

Laura Gardner
Planning Officer
Newark & Sherwood District Council
Castle House
Great North Road
Newark
NG24 1BY

By email

22nd June 2020

Dear Laura,

Proposed Development at Former Bilsthorpe Colliery, Eakring Road, Bilsthorpe.

Further to my letter dated 10th June 2020, I am pleased to now furnish you with financial viability appraisals for the above scheme.

The signed S106 Agreement dated 1st June 2018 states that affordable housing of not less than 10% is to be provided. Consequently, three appraisals have been prepared:

1. 10% Affordable Housing plus full S106 contributions
2. 4% Affordable Housing plus full S106 contributions
3. 4% Affordable Housing plus reduced S106 contributions

I am also in receipt of the Viability Assessment Report prepared by White Land Strategies Ltd (WLSL) dated November 2017. Wherever possible, I have used figures previously approved by WLSL. It should be noted, however, that the current proposal is for 103 dwellings, whereas the previous appraisal was for a total of 85 dwellings.

The major difference is the inclusion of a significant number of abnormal costs. The original financial appraisal submitted by another party at outline stage did not have the benefit of detailed technical reports to substantiate additional development costs.

Appendix 1 lists all of the financial inputs in a similar format to the WLSL report.

Appendix 2 provides a full schedule of accommodation including dwelling sizes.

The full electronic appraisals are also attached herewith.

The results of the appraisals are summarised in the table below.

Open Market Units	Affordable Units	S106 Contributions £	Residual Land Value £	Residual Land Value per plot £
93	10	£516,707	£373,659	£3,627
99	4	£516,707	£455,880	£4,426
99	4	£258,354	£681,135	£6,612

The WLSL report from 2017 stated that a reasonable minimum plot value is £21,670. As the appraisals demonstrate, the actual position of £3,627 per plot is a long way shy of this.

Even if all obligations were removed, the minimum plot value is not achieved. In any case, it is appreciated that the removal of all obligations would not be politically acceptable and is, therefore, not being requested. However, in order to improve viability and nudge a little closer to the minimum land value, some reduction is required to the Affordable Housing % and S106 contributions.

Reducing the Affordable Housing provision to 4% and dropping the financial contributions by 50% to a total of £258k is therefore proposed.

In the circumstances, this would have to be accepted by vendor and developer as being the optimum position and be sufficient to ensure delivery of the scheme.

On a different matter in the past, I have liaised directly with WLSL to address any queries. I would be happy to do this again if necessary, so please do not hesitate to forward the appraisals to WLSL.

Yours sincerely,

Jas Singh