



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
16 March 2022
Agenda Item 10

Key Decision No

Ward Affected: Central Ward, Worthing

Teville Gate Update & Hyde Housing Proposed Development Partnership

Report by the Director for the Economy

Officer Contact Details

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Executive Summary

1. Purpose

- 1.1. The report recommends working with Hyde Housing group to deliver a minimum of 343 affordable homes (40% social rent, 60% shared ownership) and over 20,000 sq.ft of commercial space on the Teville Gate site.
- 1.2. Following the consideration of a report at December Joint Strategic Committee, the Council were approached by the registered provider Hyde Housing with a view to working in partnership to develop the site. The report provides an update on these discussions.
- 1.3. It sets out how the proposed partnership would fulfil the three priority workstreams identified in the December JSC Committee.
- 1.4. A Draft Memorandum of Understanding for the proposed partnership is provided for approval in conjunction with a proposed timetable for developing this partnership.

2. Recommendations

It is recommended that members of the Joint Strategic Committee:

- 2.1. Note the progress made since December 2021 for the development of the Teville Gate site in partnership with Hyde.
- 2.2. Agree the proposed route set out in this report for the sale of the land at Teville Gate following joint working to agree a development scheme and secure planning permission.
- 2.3. Delegate authority to the Head of Major Projects & Investment, in consultation with Worthing Borough Council's Executive Member for Resources, to develop the draft heads of terms for the sale of the land at Teville Gate to Hyde, and thereafter to take a further report to the Joint Strategic Committee for authority to enter into the conditional sale contract for the sale of the land subject to those heads of terms.

3. Background

- 3.1. The Committee considered a report in December 2021 which set out a programme of work to secure a strong development partner who would secure the construction of the Teville Gate site. The committee report proposed to continue the successful joint working with LCR Property and identified a number of workstreams we would jointly undertake to secure a development partner to deliver the construction of the site.
- 3.2. The committee report identified three priority workstreams that would be the focus of the development strategy:
 - Workstream 1: Maximising the number of homes, especially affordable homes
 - Workstream 2: Focused approach to attract government funding and support to aid viability
 - Workstream 3: Design review and phasing

The objective of these workstreams was to focus on ensuring the site was used as a policy level to address key strategic issues facing the town as a whole (delivery of housing especially affordable housing); was working to address a critical impediment (viability); and sought to ensure that it improved the surrounding neighbourhood through more appropriate design, including sustainability issues and buildability (design review). The sum of

these workstreams was intended to increase the likelihood of delivery of the site, and increase any development's contribution to the character and appearance of Worthing.

- 3.3. Hyde are a national Registered Provider with a strong track record in delivering large regeneration schemes within Sussex. As they own and manage approximately 60,000 homes in the UK they share a number of objectives with the Council and identified three areas that they could collaborate. These areas are:

A. Development and Regeneration

- a. Access to Homes England grant funding via Hyde's Strategic Partnership, enables greater numbers of affordable homes to be built and support schemes with low viability
- b. Unlocking priority sites through collaboration
- c. Deliver new affordable homes (social rent and shared ownership) in the area
- d. New homes designed and delivered to high standards of sustainability
- e. New homes designed to deliver successful communities with long term management arrangements in place

B. Addressing climate change and asset management collaboration

- a. The proposed partnership provides an opportunity to implement a holistic approach to delivering a sustainable scheme on this strategically important site. Hyde's sector leading approach to sustainability seeks to integrate energy and water use; the efficient use of natural resources (including considerations of embodied carbon); and the delivery of green infrastructure for active use, including travel.
- b. Collaboration on procurement will help to reduce costs of decarbonisation works. In terms of asset management, knowledge sharing between partners and collaboration on pilots and bids for funding will:
 - i. Help identify best practice

- ii. Reduce costs
- iii. Result in more efficient and effective solutions for properties
- iv. Deliver a better experience and outcomes for residents

C. Community and Tenancy Support Opportunities

- a. Tenancy sustainment benefits:
 - i. Hyde to share learning from Successful Tenancies programme e.g. Rent Relief Fund and UC App
 - ii. Identify those at risk of homelessness and provide intervention
 - iii. Reduced arrears for landlord
 - iv. Avoidance of eviction and temporary housing costs (e.g. c.£300,000 p.a. for 10 failed tenancies)
- b. Better outcomes for customers and their families (e.g. mental health, physical health, educational attainment)
- c. Community resilience benefits:
 - i. Hyde to share Neighbourhood Plan approach and consider extension to AWC
 - ii. Targeted interventions which improve life chances and wellbeing e.g. jobs and skills training, digital inclusion
- d. Community engagement & empowerment benefits:
 - i. Engagement in the design of new homes and communities results in greater customer satisfaction and support for projects
 - ii. Engagement in works to existing homes and on new technology ensures that works are completed and that benefits are realised.

3.4. The paragraphs below sets out how this proposed development partnership would accord with the priority workstreams, and sets out a framework for how to structure this.

4. Hyde's Proposal on Teville Gate

- 4.1. In addition to the wider collaboration that is outlined in the paragraphs above, Hyde's proposal is to develop the Teville Gate site as a housing led, inclusive and sustainable development. The site would be developed as 100% affordable housing comprising approximately 40% social rent and 60% shared ownership. In working with Hyde they have expressed a strong commitment to deliver high quality public realm as part of the scheme, a strong commitment to sustainable design in line with the Council's commitment to the Climate Emergency.
- 4.2. While plans are at an early stage, and are likely to develop through the public consultation process, the proposed development includes the following key components:
 - 343 residential units in 3 blocks
 - Block A: 56 units – 8 storeys
 - Block B: 177 units – 4-11 storeys
 - Block C: 110 units – 7-11 storeys
 - Food store (Block B): 1,804 sqm
 - Commercial and community space (Block B): 700 sqm
 - 110 commercial surface car park spaces
 - 115 residential parking spaces
 - 17 surface car park spaces
 - 98 MSCP spaces within Block C (47 ground floor / 51 first floor)
- 4.3. It is proposed that the partnership would be delivered through a "land deal" structure whereby the parties would collaborate on designing a proposal through the design preparation and planning stages of the project. Following grant of planning permission the Council would then sell the land to Hyde at a value that would be determined through a valuation process to ensure best consideration is achieved by the Council. Hyde would then construct the scheme in line with the approved planning permission, and would manage the development for the long term. The Council would have nomination rights on a number of the homes to address the Council's housing waiting list.
- 4.4. Local authorities are given powers under the 1972 Act to dispose of land in any manner they wish, including sale of their freehold interest, granting a lease or assigning any unexpired term on a lease, and the granting of easements. The only constraint is that a disposal must be for the best consideration reasonably obtainable.

- 4.5. The July 2021 Joint Strategic Committee paper identified that the Council intended to purchase the land, derisk and enable the scheme with a view to selling it onto a preferred development partner within three years. The Development Strategy agreed at the December committee reinforced this approach. The proposed land deal approach is in line with this approach. A core objective in the detailed negotiations is to recoup the full value of WBC's investment to date, secure best consideration reasonably obtainable, through delivering a well designed commercially viable scheme.
- 4.6. The parties would collaborate on all elements of the proposals to ensure that the scheme is outwardly focused and provides a hub for the community in the surrounding area, and contributes to the wider wellbeing of existing residents.
- 4.7. Should the committee agree the recommendations set out in section 2 the following milestones are estimated for the development:

Activity	Milestones
Negotiation of agreement and Due Diligence	March 2022 - July 2022
JSC Committee on final agreement	July 2022
Planning & Design Development including consultation	March 2022 - October 2022
Planning Application Period	Autumn 2022
Planning Committee	Winter 2022/2023
Final Disposal of the land to Hyde	Spring 2023
Site Preparation and Procurement	Spring 2023
Construction Period	Summer 2023 - 2026

- 4.8. The key elements of the proposal are set out in a slide deck that is set out at Appendix A. The proposed Draft Heads of Terms are set out at Appendix B. As a condition of exercising the delegated authority set out in section 2 it is a requirement that the Head of Major Projects and Investment obtains a suitable valuation report to confirm what the best consideration that may be reasonably obtained by the Council for the sale of Teville Gate will be.

5. Assessment of Proposed Partnership against Priority Workstreams

5.1. The December JSC meeting agreed on a number of workstreams to secure a delivery partner for the site. It is important to evaluate the Hyde proposal against these priority workstreams to understand whether the proposal is in line with the Council's overall policy goals for improvement of the economic, social and environmental wellbeing of the area. The paragraphs below critically analyse whether the Hyde proposal meets the objectives of the workstreams.

5.2. Workstream 1: Maximising the number of homes, especially affordable homes

5.2.1. To enable the delivery of the site this workstream focused on improving clarity that the site was a housing led scheme, and set out to work with registered providers and Homes England to ensure that as many affordable homes could be delivered on the site.

5.2.2. It is considered that this priority is fulfilled as the proposed development is clearly housing led and is in partnership with Hyde Housing.

5.3. Workstream 2: Focused approach to attract government funding and support to aid viability

5.3.1. A key focus of this workstream is to work to position the site to most effectively attract further investment to support the delivery of homes and commercial space on the site.

5.3.2. A key element of Hyde's proposal is that as a Homes England Strategic Partner they have secured significant grant funding from Homes England to enhance the level of affordable housing on the site and to aid viability. It is considered that Hyde's proposal clearly delivers on this workstream as it would garner approximately approximately £28m of external funding based on a 100% affordable scheme.

5.4. Workstream 3: Design review and phasing

5.4.1. The objective of this workstream focused on ensuring a design that could be phased to reduce commercial risk, and to ensure that the height and scale was more appropriate so as to make the scheme deliverable.

5.5. Reviewing Hyde's initial proposals the height has significantly decreased from the previously approved scheme and the reduced mix of uses would enable

the scheme to be phased more appropriately. Hyde is committed to achieving a sustainable build and a scheme which embraces active travel in a location of strategic importance for the town.

- 5.6. In summation, it is considered that the proposal from Hyde fulfils the Council's priority workstreams for the site. Overall, it is considered that the proposal will contribute to the overall economic, social and environmental well-being of the Council area. Hyde is a proven, established and experienced regeneration and construction organisation. They have a strong ethical approach as a Registered Provider and strong credentials as a social landlord with good customer satisfaction from their tenants.

6. Alternative Options Considered

- 6.1. Teville Gate is a significant site with an established planning framework within the Worthing Core Strategy 2010 and emerging Worthing Local Plan 2022. It is considered that the proposal is in line with the planning policy objectives set out in these documents and the principle of development would be acceptable, however material considerations will be taken into account in determining any planning application.

- 6.2. Nonetheless, alternative options have been considered:

6.2.1. Option 1: To not proceed with the proposal set out in Sections 3 and 4 of this report and to continue with the development strategy working in collaboration with LCR Property as agreed at the December JSC Committee. While this opportunity might identify an alternative scheme or different partner there is no certainty that it will succeed or that an improved scheme might emerge. While a marketing exercise may unearth a different proposal, or greater commercial return it is evidently an uncertain process. This is not the preferred option.

6.2.2. Option 2: To not proceed with any approach and sell the land as it is on the open market. While this approach would recoup some or all of the Council's investment to date, it would reduce the Council's ability to influence the final scheme, could lead to ongoing dereliction and delay delivery, and without another registered provider coming forward it would likely lead to a reduction in the number of affordable homes being delivered. This is not the preferred option.

- 6.3. Having considered the alternative options available it is recommended that the proposed partnership with Hyde represents the most suitable way forward.

7. Financial Implications

- 7.1. Worthing Borough Council previously agreed to release capital funding of £8.12m to fund the acquisition of the Teville Gate report, and within the same report agreed that £50,000 of reserves could be used to fund any revenue costs associated with meanwhile use of the property.
- 7.2. The final cost of the acquisition was £7,452,550 and so there is currently an underspend of £668,190 against the budget.
- 7.3. As approved at the December JSC meeting ground works costing £300,000 were approved which are funded from the overall budget for Teville Gate acquisition.
- 7.4. The LEP has previously given permission for the residual funds (£531,600) from the original bid to be used to assist and support a joint venture partnership with a third party purchaser of Teville Gate.
- 7.5. The LEP have now agreed that £100,000 of these resources will be used to support the Worthing public realm project as discussed within the capital monitoring report elsewhere on the agenda. The residual grant will be used to support the purchase of the site.
- 7.6. The Council purchased the site with a view to holding the site for a maximum of three years. As part of the land deal, the Council will be disposing of the freehold of the land to Hyde. The final consideration for the land is yet to be determined but will be supported by the expert independent valuation. The proposed partnership arrangement will ensure that officer's are able to take part in design and commercial decision while will ensure that the Council's investment is recouped within the planned timescale.
- 7.7. There are some financial risks associated with the Teville Gate project which need to be considered:
- i) Under the Council's MRP policy, where the Council purchases a property to facilitate a development whether via a Compulsory Purchase Order or via a negotiated arrangement with the intention of disposing of the property to a development partner, no MRP shall be provided for the first three years. Any capital receipt received for the land shall be used to repay the associated debt. Consequently if the

land is not disposed of within three years, the Council will need to start providing MRP at an estimated cost of £120,000 in the first year.

- ii) If the Council does not deliver the outcomes committed to within the funding agreement, then the Council may be obliged to repay the LEP funding under the terms of the funding agreement.
- iii) Depending on the final valuation of the land, the Council may not be able to recoup all of the public money spent on acquisition of the site and may therefore be left with a residual cost. However, as the partnership will secure a significant number of affordable units, this may well be acceptable to the council given the overall benefit to our area.

8. Legal Implications

- 8.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 8.2. Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 8.3. s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 8.4. Section 1 of The Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers the powers on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority.
- 8.5. In progressing its negotiations with Hyde Housing the Council must ensure that it continues to take detailed procurement advice on the structure of the arrangements to be made and terms of the Conditional Sale Agreement to ensure that the agreed terms do not create a public works (or services) contract, defined by the Public Contract Regulations 2015 as 'a contract for pecuniary interest, having as its object the execution of works, the supply of products or the provision of services'. A public works contract will be created if the proposed arrangement imposes legally binding obligations on Hyde

Housing (for which there is no lawful exemption) or enables the Council to have a decisive influence or control over the works (other than through its planning function). A public services contract will exist if the services are the main object of the arrangement, and this will be assessed against the final terms of the Conditional Sale Contract.

- 8.6. The end arrangement is to be compliant with the rules applicable to the UK's subsidy control regime, as set out in the UK-EU Trade and Co-operation Agreement and supporting legislation.
- 8.7. The Council has previously received Local Enterprise Partnership Grant Funding grant funding for the project at Teville Gate, and when making arrangements for development of the site, the Council is to ensure that the arrangements do not infringe the terms and conditions of the funding agreement.
- 8.8. By s123 Local Government Act 1972, the Council is under a duty when disposing of land to ensure it receives the best consideration reasonably obtainable.

Background Papers

- Report to the Joint Strategic Committee dated 7th July 2020: Impact of Covid 19 on the Council's finances - Update on current financial performance and developing a revenue budget for 2021/22
- Report to the Joint Strategic Committee dated 3rd November 2020: A Partnership Approach to Secure New Homes at Teville Gate.
- Report to the Joint Strategic Committee dated 13th July 2021: Securing the regeneration of Teville Gate through acquisition of the site
- Report to the Joint Strategic Committee dated 7th December 2021: Teville Gate next steps and LCR Partnership

Sustainability & Risk Assessment

1. Economic

The project is strategically interlinked with a planned wider investment programme connected with future developments at other key sites in Worthing.

Redevelopment of the Teville Gate site will contribute to the creation of an enhanced entrance to the town and town centre, providing an economic boost to existing businesses, and encouraging an increase in investment across the town as the most visible regeneration challenge gets addressed.

2. Social

2.1 Social Value

Development on the site would send a positive message to the community, visitors, commuters and business, that change is taking place in Worthing and improvements to the built environment will be realised in the near future.

The existing cleared site and hoarding does little to enhance this part of Worthing from road or rail, and redevelopment of this important gateway site to enhance the street scene and act as a catalyst for the regeneration of the wider area.

2.2 Equality Issues

A large number of affordable homes would significantly address a key social issue facing the town in the lack of high quality affordable housing. This is a significant social value benefit of the scheme over other previous development proposals on the site.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

Works will be managed under the Construction Design & Management (CDM) Regulations 2015.

2.4 Human Rights Issues

Matter considered and no issues identified

3. Environmental

The project is aligned to the council's strategic approach to Climate Emergency. Sustainability needs to be addressed in an integrated manner; not just in the context of the existing site, but its wider strategic importance to Worthing. The opportunity is here to deliver a scheme which embodies the highest standards of sustainable design; responds well to its location from an active travel perspective; improves access to public transport; and delivers active green spaces and well designed public realm.

Appendix A - Slide Deck



Hyde

Teville Gate, Worthing

February 2022

Purpose

- This pack is intended to support discussions as to how Hyde and Worthing Borough Council might work in partnership to bring forward the Teville Gate site
- The pack includes a draft scheme outline, cost assumptions and four tenure options to consider based on Hyde's initial analysis of the site

Site history & context

- Key delivery site, in close proximity to railway and Worthing station
- Previously in use as shopping centre, car wash, car sales show room, offices, commercial uses and 300 space multi-storey car park over 6 storeys
- Buildings demolished in 2018
- Currently in use for surface level car parking
- Bounded by:
 - new 5 storey HMRC office block, railway approach & Morrisons service yard to north
 - Broadwater Road (A24) to the east
 - Teville Road to the south
 - Kwik Fit to the west



Planning history



2019 application



2010 application



2006 application

Planning history

USE	2006 Application (Permitted)	2010 Application (Undetermined) *	2019 Application (undetermined)
Residential Units	260	241	378
Of which, Affordable Units	43 (25 SR, 18 SO)	20	116
Affordable Percentage	17% plus 1M contribution	8% or £1.3M contribution (dependent on grant)	31%, but dependent on £7.8M grant
Leisure	swimming pool, health & fitness centre, bingo club	hotel (3547sqm), health & fitness centre, cinema & conference centre (12,061sqm)	hotel (3864sqm) gym (1426sqm)
Retail	ancillary restaurants, shops and cafes	restaurants & cafes (4007sqm), foodstore (8,510sqm)	foodstore (1,852sqm) A1-A5 (999sqm)
Employment	-	Offices (2780sqm)	-
Parking	635 spaces	967 spaces	307 spaces
Scale	11 and 18 storeys	20 and 26 storeys	8, 14 and 22 storeys

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Hyde proposed scheme – ECE Architecture

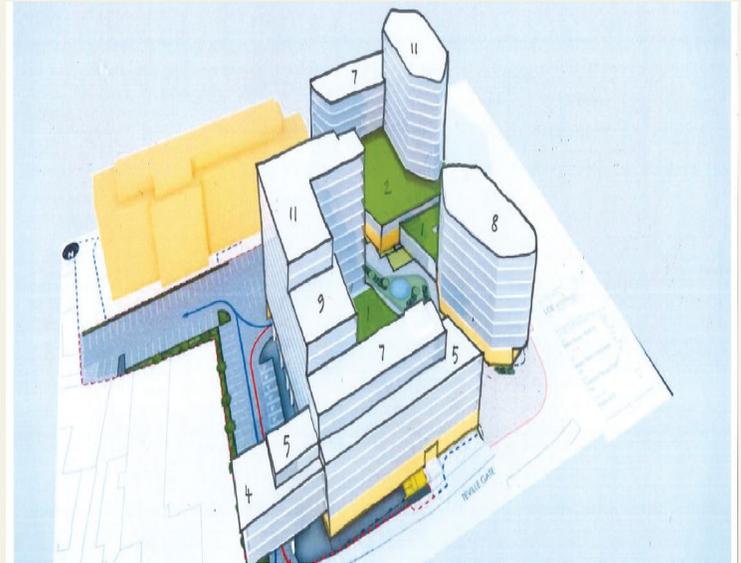


- 343 residential units in 3 blocks
 - Block A: 56 units – 8 storeys
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- 110 commercial surface car park spaces
- 115 residential parking spaces
 - 17 surface car park spaces
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Benefits of proposed scheme

- Reduced storey heights whilst delivering similar quantum of residential with improved unit mix
- Inclusion of commercial/leisure uses at ground floor
- Retention of parking
- Respects broad layout and form of 2019 application whilst decreasing height of tower elements
- Retains podium approach to provision of amenity space



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Tenure Options

- Option 1: 100% affordable
 - Shared ownership 60% (206 units)
 - Social rent 40% (137 units)
- Option 2: 68% affordable 32% outright sale
- Option 3: 100% affordable (with 32% retirement/supported living)
- Option 4: 68% affordable 32% PRS

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Commercial space options

- Food store – proposed to be Aldi
- Co-working office space
- D1 healthcare / community use
- Retail / café
- Gym

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Appraisal assumptions

• Option 1

- Shared ownership (206 units)
- Social rent (137 units)

- HESP grant on all units
- Sales values £430psf
- Total build cost £74.2m / £276psf
- £150k abnormalities (inc. BAPA)
- £25psm CIL for residential
- £150psm CIL for commercial
- S106 contributions
- No allowance for VAT

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Suggested structure

- “Land Deal” structure which delivers on shared aspirations to improve the quality and supply of affordable housing in the Borough
- Land sold STP at market value (determined by RICS red book valuation)
- Collaboration agreement to work together to achieve agreed set of development objectives

Benefits of Partnership with Hyde

- Award-winning developer and Housing Association with strong track record of successfully delivering major mixed use regeneration schemes in the South East
- Delivery of additional affordable housing well above policy compliant levels
- Potential to utilise grant funding through Hyde’s Homes England Strategic Partnership
- Improved certainty and speed of scheme delivery & land receipt
- Delivery of additional social value through partnership with an RP – Hyde Foundation
- Access to OJEU compliant Hyde contractor and consultant frameworks
- Strong development management & sales expertise



Hyde

Thank you

Sarah Poulter

Associate Director – Land & Planning (South)

DRAFT MEMORANDUM OF UNDERSTANDING
PROPOSED SALE AND PURCHASE AND COLLABORATION AGREEMENT FOR
TEVILLE GATE PROJECT

DATE: 2022

This Memorandum of Understanding (MOU) sets out the principal terms and conditions on and subject to which the following parties (“the Parties”) are willing to enter into a land sale and purchase and collaboration agreement, provided the Parties agree and sign a detailed and legally binding agreement (“the SPCA”).

1. THE PARTIES

- 1.1 [Hyde New Build Limited[1]] or any nominated Group Member or Affiliate of 30 Park Street, London SE1 9EQ (company registration number: 07250525) (“Hyde”), and
- 1.2 Worthing Borough Council of Worthing Town Hall, Chapel Road, Worthing, West Sussex BN11 1HA (“WBC”)

2. THE PROPERTY

- 2.1 Teville Gate as shown on the title plans enclosed in Appendix 1 and registered under title numbers [] (“the Property”)

3. PARTIES ADVISORS

- 3.1 Hyde Solicitors
TBC
- 3.2 WBC Solicitors
TBC
- 3.3 WBC Development Consultants
CBRE UK Ltd
Henrietta House

Henrietta Place
London W1G 0NB

Bob Dyson
M: 07970 225000
E: bob.dyson@cbre.com

4. THE PROJECT

- 4.1 Hyde is a registered provider of social housing involved in developing and managing mixed tenure homes across the South East and is seeking to acquire the freehold interest in the Property for development for a mixed use residential-led scheme.
- 4.2 WBC has purchased the Property and is seeking to promote the Property, which has a well-established planning framework for development and delivery of wider regeneration benefits for the surrounding area.
- 4.3 The Parties have agreed to collaborate with each other on the terms set out herein in order to secure planning permission, maximise site value and establish a viable proposal for development of the Property; to complete the sale of the Property to Hyde and to complete construction of the consented development.
- 4.4 The development objectives of the Parties are as follows:
 - 4.4.1 To de-risk the Property and promote a well-designed sustainable residential-led mixed use scheme which complements and enhances the Worthing town centre and supports WBC's sustainability objectives for the town centre where feasible;
 - 4.4.2 To optimise the scheme design within the existing site constraints in order to:
 - 4.4.2.1 secure the optimum value based on agreed viability outputs;
 - 4.4.2.2 maximise delivery of affordable housing and utilisation of grant funding for the scheme in line with Hyde's Homes England Strategic Partnership ("HESP") objectives;
 - 4.4.2.3 enable phasing of the scheme in order to mitigate interest and holding costs for the Parties;
 - 4.4.3 To provide high quality public realm within the scheme, an appropriate setting for Worthing Station and an attractive route into the town centre; and

- 4.4.4 To secure planning permission for a deliverable scheme which can be built out at a viable build cost within the timescales required by Hyde's HESP programme (currently start on site by March 2026, completion by March 2028).
- 4.4.4 To facilitate and enable productive interim use of the Property either through activities or environmental enhancements including the provision to provide 50 car parking spaces for the exclusive use of HMRC;
- 4.4.5 Such other objectives identified and agreed between the Parties from time to time ("the Development Objectives").

5. COMMERCIAL PRINCIPLES

- 5.1 Agreed sale price: The parties to work collaboratively to maximise the site value to enable WBC to recover, where possible, their investment to date in acquiring the site by:
 - 5.1.1 Maximising revenue through density & design
 - 5.1.2 Value Engineering to ensure efficient building costs
- 5.2 Market Value to be derived from market facing, policy compliant residual land calculation
- 5.3 Exchange deposit: 5% of eventual purchase price to be held as Stakeholder
- 5.4 Exchange target date: [TBC]
- 5.5 Completion date: Completion to occur 20 working days following the expiry of the judicial review period following a satisfactory planning permission [NOTE: reviewing potential for deferred payment terms and impact on land price, and scope for phased delivery/land completion].
- 5.6 Contract period: 24 months from the exchange of contracts. The contract may be extended on the basis that a planning application, appeal or judicial review period is running or submitted prior to the expiry of the 12 month period and has yet to be determined. Notwithstanding the contract will be subject to a longstop period of 36 months from exchange of contracts.
- 5.7 Hyde will use reasonable endeavours to submit a detailed planning application within 12 months of exchange and obtain a satisfactory planning permission for a minimum of [343 homes] with a mix of dwellings similar to the [ECE feasibility study ref ?]. The application will

be made in the name of The Hyde Group acquiring entity to be confirmed as ¹.

- 5.8 WBC will use reasonable endeavours to facilitate the submission of the detailed planning application within 12 months of exchange.
- 5.9 The Parties will use reasonable endeavours to:
 - 5.9.1 work together to achieve the Development Objectives;
 - 5.9.2 obtain relevant committee and board approvals required for entry into the SPCA.
- 5.10 WBC will make available the legal due diligence from their purchase of the Property and will procure a duty of care from their solicitors Bevan Brittan for the benefit of Hyde.
- 5.11 WBC will use reasonable endeavours to procure reliance for Hyde on any surveys, warranties or indemnity insurance that currently exist in relation to the Property.
- 5.12 WBC will be responsible for the interim management of the site including insurance, maintenance and security and the associated costs.
- 5.13 WBC will work to promote interim uses on the Property and will take the benefit of any income generated including from car parking PROVIDING THAT:
 - 5.13.1 such interim uses shall not prejudice, delay or prevent Hyde from achieving development of the Property in line with the Development Objectives;
 - 5.13.2 WBC shall be responsible for removal of any materials and equipment associated with such interim uses prior to commencement of development of the Property and shall meet the costs of such removal; and
 - 5.13.3 such interim uses shall not result in any material increase to the cost of acquiring and developing the Property.
- 5.14 WBC will permit access to Hyde and/or any appointed consultants, agents or contractors to enter the Property with or without plant and machinery at all reasonable times after giving reasonable notice to carry out tests, inspections or surveys providing all necessary health and safety protocols are followed.
- 5.15 Hyde and WBC will both make available working capital to fund the costs of delivering the Development Objectives up to the date of completion within the agreed budgets.

- 5.16 Hyde and WBC will use reasonable endeavours to provide the necessary staff within Hyde's Investment, Development & Partnerships Directorate and within WBC's Major Projects team to resource the project.
- 5.17 During the term of the SPCA the Parties shall not without the consent of the other enter into separate negotiations (or instruct or permit anyone else to enter negotiations on their behalf) with any other party for the development and/or disposal of the Property.
- 5.18 The SPCA shall not be assignable without the consent of both the Parties.
- 5.19 [Planning conditions TBC]

6. DEVELOPMENT STRATEGY & PRINCIPLES

- 6.1 The Parties will use reasonable endeavours to agree a development strategy for the Property in order to achieve the Development Objectives in line with agreed budgets and programme.
- 6.2 The Parties shall work together in collaboration in the spirit of cooperation and in line with the following principles:
 - 6.2.1 To work together as a team and in good faith, and to respect each other's interests and confidentiality;
 - 6.2.2 To commit and provide promptly information to support and manage the pre-application, planning and committee and board approvals processes;
 - 6.2.3 To facilitate effective involvement and consultation with the surrounding community, statutory and other key stakeholders and advisors, and any individual or group with a legitimate interest;
 - 6.2.4 To deliver responses and decisions as promptly as possible and within key milestone dates specified in the agreed programme unless otherwise agreed by both the Parties.
- 6.3 The Parties (and if required their advisors) shall meet as a collaboration board at regular intervals (and in any event not less frequently than once a month, unless otherwise agreed).
- 6.4 The Professional Team will be agreed between the Parties and jointly appointed where practicable up to completion on the sale agreement. Thereafter, the Professional Team will be appointed and paid for by Hyde.

6.5 If required by Hyde, WBC will appropriate the Property for planning purposes pursuant to s.205 of the Housing and Planning Act 2016 prior to exchange of contracts.

7. GENERAL PROVISIONS

7.1 Each Party shall bear its own costs in connection with the negotiation of these Heads of Terms and completion of the SPCA.

7.2 These heads of terms are subject to contract.

7.3 Subject to satisfactory report on title

7.4 Vacant possession to be given on completion of each phase.

8. APPROVALS

8.1 These Heads of Terms are subject to the approvals of Hyde's internal boards and WBC's Joint Strategic Committee.

9. CONFIDENTIALITY

9.1 Each Party agrees to keep any commercially sensitive aspects of these Heads of Terms, all commercial matters concerning the development of the Property and all confidential information about the other Party received in connection with these Heads of Terms, confidential and not to make any disclosure or announcement in relation to the same other than to a Party's advisers that are bound by confidentiality obligations or with the prior written consent of the other Party, save as may be required by any applicable law or regulatory or listing authority.

WBC

Signature:

Hyde (Entity TBA)

Signature:.....

[1] Hyde to be confirmed following receipt of tax and legal advice