indexation on such amount towards the provision of off-site affordable housing

"Application"

the outline planning application made on behalf of the Owner and bearing the Local Authority reference number APP/14/01225.

"Commencement of Development"

the carrying out on the Land of a material operation pursuant to the Planning Permission as defined in Section 56 of the Act save for the purpose of determining whether or not a material operation has been carried out there shall be disregarded such operations as marking out surveying ground investigations archaeological investigations demolition site clearance site preparation and ecological mitigation works and "Commence" shall be construed accordingly.

"Completed"

Practically complete save for minor snagging items such that it is reasonably fit for Occupation (and "Complete" and "Completion" shall be construed accordingly)

"the Development"

redevelopment of the land to erect 130 No. apartments and 1126sqm of ground floor commercial/retail space (Use Classes A1-A5 and B1(a)) and associated service, access and 58 private residential basement parking spaces (indicative height of building between five and thirteen stories)

"Disposed"

Any manner of sale of any freehold or leasehold interest or other such disposal in consideration solely or mainly of a premium is made in the Development to a third party and "Disposal" shall be construed accordingly

"Economic Viability Assessment"

An assessment submitted to the Council by the applicant, for the purposes of establishing the viability of the Development and identifying any surplus

"Employment and Skills Plan"

a scheme for the improvement and benefit of the local labour market and economy, by raising skills and enabling local people to compete for the jobs generated, in accordance with the arrangements set out in paragraph 5 of Schedule 1 and in a form as set out in Schedule 3 to the reasonable satisfaction of the Council.

"Framework Travel Plan"

The framework travel plan to be submitted at the same time as the reserved matters application and agreed by the County Council as per the provisions of clause 10 in Schedule 1

"Initial Approval Fee"

means the sum of one thousand five hundred pounds (£1500);

"Index Linked"

means increased in accordance with the following formula such indexation shall only be applied in circumstances where the RPI at the date of payment stands at a higher level than it did at the date of the Planning Permission for the Development:

$$\frac{A \times C}{B}$$

Where: A = the contribution amount

B = the last figure published prior to the grant of Planning Permission

C = the last figure published prior to the Commencement of Development

"the Land"

the land shown edged red on the Plan known as Market Parade Development Site Havant Hampshire.

"Monitoring and Administration Fee"

Means the sum of £5,000.00 being a fee (and to be applied at such time and in such manner as the Council shall in its absolute discretion determine) used towards the costs to be incurred by the Council in the provision of suitably qualified and experienced persons whose functions *inter alia* is to monitor co-ordinate and enforce planning deeds

"Occupation"

Occupation for the purposes permitted by the Permission but not including occupation by personnel engaged in construction fitting out or decoration or occupation for marketing or display or occupation in relation to security operations (and "Occupied" shall be construed accordingly)

"Plan "

the plan annexed to this Deed.

"the Planning Permission"

any permission granted pursuant to the Application.

"Proportional Amount"

a fraction of the surplus established in the agreed Updated Economic Viability Assessment in accordance with paragraph 7 of Schedule 1 to this Deed and calculated by multiplying the surplus by

Number of Residential Units Disposed/130

"Refuse and Servicing Management Plan"

a scheme of works to be submitted to the Council for approval outlining the methods of storage and waste collection of refuse from the Land which is to include details that take into account the location of waste storage facilities, the number of refuse storage containers, process for pre and post collection and also measures for recycling and the timing of waste collection and deliveries to the residential and commercial units within the Land

"RPI"

the Retail Prices Index published by the Office for National Statistics (or any amendment/comparable replacement thereof)

"Residential Units"

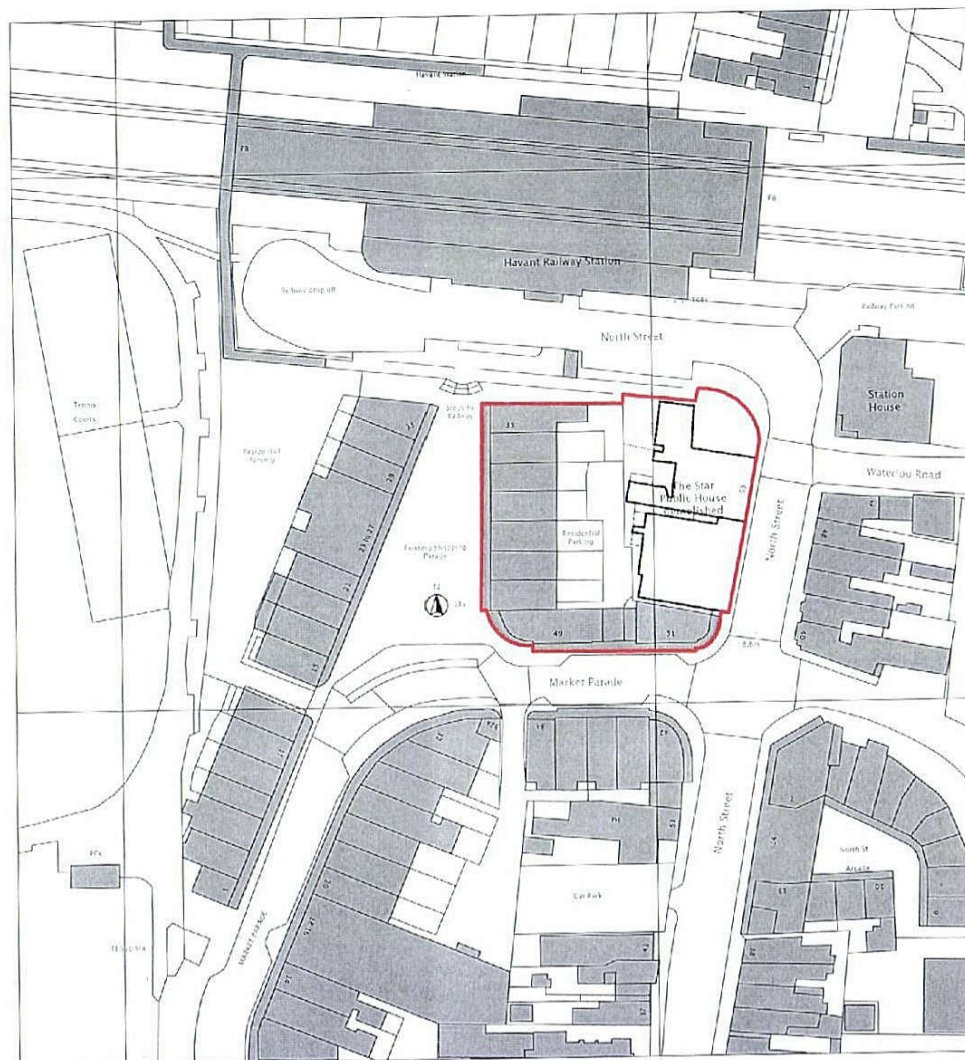
individual units within the Development to be used for residential purposes

"Solent Recreation Mitigation Project Contribution"

the sum of £20,184.00 together with any Indexation being calculated as the sum of £174 for each dwelling in respect of the Special Protection Area mitigation measures delivered through the Interim Solent Recreation Mitigation Strategy

"Sustainable Transport Contribution"

such sums payable to the County Council in accordance with the provisions of paragraph 6 of Schedule 1 to this deed up to a maximum of £250,000 (TWO HUNDRED AND FIFTY THOUSAND POUNDS) together with any



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Indexation on such amount towards providing a shared use facility between the site and amenities to the north including Havant College

Travel Plan

the final and full form travel plan based on the Framework Travel Plan such travel plan to be submitted to and approved in writing by the County Council in accordance with the provisions of clause 11 in schedule 1

Travel Plan Bond

a Bond on terms and by a Surety approved by the County Council in the sum to be agreed by the County Council being the cost of implementation and compliance with the Travel Plan (as estimated by the County Council) plus 10% thereof which shall be maintained for the five year life of the Travel Plan

Travel Plan Coordinator

an individual or company appointed to monitor delivery of the measures set out in the Travel Plan;

Travel Plan Monitoring Fee

the total sum of fifteen thousand pounds (£15,000) (being the equivalent of three thousand pounds (£3,000) per annum for a total of five (5) years) towards the costs incurred by the County Council in monitoring and reviewing the Travel Plan

“TRO Contribution”

the sum of £6,000.00 (SIX THOUSAND POUNDS) for the purpose of implementing (which reference shall include all connected administration, supervision and the carrying out of) such traffic management measures as they consider appropriate to ensure that any overspill parking from the Development does not interfere with the capacity, operation or safety of the adjoining local highway network in particular Grove Road Juniper Square South Street Centenary Gardens and West Street

“Updated Economic Viability Assessment”

An updated Economic Viability Assessment

“Viability Appraisal Report”

A report by the DVS and dated 26 May 2016 as appended at Schedule 4 to this deed

1.2. Where the context so admits:

- 1.2.1. words of the masculine gender shall incorporate the feminine gender and words of the singular shall include the plural and vice versa;
- 1.2.2. any reference herein to any statute or section of a statute includes any statutory re-enactment or modification thereof;
- 1.2.3. any reference to a clause or a schedule is unless the context otherwise requires a reference to a clause or a schedule of this Deed;

- 1.2.4. the expressions "**the Owner**" "**the Council**" and the "**County Council**" shall except where the context otherwise requires include their respective successors in title and assigns.

2. RECITALS

- 2.1. The Council and the County Council are the Local Planning Authority for the purposes of the Act in respect of the area which includes the Land and shall be responsible for the enforcement of the obligations contained herein and the County Council is the highway authority for Hampshire (save for trunk roads and special roads) for the purposes of the Highways Act 1980 in respect of the area which includes the Land and shall be responsible for the enforcement of the obligations contained herein
- 2.2. The Owner is the freehold owner of the Land for an estate in fee simple in possession and registered as proprietor at HM Land Registry under title numbers SH21242 and SH252813.
- 2.3. The Application submitted to the Council seeks Planning Permission for the Development of the Land and the Council has resolved to grant the Planning Permission subject to the completion of this Deed.
- 2.4. This agreement is made pursuant to Section 106 of the Act which section shall apply to the covenants herein contained.
- 2.5. This instrument or document hereby expresses itself as executed as a Deed.
- 2.6. The Council the Owner and the County Council consider that the matters contained in this Agreement are:
- 2.6.1. necessary to make the Development acceptable
- 2.6.2. directly related to the Development; and
- 2.6.3. fairly related in scale and kind to the Development

3. THE OWNER'S COVENANTS

The Owner covenants to the intent that the covenants shall be planning obligations for the purposes of the Act and shall be binding on and enforceable against it and its successors in title to the Land and that the Owner shall observe and perform the obligations set out in Schedule 1 to this Deed.

4. THE COUNCIL'S COVENANTS

Subject to the performance by the Owner of its obligations under this Deed the Council and the County Council hereby covenant with the Owner that it will observe and perform the covenants on its part as set out in Schedule 2.

5. COSTS OF THE COUNCILS

- 5.1. The Owner shall pay to the Council prior to the date of this Deed the reasonable legal and other costs of the Council incurred in the negotiation, preparation and execution of this Deed (such costs being limited to the sum of £2,500)
- 5.2. The Owner shall pay to the County Council prior to the date of the Deed the reasonable legal and other costs of the County Council incurred in the negotiation preparation and execution of the Deed (such costs being limited to £2,700) and the County Council's development control costs (such development costs being limited to the sum of £2,550) incurred in connection with the preparation and completion of this Agreement

6. **LIMITATIONS**

6.1. The covenants, undertakings, obligations and restrictions in this Agreement shall become binding on the parties to this Agreement upon Commencement of Development save for the provisions in clause 5 and paragraphs 1, 3, 5, 6, 7, 9 and 10 of Schedule 1 which shall come into effect immediately on completion of this Deed

6.2. No person shall be liable for any breach of clause 3 occurring after he shall have parted with his interest in the Land or the part in respect of which such breach occurs save for any breach that takes place before such interest is parted with.

6.3. Nothing in this Deed shall prohibit or limit the right to develop any part of the Land in accordance with a planning permission (other than the Planning Permission) granted (whether or not on appeal) after the date of this Deed.

6.4. The covenants set out in Schedule 1 shall not be binding on or enforceable against a individual purchaser of any of the residential dwellings within the Development or against their mortgagee or receiver appointed or against their successors in title

7. **REGISTRATION OF RESTRICTION**

This Deed shall be registered as a local land charge.

8. **INTEREST ON LATE PAYMENTS**

Any amount due from the Owner under this Deed which is not paid on the due date shall be payable with interest calculated at the rate of 4% above the base lending rate from time to time of Barclays Bank plc (calculated on a daily basis from the date on which it fell due).

9. **Disputes**

Save for matters of construction of this agreement which shall be matters for the courts in the event of any dispute arising between the parties in respect of any matter in this agreement the same shall be referred to an expert to be agreed between the parties or at the request and option of any of them to be nominated at their joint expense by the president for the time being of the Royal Institute of Chartered Surveyors and the expert's decision shall be final and binding on the parties

10. **INDEXATION**

10.1. The maximum amount of the Affordable Housing Contribution shall be Index Linked from the date that the Planning Permission is granted until the date of payment and shall be linked to the RPI

10.2. The maximum amount of the Sustainable Transport Contribution shall be Index Linked from the date that the Planning Permission is granted until the date of payment and shall be linked to the RPI

10.3. The Solent Recreation Mitigation Project Contribution shall be Index Linked from the date that the Planning Permission is granted until the date of payment and shall be linked to the RPI in accordance with the figures supplied to the Council by the Solent Recreation Mitigation Partnership

IN WITNESS WHEREOF the Council the County Council and the Owner have executed this agreement as a Deed the day and year first before written.

THE COMMON SEAL OF THE
COUNCIL OF THE BOROUGH OF HAVANT
was hereunto affixed
in the presence of

Authorised signatory

EXECUTED as a DEED
(but not delivered until the date hereof)
by **GARY CHARLES SHEATH**
acting by
a director, in the presence of:

Witness Signature

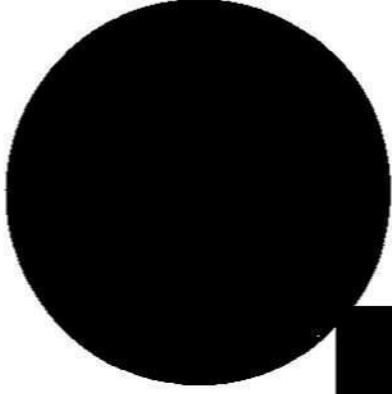
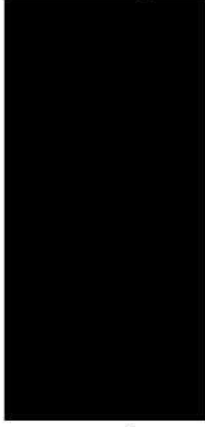
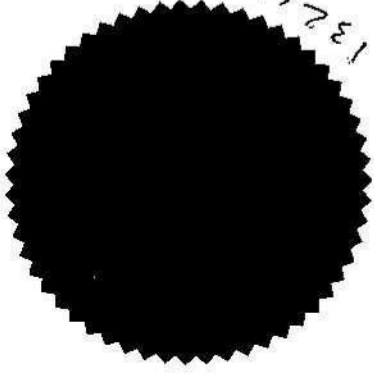
Witness Name:

Witness Address:

Witness Occupation

THE COMMON SEAL OF
HAMPSHIRE COUNTY COUNCIL
was hereunto affixed
in the presence of

Authorised signatory



Schedule 1

THE OWNER COVENANTS

The Owner hereby covenants with the Council and the County Council:

1. To give the Council and the County Council at least 14 days written notice of the intended dates for the following events and thereafter to notify the Council and County Council in writing within 14 days of each event the date of its occurrence
 - 1.1 Commencement of Development.
 - 1.2 Occupation of the first Dwelling
2. Prior to First Occupation the Owner shall pay to the Council the Solent Recreation Mitigation Project Contribution being the sum of £20,184.00 subject to Indexation in accordance with the figures supplied to the Council by the Solent Recreation Mitigation Partnership towards the Solent Recreation Mitigation Strategy such sum to be collected by the Council on behalf of the Solent Recreation Mitigation Partnership
3. Prior to Commencement of Development the Owner shall pay to the Council the Monitoring and Administration Fee
4. To pay or cause to be paid to the Council at the written request of the Council at any time during the period beginning from the Commencement of Development and ending 5 years from practical Completion of the Development the TRO Contribution
5. **Employment and Skills**
 - 5.1. Prior to Commencement of the Development to submit to the Council for written approval the Employment and Skills Plan and not to Commence the Development or permit Commencement of Development until an Employment and Skills Plan has been approved by the Council (a template is appended at Schedule 3 in order to provide a guide for the plan's completion).
 - 5.2. The Employment and Skills Plan shall include arrangements setting out how the Owner and to the extent that they are not the same person any developer or Occupier and their contractors will work directly with local employment/training agencies as part of an employment and training consortium including but not limited to:
 - 5.2.1. Jobcentre Plus and the Skills Funding Agency; and
 - 5.2.2. voluntary and private sectors providers; and
 - 5.2.3. sixth form colleges; colleges of further education; and universities.
 - 5.3. The Employment and Skills Plan shall specify the provision for training opportunities and other initiatives in respect of the vocational and employability skills required by the Owners/developer, their contractors and future occupiers, for any new jobs and business opportunities created by the Development.
 - 5.4. Following approval of the Employment and Skills Plan by the Council to implement the approved plan and promote its objectives and ensure that so far as is reasonably practicable the objectives are met.

6. The Affordable Housing Contribution and Sustainable Transport Contribution and Economic Viability

6.1. To submit to the Council and the County Council at the same time as the reserved matters application an Updated Economic Viability Assessment for its consideration and to pay the Council the reasonable cost of its independent assessment; and

6.1.1 If the Updated Economic Viability Assessment as first agreed in writing by the Council and the County Council shows that the Development is viable and results in a surplus, to pay to the Council such sum towards the Affordable Housing Contribution and to pay the County Council such sum towards the Sustainable Transport Contribution prior to Commencement of Development (but apportioned between the two contributions as appropriate so that any surplus is not paid twice or exceeded)

6.1.2 If the Updated Economic Viability Assessment as first agreed in writing by the Council and the County Council does not show the Development to be viable then the Owner will not be obliged to pay to the Council or the County Council the whole or any part of the Affordable Housing Contribution or the Sustainable Transport Contribution at this time

6.2. In the event that the Development is not Completed within 18 months from the date of the first Updated Economic Viability Assessment ("The 18 Month Date") provided in paragraph 6.1 then the following provisions of paragraphs 6.2.1 to 6.2.3 shall apply

6.2.1. To submit to the Council and the County Council within 30 days of the 18 Month Date a second Updated Economic Viability Assessment for its consideration and to pay to the Council the reasonable cost of its independent assessment; and

6.2.2. If the second Updated Economic Viability Assessment as first agreed in writing by the Council and the County Council shows that the Development is viable and results in a surplus, to pay to the Council such sum towards the Affordable Housing Contribution and to pay to the County Council such sum towards the Sustainable Transport Contribution (but apportioned between the two contributions as appropriate so that any surplus is not paid twice or exceeded) within 30 days of the Council's and County Council's agreement of the second Updated Economic Viability Assessment (or within such alternative time scale as the Council and County Council agrees)

6.2.3. If the second Updated Economic Viability Assessment as first agreed in writing by the Council and the County Council does not show the Development to be viable then the Owner will not be obligated to pay to the Council or the County Council the whole or any part of the Affordable Housing Contribution or the Sustainable Transport Contribution at this time

Provided That if the Development has not been Completed by The 18 Month Date by reason that the Owner or its contractors have been prevented hindered or delayed in achieving Completion by a Force Majeure Event the 18 Month Date shall be extended by such time as the Owner or its contractor was prevented hindered or delayed in carrying out the Development PROVIDED THAT such evidence of the Force Majeure Event and its duration has first been submitted to and approved in writing by the Council acting reasonably.

6.3. From the date of the second Updated Economic Viability Assessment provided to the Council in accordance with paragraph 6.2.1 to 6.2.3 above until the Development is Completed, the following paragraphs 6.3.1 to 6.3.3 shall apply:

6.3.1. to submit to the Council and County Council a further Updated Economic Viability Assessment every 6 months for its consideration and to pay to the Council the reasonable cost of its independent assessment;

6.3.2. If each further Updated Economic Viability Assessment as first agreed in writing by the Council and the County Council shows that the Development is viable and results in a surplus greater than the largest surplus of any previous Updated Economic Viability Assessment as agreed, to pay to the Council and County Council the difference towards the Affordable Housing Contribution and the Sustainable Transport Contribution (the sum of the difference only being paid once) within 30 days of the Council's and County Council's agreement of the further Updated Economic Viability Assessment (or within such alternative time scale as the Council and the County Council agrees) provided for in paragraph 6.3.1

6.3.3. If each further Updated Economic Viability Assessment as first agreed in writing by the Council and County Council does not show that the Development results in a surplus greater than the largest surplus in respect of any previous Updated Economic Viability Assessment as agreed, then the Owner will not be obligated to pay to the Council or County Council the whole or any part of the Affordable Housing Contribution or the Sustainable Transport Contribution at such time.

6.4. In the event that the Council grants Social Housing Relief or additional Social Housing Relief or any other relief from its Community Infrastructure Levy which has not been accounted for in the Viability Appraisal Report then to

6.4.1. Notify the Council in writing within 14 days from the date of the grant of Social Housing Relief of the nature of the changes to the Residential Units or their tenure

6.4.2. If required by the Council within 30 days of such submission under 6.4.1 to provide to the Council an Updated Economic Viability Assessment.

6.4.3. If the Updated Economic Viability Assessment pursuant to paragraph 6.4.2 as first agreed in writing by the Council and the County Council shows an increase in the Development's reported profitability then the revised liability payment shall be paid to the Council and County Council towards the Affordable Housing Contribution and the Sustainable Transport Contribution (such revised liability payment to be made only once and therefore apportioned between the two contributions as appropriate) either prior to Occupation or if an Updated Economic Viability Assessment has become due pursuant to paragraph 6.2.1 and 6.2.2 or 6.3.1 and 6.3.2 then the revised liability shall be paid in accordance with that paragraph.

6.5. For the avoidance of doubt, once the maximum sum of the Affordable Housing Contribution and the Sustainable Transport Contribution have been paid to the Council and the County Council respectively there will be no continuing obligation to provide further Updated Economic Viability Assessments nor any liability on the Owner to make further payments under this paragraph 6 or paragraph 7 as the case may be.

6.6. For the avoidance of doubt, the land value used in each and every Updated Economic Viability Assessment shall be reached without regard to the Planning Permission, but regard shall be had to the actual costs incurred by the Owner or the Developer (as applicable) for the acquisition of any freehold and leasehold interests in the relevant Area.

7. Occupancy of Development and restriction on disposals

7.1 That the residential units shall not be Occupied otherwise than by persons renting individual Residential Units on assured shorthold tenancy agreements (or similar agreements).

7.2 Not to dispose or permit the Disposal of the Residential Units otherwise than to a freehold purchaser of the entire Development

7.3 To provide evidence of compliance with paragraphs 7.1 and 7.2 above as the Council may reasonably require within 20 Working Days of demand.

7.4 Paragraphs 7.1 to 7.3 shall cease to apply following the third anniversary of the first Occupation of a Residential Unit within the Development.

7.5 In the event that the Owner intends to Dispose of any Residential Unit as an individual open market sale unit before the expiry of the dates in paragraph 7.4 above the Owner shall submit to the Council an Updated Economic Viability Assessment in respect of the Development for its consideration to be assessed on the assumption that all of the Residential Units are to be sold as individual open market sale units and that the land value used in the Updated Economic Viability Assessment shall be reached without regard to the Planning Permission, but regard shall be had to the actual costs incurred by the Owner for the acquisition of any freehold and leasehold interests in the relevant Area, and to pay to the Council the reasonable cost of its independent assessment

7.6 If the Updated Economic Viability Assessment as first agreed in writing by the Council and County Council shows that the Development is viable and results in a surplus, to pay to the Council and County Council respectively the Proportional Amount but in no circumstances shall the Owner be obliged to pay more than a sum equivalent to the maximum amount of the Affordable Housing Contribution and the Sustainable Transport Contribution as previously defined (and such sum is apportioned between the two contributions as appropriate so that any surplus is not paid twice or exceeded) and not to dispose of any such Residential Unit pursuant to paragraph 7.5 unless the Proportional Amount has been paid to the Council

7.7 In the event of any subsequent Disposals of Residential Units, not to Dispose of any such Residential Units unless the Proportional Amount has been paid to the Council and County Council but in no circumstances shall the Owner be obliged to pay more than a sum which exceeds the equivalent to the maximum amount of the Affordable Housing Contribution and the Sustainable Transport Contribution (and such sum shall be apportioned between the two contributions as appropriate so that any surplus is not paid twice or exceeded)

7.8 For the avoidance of doubt, once the maximum sum of the Affordable Housing Contribution and the Sustainable Transport Contribution has been paid to the Council and County Council pursuant to this paragraph or paragraph 5 of this Schedule, there will be no continuing obligation to provide further Updated Economic Viability Assessment nor any liability on the Owner to make any further payments under paragraph 6 or this paragraph 7 as the case may be.

8 Refuse and Servicing Management Plan

- 8.1 To submit in draft to the Council for its approval a Refuse and Servicing Management Plan and will not allow the Development to be Occupied until the Refuse and Servicing Management Plan has been approved by the Council
- 8.2 The Refuse and Servicing Management Plan should take the form of a scheme of works to be submitted to the Council for Approval, outlining the method of storage and waste collection of refuse from the Land, to include details that take into account the location of the waste storage facilities, number of refuse storage containers, the process for pre and post collection and also measures for recycling, and the timing of waste collection and deliveries to the residential and commercial units comprised within the Land
- 8.3 Once the Refuse and Servicing Management Plan has been approved by the Council to ensure that the Refuse and Servicing Management Plan is implemented in full and that all recommendations and obligations are complied with.

9 Traffic Regulation Order

- 9.1 Not less than six months prior to Commencement to submit an application together with the costs thereof to the Council and County Council for a Traffic Regulation Order to remove on-street parking to accommodate the site access and associated visibility splay and not to allow suffer or permit Commencement of Development until such time as the Traffic Regulation Order has been approved and implemented, unless an alternative timescale has been agreed in writing with the Council and County Council

10. Framework Travel Plan

The Owner covenants with the County Council

- 10.1 To submit the Framework Travel Plan at the same time as the reserved matters application and further for the Framework Travel Plan to be agreed by the County Council in writing

11. Travel Plan

The Owner covenants with the County Council

- 11.1 To provide the County Council with no less than fourteen (14) Working Days prior written notice of first Occupation of the Development
- 11.2 Not to Occupy or permit Occupation of the Development (or any part thereof) unless and until the County Council has been paid the Initial Approval Fee
- 11.3 Not to Occupy or permit occupation of the Development (or any part thereof) unless and until the County Council has been paid the Monitoring fee of £3000 and thereafter to pay £3000 on each anniversary of first Occupation to a total of £15000
- 11.4 Not to Occupy or permit Occupation of the Development (or any part thereof) unless and until the Travel Plan has been submitted to, and approved in writing, by the County Council
- 11.5 Not to Occupy or permit Occupation of the Development (or any part thereof) until it has implemented and complied with the Travel Plan in accordance with the requirements and timetable of the approved Travel Plan
- 11.6 Not to Occupy or permit Occupation of the Development (or any part thereof) until the County Council is provided with a Travel Plan Bond

- 11.7 Where in the opinion of the County Council acting reasonably the Owner and/or the Developer fails at any time to deliver or comply with any or all of the measures/targets contained within the Travel Plan or becomes bankrupt or goes into liquidation or enters administrative receivership the County Council may call upon the Travel Plan Bond so as to pay any sum as may be certified by the County Council to be required up to the value of the Travel Plan Bond in order to remedy the failure to achieve and implement the agreed measures/targets contained in the Travel Plan, or to pay any sum required in respect of such alternative measures as the County Council in its absolute discretion determines will achieve the overall aims of the Travel Plan.
- 11.8 Not to amend the Travel Plan without the prior written consent of the County Council.
- 11.9 Not to Occupy or permit Occupation of the Development unless and until:
- 11.9.1 a suitably qualified Travel Plan Co-ordinator has been appointed at the Developer's expense;
- 11.9.2 the contact details of the Travel Plan Co-ordinator have been provided to the County Council; and
- 11.9.3 any changes in their nomination or responsibilities are notified to the County Council.
- 11.10 To procure that the Travel Plan Co-ordinator carries out his or her responsibilities and duties in accordance with the approved Travel Plan.
- 11.11 The Travel Plan Co-ordinator will be retained for a continuous period of whichever is the later in time of:
- 11.11.1 five (5) years from completion of the entire construction of the Development;
- Or
- 11.11.2 Five (5) years from first Occupation.
- 11.12 To review the Travel Plan on every anniversary of the first Occupation of the Development up to and including the fifth anniversary of the first Occupation of the Development, and to submit details of each review to the County Council within ten (10) Working Days of completion of the review and to implement and operate any reasonable changes the County Council consider appropriate and necessary to improve the Travel Plan following such review.

Schedule 2

THE COUNCIL AND COUNTY COUNCIL COVENANTS

The Council and County Council covenants with the Owner as follows:

1. Upon written request from the person who paid the said contribution to the Council and County Council (and who can provide evidence to this effect) to repay any unexpended balance of the Traffic Regulation Order Contribution and/or Affordable Housing Contribution and/or Sustainable Transport Contribution to that person on the expiry of 10 years from the date of Completion of the Development.

Schedule 3
Havant Borough Council
Employment and Skills Plan

Site	
Developer	
Main Contractor	
Author	
Reference	
Estimated build value:	
NSAFC-CBA Benchmark	Residential
Planned start date:	
Planned Completion date	

Contents

Section 1	Introduction and Development details
Section 2	Delivery – Construction Phase Method Statement
Section 3	Contact Details
Appendix A	Summary of ESP areas and evidence requirements
Appendix B	ESP Monthly Targets

KPI 3: Jobs Created by NSAFc Projects (new entrants)

This target describes the creation of new and sustainable job opportunities for new entrants into the sector. And as a result of the project are required on the project site by the main contractor or subcontractor.

Supervision: Community Manager and Site Team	NSAFc Benchmark:	Agreed Target:
Apprentices:	How many:	
	When:	
Activity:	When:	
Unemployed Persons:	How many:	
	When: March	
Graduate:	How many: 0	
	When:	
Graduate:	How Many: 0	
	When:	

2.4 Construction Careers IAG Events

This includes carrying out workshops within educational establishments or on site with students from schools or colleges enabling the student to understand the practical applications of their studies.

Key issues: preparation of engaging material and delivery of workshops

Supervision: Community Manager and Site Team	NSAFc Benchmark:	Agreed Target:
Activity:	How many:	
	When:	
Activity:	How Many:	
	When:	

2.5 Training Weeks on Site – project workforce							
<i>Key issues: progression</i>							
<i>Supervision:</i>	<table border="1"> <tr> <td>NSAFC Benchmark: individuals:</td> <td>Agreed Target:</td> </tr> <tr> <td colspan="2">How many:</td> </tr> <tr> <td colspan="2">When:</td> </tr> </table>	NSAFC Benchmark: individuals:	Agreed Target:	How many:		When:	
NSAFC Benchmark: individuals:	Agreed Target:						
How many:							
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Apprentices:	<table border="1"> <tr> <td colspan="2">How many:</td> </tr> <tr> <td colspan="2">When:</td> </tr> </table>	How many:		When:			
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Existing Workforce:	<table border="1"> <tr> <td>How many:</td> <td></td> </tr> <tr> <td>When:</td> <td></td> </tr> </table>	How many:		When:			
How many:							
When:							

4.6 Qualifying the Workforce

<i>Supervision: Community Manager and Site Team</i>		NSAFC Benchmark:	Agreed Target:
Qualifications Gained:		How many:	
		When:	
Industry	Certification	How Many:	
	gained:	When:	

2.7 Training Plans – Project Workforce

This describes each creation of a Company Training Plan. Assistance with compiling a Company Training Plan can be given by ConstructionSkills

<i>Supervision: Community Manager and Site Team</i>	NSAFC Benchmark:	Agreed Target:
Activity:	How many:	
	When:	

Activity: Activity:	When:
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2.8 Case Study

Supervision: Community Manager and Site Team	NSAfc Benchmark:	Agreed Target:
This target consists of completing and submitting a promotional case study which describes either an example of best practice or a significant achievement on the NSAfc project. Case studies counted against this measure must be compliant with the National Skills Academy for Construction case study guidelines.	How many:	
	When:	

3. Contact details

Please list below the telephone, email and address details for the Developer's project team and main contractor.

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Appendix A Summary of the employment and skills areas and evidence requirements

KPI 1:	Work Placements (In Education)
Key Industry Priority:	Image & Recruitment
This target describes work experience attendance on NSAfC Projects, for students from schools, colleges and Universities (14 years plus) who undertake a work-experience placement for a minimum of 5 working (consecutive or non-consecutive) days. This can also include Government Traineeships. This KPI is aimed at providing students with the opportunity to carry out tasks agreed by the education provider and the employer enabling the learner to gain a meaningful insight into the construction sector	

KPI 2:	Work Placements (Not in Education)
Key Industry Priority:	Image & Recruitment
This target describes work experience attendance on NSAfC Projects for persons who are not enrolled in a course of education/study and who undertake a work-experience/pre-employment placement for a minimum of 5 working (consecutive or non-consecutive) days. This can include individuals from organisations such as Princes Trust, Probation Service, Job Centre Plus, Women into Construction, Armed Forces re-settlement programmes or local community organisations. It may also be appropriate for individuals seeking a career change. This KPI is aimed at providing persons with the opportunity to carry out tasks agreed by their supporting organisation (where applicable) and the employer enabling the individual to gain a meaningful insight into the construction sector	

KPI 3:	Jobs created by NSAfC projects (new entrants)
Key Industry Priority:	Image & Recruitment
This target describes the creation of new and sustainable job opportunities for new entrants into the sector. And as a result of the project are required on the project site (s) by the main contractor or subcontractor. This target relates to (SPONSA reporting lines) • Persons who are employed as Apprentices • Persons previously unemployed • Graduates	

KPI 4:	Construction Careers Information, Advice and Guidance (CCIAG) Events
Key Industry Priority:	Image & Recruitment
This target consists of the organisation and delivery of events focused on improving the image of the sector. Events are aimed at increasing awareness of the opportunities available within the industry, what it is like to work in Construction and how to get into the sector. To be counted, the activity must be formally structured, agreed by the project and the participating organisation, and recorded on the CCIAG form.	

The key target groups for delivery of this outcome are:

- Entrants 14-19: (e.g. NEETs, school students, school leavers, college students)
- Under graduates
- Influencers (e.g. school / university / adult influencers ,careers advisers, careers school staff, other providers, community groups)

KPI 5:

Waged Training Weeks on site

Key Industry Priority: Training & Development

This target relates to and counts the number of weeks of formalised training being undertaken by the site labour force working on a NSAFc Project. This will involve training following a recognised syllabus of study which has been accredited/certificated by either an awarding body for that qualification or by the recognised Issuing organisation.

One training week = 5 working days. Days can be cumulative for any individual (i.e. if an individual undertook a 3 day course (certificated) a 4 day training course (certificated) and a qualification which is made up of 3 days of training the contractor could claim 2 training weeks). This target can include apprenticeship programmes counted in training weeks.

This target relates to all employees (SPONSA reporting lines)

- New entrants who are undertaking apprenticeship frameworks
- Existing workforce undertaking upskilling qualifications

KPI 6:	Qualifying the Workforce
Key Industry Priority:	Training & Development
6a) This target relates to persons gaining a nationally recognised qualification equivalent to Level 2 or above. Achievements can include vocational awards/ diplomas, apprenticeship completions, professional qualifications, leadership and management courses including I.L.M, health and safety, (including IOSH, NEBOSH, SMSTS & SSSTS). Outcomes must be accredited by a nationally recognised professional institution or awarding body. 6b) This target relates to persons gaining industry certification. Achievements can include short duration courses; project specific learning e.g. products, installation, technologies, or may relate to occupational competence, licence to practice or sector specific training e.g. the environment, sustainability, health and safety Outcomes must be accredited by public education establishments, employers or other training providers and may be held externally or in-house and must be a minimum duration of 3 hours <i>For the client based approach KPI6 relates to those who are working as part of the NSAfC project workforce; this includes main contractor employees and subcontractors.</i> <i>For the funded approach KPI6 relates to those who are working as part of the supply chain workforce.</i>	
KPI 7:	Training Plans
Key Industry Priority:	Training & Development
This target relates to the annual company plan which details the organisational structured approach to training and developing the workforce. The plan must show the start and end date so that it demonstrates that this is a plan rather than a matrix. This target can include new plans and plans to be renewed <i>For the client based approach KPI7 relates to those who are working as part of the NSAfC project workforce; this includes main contractor employees and subcontractors.</i> <i>For the funded approach KPI7 relates to those who are working as part of the supply chain workforce.</i>	
KPI 8:	Case Studies Approved
Key Industry Priority:	Strategic Leadership
This target consists of completing and submitting a promotional case study which describes either an example of best practice or a significant achievement on the NSAfC project. Case studies counted against this measure must be compliant with the National Skills Academy for Construction case study guidelines. The completed case study must be approved by a representative of CITB and the client/contractor's internal Communications team and are available for inclusion on the National Skills Academy for Construction website and for additional promotional purposes.	

Schedule 4
Viability Appraisal Report

**VIABILITY ASSESSMENT
REPORT**

MARKET PARADE HAVANT

On Behalf of:

Havant Borough Council

Reference: 1581653 /MD

Date: 26th May 2016

Version: 1.0

Prepared by:

Marcus Durkie MRICS

Development Consultant &

RICS Registered Valuer

1. Introduction & Background

1.1. DVS is instructed by Havant Borough Council to consider the applicant's Financial Viability Assessment (FVA), prepared by Vail Williams.

1.2. The instruction is to assess the submitted viability assessment and all of its inputs and advise on whether the applicants proposed development scheme can support the LPA's affordable housing/planning obligations.

Viability

1.2. The RICS published a first edition guidance note "Financial Viability in Planning" (FVIP) in August 2012 which is a best practice guidance note for practitioners in the assessment of site wide and site specific viability assessments as part of the planning process. DCLG have prepared draft guidance for the National Planning Policy viability, which follows this approach.

1.3. *'Financial viability has become an increasingly important material consideration in the planning system. While the fundamental purpose of good planning extends well beyond financial viability, the capacity to deliver essential development and associated infrastructure is inextricably linked to the delivery of land and viable development.'* – extract from RICS Guidance.

National Planning Policy

1.4. The National Planning Policy Framework (NPPF) emphasises both the delivery of planning obligations and scheme deliverability via the provision of competitive returns to willing land owners and developers to enable sustainable development to come forward.

1.5. In respect of affordable housing, Para 50 of the NPPF aims to significantly boost the supply of housing and states that where local planning authorities have identified that affordable housing is needed, they should set policies for meeting this need on-site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified. Such policies should be sufficiently flexible to take account of changing market conditions over time.

1.6. The NPPF also recognises that development should not be subject to such a scale of obligation and policy that threatens scheme viability. This reinforces the need for

viability testing in order to allow willing landowners and developers to receive competitive returns which in turn enable the delivery of development.

- 1.7. In the context of achieving sustainable development the NPPF refers to ensuring viability and deliverability at Para 173-177. Para 173 in particular states:

“... To ensure viability, the costs of any requirement likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking into account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”

- 1.8. The RICS GN addresses “competitive return” as follows:

“A ‘Competitive Return’ in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.”

- 1.9. In assessing the applicant's Viability Assessment I have had regard to the national policy background, the RICS GN and the GLA Three Dragons Toolkit Guidance Notes 2012, which covers particular issues relevant to this application.

- 1.10. In order for viability and deliverability to be demonstrated, the applicant needs to provide a viability study that shows why a policy compliant scheme would render the development unviable. This study needs to be sufficiently detailed with evidence supporting the key inputs into the study.

- 1.11. My role therefore is to undertake a due diligence review to determine whether the inputs and assumptions that inform the applicant's FVA are reasonable and demonstrate the planning obligations are the maximum reasonable the scheme can support.

2. Development Proposal

2.1. The application proposes a Private Rented Sector (PRS) scheme of 130 residential units providing 1 and 2 bed apartments arranged over first to twelfth floors and 1,160m² of ground floor commercial space and basement car parking accommodating 58 cars.

2.2 A PRS Scheme is a developing investment sector and the understanding of how to consider the viability/valuation of these schemes is still evolving. A PRS scheme is an income producing investment and therefore can be distinguished from private sale units.

2.3 Only a number of schemes have been carried through to completion at this stage, but there are a number of schemes in the pipeline in London. General commentary in the market is that PRS is one solution to the housing shortage as development can be quicker than a traditional scheme and it provides greater security and certainty to tenants than letting through private landlords

2.4 The essence of the scheme is to create an overall living experience, targeted at the young professional market, with the creation of a community living environment. We would normally expect to see café, gyms, cinemas and guest rooms included within PRS developments.

The proposed residential accommodation is as follows:

Type	Number of units	NIA m ²	Total m ²
1 bed flat	36	47	1,692
2 bed flat	94	67	6,298
Total	130		7,990

The proposed commercial accommodation is as follows:

Type	GIA Area m ²
Ground Floor Retail unit	1,160

3. Information Relied Upon

- 3.1. In preparing this report I have had regard to the following documents:
- Development appraisal completed by Vail Williams
 - BCIS build period estimate
 - BCIS average rates April 2016
- 3.2. I set out my comments under the numbered sections of this report below.

4. Methodology

4.1. The recommended approach to undertaking development assessments is provided in a number of guides. These include the National Planning Policy Framework, RICS VIP 12 "Valuation of Development Land", RICS GN "Financial Viability in Planning", and the GLA Three Dragons Guide (2012).

4.2. The approach recommended is to assess viability based on a cashflow residual basis, using current day sales values and development costs. If this is in excess of the Benchmark site value, the scheme is viable and if it falls below it is not viable.

4.3. Alternatively a scheme can be assessed using a fixed land value to derive the market risk adjusted target rate of return. If the return falls below the minimum threshold return the scheme is not viable.

4.4. Both approaches are reliable indicators and will return the same result subject to the model inputs and assumptions being the same.

Financial Model

4.5. Vail Williams have provided a word document detailing their appraisal. I am unsure what software has been utilised and the workings behind this. For the purposes of my assessment I have utilised Argus Development Appraisal software to appraise the applicant's project viability.

5. Assessment of Site Value

5.1. A key factor in assessing viability is the assessment of a Benchmark Site Value against which to compare Residual Land values.

- 5.2. There are a number of sources of guidance currently explaining how the assessment of the Benchmark site value should be determined. GLA Three Dragons Toolkit GN advocates the use of Existing Use Value (EUV) or an Alternative Use Value (AUV), but recognises that there are a number of alternative ways of assessing the Benchmark, and that these may also be suitable.
- 5.3. In many brownfield sites this approach may be appropriate, but it does not result in a reasonable "competitive return" in all cases. For example, cleared brownfield sites would find an EUV/ AUV approach resulting in very low Benchmark site values, clearly understating a "competitive return". Similarly, underutilised sites or sites with special uses, such as schools, hospital and MoD sites would potentially result in unrealistic Benchmark values.
- 5.4. The RICS GN approach identifies these shortcomings and provides a definition which adopts a wider, market based, interpretation. The RICS definition is:
- 5.5. "Site Value should equate to the market value subject to the following assumption; that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan."
(Source RICS GN FVIP)
- 5.6. This definition considers that site delivery is only likely if the landowner receives a site value that reflects market conditions and planning policies. Market consideration takes in to account a number of issues relevant to a specific site - including value in current use, alternative uses, minimum acceptable land values, alternative options open, and site specific factors.
- 5.7. In my opinion, I consider that the RICS GN approach is more suitable across a full range of sites and circumstances, and avoids the pitfalls that a singular EUV(+)/ AUV approach may have.
- 5.8. However, in adopting the RICS GN approach, it is important to be able to "underpin" the Benchmark site value in order to demonstrate that it is based on sound market based judgement rather than being an arbitrarily derived opinion.

Benchmark Site Value

- 5.9 Vail Williams have adopted a fixed site cost of "zero" within their appraisal. Obviously this cannot be correct. I have however adopted this for the purpose of my assessment and comment further on this within my conclusion.

6.0 Proposed Scheme

The applicant's viability appraisal assumes a 100% Private Rented Scheme with no Affordable Housing or S106 contributions. The appraisal details a profit on cost of 0.86%. I have assumed that on this basis the developer contends that the scheme cannot viably support affordable housing or S106 contributions.

- 6.1 I have tested the applicants proposed scheme and comment on the individual inputs as follows:

Market Housing

- 6.2 The applicant has calculated a total residential rental income of £1,126,800 on the basis of the achieving the following rents:

Unit Type	Rent per annum
1 bed	£7,800
2 bed	£9,000

- 6.3 The rents adopted by the applicant equates to £650 per month for the one bed properties and £750 for the two bed properties.

I have completed my own research as follows:

Property	Beds	Rent £pcm	Availability
Waterloo Road	2 bed	£645	Let
Market Parade	2 bed	£725	To let
Market Parade	1 bed	£600	Let
Market Parade	1 bed	£600	Let

Market Parade Havant P09 1PY

North Street	2 bed	£675	Let
Beechworth Road	1 bed	£650	Let

6.4 Although the above comparable rental information does not reflect new purpose built accommodation, I believe the rates quoted by the applicant would represent the minimum that could be achieved within the proposed development. We would note that the applicant has not made any allowance for management costs or voids periods, on this basis we accept the rents utilised with the applicant's appraisal.

6.5 The applicant has capitalised the rent at a net yield of 5.5% to reach a Gross Development Value of the residential element of £19,987,583. I believe this to be acceptable and have accepted this for the purposes of my assessment.

6.6 Car Parking

The applicant has not included any allowance for car parking spaces, I have adopted a value of £15,000 per space equating to a total value of £870,000.

Commercial

6.7 The applicant has adopted a rental of £140 per sq m, and a net initial yield of 7% yield subject to a 3 month rent free period.

6.8 I have had regards to the following comparable evidence:

Address	Date	Rent	Area m2	Rent m2
10 Market Parade, Havant	To Let	£14,000	77	£181
15 Market Parade, Havant, PO9 1PY	To Let	£10,000	57	£175
24 Market Parade, Havant, PO9 1QF	Under offer	£12,000	71	£169
3 Market Parade	1 st July 2015	£10,000	56	£179

Market Parade Havant P09 1PY

7 West Street Havant	5 th Jan 2016	£13,500	64	£210
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Sales Evidence

Address	Date	Sale Price	Net initial yield	Area m2
15-17 West Street, Havant	12 th Feb 2015	£550,000	6.87%	206
7,7a and 7B West Street	1 st March 2015	£375,000	10.93%	234

- 6.9 We have assumed that the retail space would be split up into a number of smaller units as currently exist along Market Parade. Based on the comparable evidence above I consider a rent of £180m2 and net initial yield of 7% subject to 3 months' rent free is appropriate, equating to a capital value of £2,932,827.

S106

- 6.10 The applicant has not included an allowance for S106 Costs. On the basis that the scheme is unviable.

7.0 Construction Costs

New Build Construction Costs

- 7.1 The applicant has an estimated build cost of £16,356,980 (based on a GIA of 10,748 m2). The applicant has adopted a rate of £1,000/m2 for the ground floor commercial units and £1,585/m2 for the residential units. The applicant has provided a BCIS average cost report, however, based on this I am unsure how the applicant has reached their build costs estimate.

- 7.2 I have also reviewed BCIS average rates for Havant/Hampshire which detail build costs for Residential flats over six stories to be £1,631m2 (lower quartile) and £928m2 (median) for shops. I therefore believe the costs detailed within the report to be reasonable and have adopted them for the purposes of my assessment.

Demolition

- 7.3 The applicant has adopted a demolition figure of £50,000. I find this to be reasonable.

Basement Car Park

- 7.4 The applicant has adopted £850,000 for the basement car park (58 spaces). I have had regard to Spon's Architects' and Builders' Price Book which details partial underground car parking with natural ventilation to cost between £12,000 and £17,000 per space with full underground parking with mechanical extraction systems to cost between £22,000 and £31,500 per space. A figure of £850,000 or £14,655 per space is therefore not unreasonable and has been accepted for the purposes of my assessment.

Contingency

- 7.5 The applicant has adopted a 5% contingency. For the purposes of this assessment I find this to be reasonable.

8 Additional Cost Headings

Professional Fees

- 8.1 The applicant has adopted professional fees of 10% of costs. For the purposes of this assessment I find this to be reasonable.

8.2 CIL

The applicant has adopted a CIL rate of 743,400, I would ask the Local Planning Authority to confirm if this is accurate.

Letting Fees and Disposal Fees

- 8.3 The applicant has adopted £25,000 letting costs for the retail unit or 15.66% of the rent. I would normally expect a 15% letting fee and therefore it lies within an acceptable tolerance. An investment sale fee of £25,000 has been adopted along with sales costs of £150,000 for the PRS scheme. i.e. a total of £175,000 or 0.79%. I find this low but have accepted this for the purposes of my assessment.

8.4 Marketing Fee

The applicant has adopted a promotion fee/Marketing fee of £25,000. I find this to be reasonable and have accepted this for the purposes of my assessment.

Finance

- 8.5 The applicant has adopted a finance rate of 6% including arrangement and monitoring fees. As has been seen in the PRS schemes in the pipeline already, the investor can agree to fund the development prior to taking on a lease, long lease or purchase of the

development. As such, more attractive finance may be possible. I have however adopted an "all in rate" debit rate of 6% and a credit rate of 2% but will require further information.

Project Programme

8.6 The applicant has assumed a project program consisting of a 1 month pre-construction 18 months construction period, and a 1 month sale period. I find this to be reasonable, as all the PRS units will be sold in one block on completion.

8.7 Clearly any change in the programme i.e. extension or shortening of the programme will impact upon the metrics of the scheme proposal.

9.0 Developer Return/Profit Hurdle Rate

9.1 The applicant's appraisal generates a Profit on Cost of 0.86%. This is significantly below the expected level of return required by any developer. Any S106 costs or Affordable Housing contribution would further reduce the developer's profit and restrict the viability of the development even further.

9.2 A PRS scheme is usually sold in its entirety to an institutional investor on completion or presold upon receipt of planning consent, there is therefore limited sales risk and therefore profit levels are reduced to reflect this. Having regards to other schemes nationally I believe a profit level of 10% on cost is appropriate for the Private rented units and 15% on cost for the ground floor retail units I have therefore adopted a hurdle blended rate of 12.5% profit on cost.

9.3 My appraisal details a profit on cost of 11.26% on the basis of a "Nil" land value and is therefore below the expected developer return required. Any allowance for the current value for the land would further reduce profit levels and viability of the scheme.

9.4 I have also completed a residual appraisal assuming 12.5% profit on cost, this produces a negative land value of -£219,882.

10.0 Viability/Conclusion

10.1 No comparable evidence or reasoning has been provided to support the inputs within Vait William's development appraisal.

10.2 However, based on my opinion detailed within this report the proposed development cannot viably support any S106 costs or affordable housing contributions.

10.3 I would also question whether the proposed scheme is actually deliverable given the development produces a negative land value.

10.4 We have completed a sensitivity analysis below which details that the proposed rents would need to increase by approximately 10-20% in order for the developer to achieve a 12.5% profit on cost and for the landowner to secure land sale of between £1.4 million and £3.1 million. This is still on the basis of no allowance for s106 costs or affordable housing contributions.

Rent: MRV / Unit			
-20.000%	-10.000%	0.000%	+10.000%
£3,577,251	£1,892,979	£219,882	(£1,446,217)
12.500%	12.500%	12.500%	12.500%
			+20.000%
			(£3,111,604)
			12.500%

10.4 I would recommend that a review mechanism is included so the viability can be reviewed at the reserved matters stage.

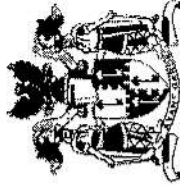


Marcus Durkie MRICS
Principal Surveyor
RICS Registered Valuer



Reviewed by Simon de Whalley
Head of Development Viability and Disposal

Draft



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To:

Mr Ben Christian
Vail Williams LLP
Meridians House
7 Ocean Way
Ocean Village
Southampton
SO14 3TJ

For: Mr Sheath

**The Town and Country Planning (Development Management Procedure) (England) Order
2015**

Grant of Outline Planning Permission

Application Number: APP/14/01225

Site Address: Market Parade Development Site, Market Parade, Havant

Proposal: Outline application with all matters reserved for demolition of existing buildings and redevelopment of site to erect 130No. apartments and 1126sqm of ground floor commercial/retail space (Use Classes A1-A5 and B1(a)) and associated service, access and 58 private residential basement parking spaces (indicative height of building between five and thirteen stories).

Further to your application received on 24 November 2014 (which was valid from 06 October 2015) Havant Borough Council, as Local Planning Authority, **Grants Outline Planning Permission** for the above proposal in accordance with the submitted plans and particulars as detailed below.

This permission is subject to compliance with:

- (i) The plans and other documents submitted with regard to your application; and
- (ii) The following conditions:

Conditions:

- 1 Application for approval of reserved matters must be made not later than the expiration of one year beginning with the date of this permission and the development must be begun not later than whichever is the later of the following dates: (a) The expiration of three years from the date of this permission; or (b) The expiration of two years from the final approval of the reserved matters, or in the case of approval on different dates, the final approval of the last such matter to be approved.

Reason: To comply with the requirements of Section 92 of the Town and Country Planning Act 1990 as amended by Section 51 of the Planning and Compulsory Purchase Act 2004.

- 2 The approval of the Local Planning Authority shall be obtained in respect of the following reserved matters before the development first takes place - the access; appearance; landscaping; layout; and scale.
Reason: The application is granted in outline only under the provisions of Article 5 of the Town and Country Planning (Development Management Procedure) (England) Order 2015 and details of the matters referred to in the condition have not been submitted for consideration.
- 3 Unless otherwise agreed in writing with the Local Planning Authority, the apartments hereby approved shall be designed such as to achieve the minimum space standards as set out in the Department for Communities and Local Government 'Technical housing standards - nationally described space standard' (March 2015).
Reason: To deliver high quality development as part of this high density scheme, and having due regard to Policy CS16 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012.
- 4 A Building Research Establishment Environmental Assessment Method (BREEAM) pre-assessment estimator shall form part of the reserved matters submission for the development hereby permitted. The pre-assessment estimator shall demonstrate that the development will attain a minimum BREEAM level of 'very good'. Prior to the first occupation of the development, a post-construction BREEAM assessment and certificate, demonstrating that the 'very good' level has been achieved, shall be submitted to, and approved by, the local planning authority unless otherwise agreed in writing.
Reason: To ensure that the development is carried out in accordance with Policy CS14 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012.
- 5 No development hereby permitted shall commence until plans and particulars specifying the alignment, width, gradient and type of construction proposed for all individual accesses thereto (including all relevant horizontal cross and longitudinal sections and sight lines) have been submitted to and approved in writing by the Local Planning Authority. The implementation of the same shall be completed in full accordance with such plans and particulars as are thus approved by the Authority.
Reason: To ensure that they are constructed to satisfactory standard and having due regard to policies CS16 and CS20 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012.
- 6 No part of the development hereby approved shall be brought into use or occupied until the approved access and any proposed crossing of the highway verge and footway have been laid out and constructed in accordance with the details approved by the Local Planning Authority.
Reason: In the interests of highway safety and having due regard to Policies CS16, CS20 and DM10 of the Havant Borough Local Plan (Core Strategy) 2011.
- 7 No development hereby permitted shall commence until a Construction Traffic Management Plan, to include details of provision to be made on site for contractor's parking, construction traffic access, the turning of delivery vehicles and lorry routing as well as provisions for removing mud from vehicles and a programme of works has been submitted to and approved in writing by the Local Planning Authority. The approved details shall be implemented before the development hereby permitted is commenced and retained throughout the duration of construction.
Reason: In the interests of amenity and highway safety and having due regard to Policies CS16, CS20 and DM10 of the Havant Borough Local Plan (Core Strategy) 2011.
- 8 No development shall take place until the applicant has secured the implementation of a programme of archaeological assessment in accordance with a Written Scheme of Investigation that has been submitted to and approved in writing by the Planning

- Authority. This assessment shall take the form of trial trenching across the site.
Reason: To assess the extent, nature and date of any archaeological deposits that might be present and the impact of the development upon these heritage assets; and having due regard to Policy CS11 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012.
- 9 No development shall take place until the applicant has secured the implementation of a programme of archaeological mitigation of impact, based on the results of the trial trenching, in accordance with a Written Scheme of Investigation that has been submitted to and approved in writing by the Local Planning Authority.
Reason: To mitigate the effect of the works associated with the development upon any heritage assets and to ensure that information regarding these heritage assets is preserved by record for future generations, and having due regard to Policy CS11 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012.
- 10 Following completion of archaeological fieldwork a report shall be produced in accordance with a programme to be first agreed in writing with the Local Planning Authority, including where appropriate post-excavation assessment, specialist analysis and reports, publication and public engagement.
Reason: To contribute to knowledge and understanding of the past by ensuring that opportunities are taken to capture evidence from the historic environment and to make this publicly available, and having regard to Policy CS11 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012.
- 11 The development shall proceed in accordance with the ecological enhancement measures detailed within the submitted Extended Phase 1 Habitat Survey (EcoSupport, June 2015) unless otherwise agreed in writing by the Local Planning Authority.
Reason: To protect, maintain and enhance biodiversity in accordance with the Wildlife & Countryside Act 1981, National Planning Policy Framework 2012, NERC Act 2006 and Policy CS 11 of the Havant Borough Local Plan (Core Strategy) 2011.
- 12 Construction of the development shall not commence until details of the proposed means of foul sewerage disposal have been submitted to, and approved in writing by, the Local Planning Authority in consultation with Southern Water. The development shall thereafter be carried out in accordance with the approved details.
Reason: In order to secure satisfactory foul water disposal from the site, and having due regard to Policies CS15 and CS16 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012.
- 13 Infiltration systems for surface water disposal shall not be used for this development. Prior to the commencement of development, details of the proposed means of surface water sewerage disposal shall be submitted to, and approved in writing by, the Local Planning Authority in consultation with Southern Water, the Local Lead Flood Authority and Portsmouth Water. The approved details shall include a schedule of operational and preventative maintenance for surface water drainage structures, pumps, or separators required for either a) the proper operation of the system to its design flow rates, or b) for the effective retention of pollutants to prevent downstream release. Parties responsible for observing the maintenance plan shall be clearly identified within the plan, and the plan shall be implemented as approved.
Reason: The site lies within the groundwater Source Protection Zone 1c for the Havant and Bedhampton Springs, a critical public drinking water supply. Drinking water supplies are at risk from any pollutants which enter the ground, including increased turbidity. Furthermore the approved outline drainage strategy includes critical infrastructure that requires regular maintenance to ensure its effective operation (to prevent flooding &/or downstream pollution). It will therefore need to be demonstrated that the surface water drainage scheme will protect groundwater and drinking water supplies in accordance with National Planning Policy Framework

14

Prior to the commencement of any specific phase of development approved by this planning permission (or such other date or stage in development as may be agreed in writing with the Local Planning Authority), an assessment of the risks associated with the proposed means of undertaking groundworks and construction shall be submitted to and approved in writing by the Local Planning Authority in consultation with Portsmouth Water. The assessment shall be undertaken by competent persons, and the findings presented as a written report.

The assessment may comprise separate reports as appropriate, but unless specifically excluded in writing by the Local Planning Authority, shall include:

- 1) An assessment of the local geological succession, sufficient to determine whether the principal aquifer (Source Protection Zone 1c) falls within the likely vertical range of proposed excavations or foundations (including piling);
- 2) The result of an appropriate assessment of risks based upon (1) in relation to proposed construction depths, methods & materials. Where potentially unacceptable risks are identified, a risk-based appraisal of construction method options and clearly defined proposals for mitigation of the identified risks;
- 3) Contractors method statement(s) in accordance with mitigation proposals (2); and
- 4) Where deemed necessary, a scheme to appropriately monitor the impact of construction activity upon groundwater and/or surface waters, including details in respect of necessary stakeholder liaison.

All elements shall be adhered to unless agreed in writing by the Local Planning Authority

Reason: The site lies within the groundwater Source Protection Zone 1c for the Havant and Bedhampton Springs, a critical public drinking water supply. Deep excavations, boring, piling or any other foundations using penetrative methods can result in risks to potable supplies both from turbidity, and by creating migration pathways for pollutants &/or contaminants. It must therefore be demonstrated that the proposed construction methods will not result in any unacceptable adverse impacts upon controlled waters. The condition is imposed having due regard to Havant Borough Local Plan (Core Strategy) 2011 policy DM10 and the National Planning Policy Framework 2012.

15

Prior to the commencement of any specific phase of development approved by this planning permission (or such other date or stage in development as may be agreed in writing with the Local Planning Authority and notwithstanding any assessment provided with the planning application), an assessment of the nature and extent of contamination at the site, whether originating from within or outside the curtilage, shall be submitted to and approved in writing by the Local Planning Authority. The assessment shall be undertaken by competent persons, and the findings presented as a written report.

The assessment may comprise separate reports as appropriate, but unless specifically excluded in writing by the Local Planning Authority, shall include:

- 1) A site investigation based on The Soils Ltd. Phase 1 Desk Study Ref: 14981/DS (June 2015); to provide sufficient data and information to adequately identify & characterise any physical contamination on or affecting the site, and to inform an appropriate assessment of the risks to all receptors that may be affected, including those off site.

- 2) The results of an appropriate risk assessment based upon (1), and where unacceptable risks are identified, a Remediation Strategy that includes;

(a) appropriately considered remedial objectives;
(b) an appraisal of remedial &/or risk mitigation options, having due regard to sustainability, and;

(c) clearly defined proposals for mitigation of the identified risks.

- 3) A verification plan providing details of the data that will be collected in order to demonstrate that the works set out in the Remediation Strategy are complete, identifying any requirements for longer-term monitoring of pollutant linkages,

maintenance and arrangements for contingency action.

All elements shall be adhered to unless agreed in writing by the Local Planning Authority.

Reason: The site lies within the groundwater Source Protection Zone 1c for the Havant and Bedhampton Springs, a critical public drinking water supply. Having due regard to policies DM10 of the Havant Borough Local Plan (Core Strategy) 2011 and DM17 of the Havant Borough Local Plan (Allocations) 2014, contamination may be present at or in the immediate vicinity of the site as a result of both previous & current land uses (&/or activities) that could pose a risk to controlled waters.

16

Prior to the occupation of any relevant part of the permitted development, any verification report required in accordance with condition 15 above shall be submitted to and approved in writing by the Local Planning Authority.

The report shall include results of sampling and monitoring carried out in accordance with the approved verification plan, and must demonstrate that site remediation criteria have been met. Where longer-term monitoring of pollutant linkages is identified as being necessary, the report shall clearly set out plans for monitoring, provision for maintenance, relevant triggers and contingency actions (a "long-term monitoring and maintenance plan").

The long-term monitoring and maintenance plan shall be implemented as approved.

Reason: The site lies within the groundwater Source Protection Zone 1c for the Havant and Bedhampton Springs, a critical public drinking water supply. Having due regard to policies DM10 of the Havant Borough Local Plan (Core Strategy) 2011 and DM17 of the Havant Borough Local Plan (Allocations) 2014, contamination may be present at or in the immediate vicinity of the site as a result of both previous & current land uses (&/or activities) that could pose a risk to controlled waters.

17

The development hereby permitted shall be carried out in accordance with the following approved plans:

Location Plan (Licence No. 100020449)

Location and Block Plan Drawing No. 13.077.001

Planning Statement April 2015, updated September 2015

Design and Access Statement (7 parts) Ref. 13.077 - September 2015

Ecology Phase 1 and II Surveys (Eco Support June 2015)

Environmental Noise Survey and Assessment (noise.co.uk prepared 7th May 2015)

Heritage Statement September 2014 (3 parts) Ref. T18724 (Wessex Archaeology)

Heritage Statement Addendum June 2015 Ref. 106330.01 (Wessex Archaeology)

Contamination Phase 1 Desk Study Report and Appendices (5 parts) Ref. 14981/DS June 2015 (The Soils Ltd)

Flood Risk Assessment including Drainage Strategy (7 parts) Report No.

14-006-03A (Odyssey Markides)

Transport Assessment (5 parts) Report No. 14-006-02A as amended 21/12/15 and 20/1/16 (Odyssey Markides)

Reason: - To ensure provision of a satisfactory development.

Other Important Information:

(1) This notice only relates to the decision of Havant Borough Council as Local Planning Authority under the Town and Country Planning Acts. It does not relate to any other application that may be required under the Building Regulations or under any other Act, Regulation, Byelaw or Order where the Council's approval may be needed. For further guidance as to the need for consent under the Building Regulations please phone 023 9244 6573.

(2) Your attention is drawn to the attached information regarding firstly your right to appeal to the Planning Inspectorate, if you are aggrieved by the Council's decision,

and secondly the rights of an owner to, in certain circumstances serve a purchase notice on the Council. See www.planningportal.gov.uk/pcs.

- (3) Any failure to adhere to the details of the approved plans, and other documents or to comply with any conditions listed above may lead to enforcement action being taken by the Council. If you wish to depart from the approved details or conditions in any way you should contact the Planning and Development Service at the Civic Offices or by telephoning 023 9244 6015.
- (4) Your attention is drawn to the provisions of Section 12 of the Hampshire Act 1983, relating to access for the Fire Brigade. A copy of the Act may be inspected at the Planning and Development Reception at the Civic Offices.
- (5) Before undertaking any work which affects a public highway (including a footpath) you must obtain specific written approval from the Head of Technical Services, Havant Borough Council, Civic Offices, Civic Centre Road, Havant PO9 2AX (tel. no (023)9244 6428/9). This requirement applies not only to the creation of new vehicle accesses involving excavation within a footway, verge or carriageway but also to the stopping of existing access(es) or the construction of new boundary walls and foundations immediately alongside the public highway.
- (6) You are advised that consent may be required from Southern Water Services Ltd to build in the vicinity of public sewer. You can inspect a copy of the Southern Water Services Maps of public sewers, which are held by Technical Services at the Civic Offices to determine the proximity of any public sewer to the proposed development. If you are in any doubt or need information regarding the procedure for obtaining consent from Southern Water Services Ltd, you should seek further advice from the Development Control Manager, Southern Water Services Ltd (01962 714585).
- (7) Your attention is drawn to the provision of the Equality Act 2010 and Part M of the Building Regulations relating to access for the disabled. If you require further advice regarding the implications of the above legislation, please contact the Council's Equality Officer on 023 9244 6007.
- (8) This permission was granted subject to a planning obligation agreement made under Section 106 of the Town & Country Planning Act 1990 dated which requires:
- (a) Occupancy of the development to be on the basis of a Private Rented Scheme model;
 - (b) Affordable housing contribution (subject to outcome of third-party viability assessment);
 - (c) Waste and servicing management plan to manage the timing of deliveries and refuse collection;
 - (d) Sustainable Transport Contribution (subject to outcome of third-party viability assessment)
 - (e) Commitment to provide funding on request for a Traffic Regulation Order to manage any overspill parking in the town centre;
 - (f) Progression of a Traffic Regulation Order to remove onstreet parking to accommodate the site access and associated visibility plays;
 - (g) Provision of a Full Travel Plan with monitoring fees, approval fees and bond;
 - (h) Employment and Skills Plan in respect of build phase;
 - (i) Mitigation package in the form of a contribution to the Solent Recreation Mitigation Project
- (9) The applicant is advised that the development the subject of this outline consent is liable to the Community Infrastructure Levy (CIL) Schedule which became a material planning consideration on 1st August 2013. On approval of the last reserved matter arising from this outline consent, this development will be liable to pay the Council's CIL upon commencement of development. For further information, see the CIL pages online at www.havant.gov.uk

(10)

In accordance with paragraphs 186 and 187 of the NPPF Havant Borough Council (HBC) takes a positive and proactive approach and works with applicants/agents on development proposals in a manner focused on solutions by:

- Offering a pre-application advice service, and
 - Updating you of any issues that may arise in the processing of your application and where possible suggesting solutions, and,
- In this instance:
- You sought and were provided with pre-application advice,
 - You were updated about issues after the initial consultation phase