

Draft Heads of Terms – Royal Hill, Spondon (DER/23/01631)

I am writing to set out the Heads of Terms for the Section 106 Agreement on the above site, based on the Council's adopted Planning Obligations Supplementary Planning Document (2018). They are based on a scheme of up to 90 units, if the scheme is changed in any way then the Heads of Terms will need to be altered accordingly.

The following Heads of Terms are subject to Committee being minded to grant planning permission subject to a Section 106 Agreement when they consider the application.

There may be other site specific requirements that could be flagged up as the application progresses, which would need to be included in the agreement. If this is the case I will contact you as soon as I am aware of them.

Affordable Housing

30% of the units to be provided as affordable housing through a Registered Provider. The following split is required:

- 80% Social rent. The price negotiated must ensure that the properties can be acquired and made available as affordable housing at Homes England (HE) target rent levels, without the need for public subsidy.
- 20% Shared Ownership. The price negotiated must not be more than 70% of open market value and must allow for the annual rent to be no more than 2.75% of the retained equity.

The house types and locations of the affordable units are to be agreed prior to the determination of the reserved matters application.

Affordable units to be transferred before occupation of 50% of the market units.

All affordable dwellings shall be built to the prevailing HCA Design & Quality Standards. With the following minimum requirements:

Minimum GIA of 85% of the sizes below (m2):

Nos of bedrooms	Nos of bedspaces	1 storey dwelling (inc. apartments)	2 storey dwelling (inc. duplexes)	3 storey dwelling	Built in storage
1b	2p	50	58	n/a	1.5
2b	4p	70	79	n/a	2.0
3b	5p	86	93	99	2.5
4b	6p	n/a	106	112	3.0
	7p	n/a	115	121	
5b	7p	n/a	119	125	3.5
	8p	n/a	128	135	
6b	8p	n/a	132	138	4.0

Bedrooms

2 bed property to have 1 double and 1 twin

3 bed property to have 1 double, 1 twin and 1 single

4+ bed property to have 1 double with remaining to be twins/singles to achieve person space

Single bedroom minimum size 7.5m² and at least 2.15m min clear width

Double bedroom minimum size 11.5m² and at least 2.75m clear width, additional twins be a minimum clear width of 2.55m.

Ceiling heights at min 2.3m

4+ bed property to have minimum of 1 family bathroom and 1 family shower room (no ensuite)

Living Space - Minimum 2.8m wide for up to 4 people and 3.2m for larger homes.

The Council encourages developers to include an element of wheelchair units on all schemes.

The units to be pepperpotted throughout the site, in groups of no more than 10.

Amenity Green Space

Amenity green space to be laid out to a specification and design to be agreed with the Council. Area required to be calculated on the basis of £35/sqm per house and 28/sqm per flat. Open space to be laid out and opened for public use before the occupation of 50% of the units.

Maintenance of Amenity Green Space

Amenity Green Space to be maintained (including play area), to an agreed specification with the Council and in perpetuity, by an approved Management Company.

Play Area

One Toddler play area to be provided within the open space to a design and specification agreed with the Council. To be completed and opened for public use before 50% of the units are occupied.

Major Open Space

The following sums are to be paid on or before the commencement date for the provision of, or improvements to, Willowcroft Road Rec, Brunswood Park and/or West Park Meadows.

- £2,087 per 1-bed flat
- £2,792 per 2-bed flat
- £3,478 per 3-bed flat or 1-4 bed house
- £4,173 per 5-bed house and above

If the sum has not been paid by 1st July 2024, then it will be index linked to the date of these Heads of Terms.

Contributions will be held for 5 years from date of receipt. Any contributions left unspent or uncommitted at the end of this period may be repaid upon written request.

Education

An assessment of school capacity will be made at Reserved Matters stage (assessed taking account of other approved developments in the area). If there are insufficient school places then the following sums are to be paid on or before the commencement date for the provision of, or improvements to, education facilities at Springfield Primary and West Park Secondary Schools.

- £19,483 per primary school place generated by the development
- £29,321 per secondary school place generated by the development

If the sum has not been paid by 1st July 2024, then it will be index linked to the date of these Heads of Terms.

Contributions will be held for 10 years from date of receipt. Any contributions left unspent or uncommitted at the end of this period may be repaid upon written request.

Transport (subject to the application consultation response)

The sum of £2,001 per house and £1,041 per apartment to be paid on or before the commencement date for the provision of, or improvements to, public transport, cycling and pedestrian facilities and/ or network capacity improvements at within the locality of the application site.

If the sum has not been paid by 1st July 2024, then it will be index linked to the date of these Heads of Terms.

Contributions will be held for 10 years from date of receipt. Any contributions left unspent or uncommitted at the end of this period may be repaid upon written request.

Community Centres

The following sums are to be paid on or before the commencement date for the provision of, or improvements to, Spondon Village Hall.

- £558 per 1-bed flat
- £744 per 2-bed flat
- £930 per 3-bed flat or 1-4 bed house
- £1,116 per 5-bed house and above

If the sum has not been paid by 1st July 2024, then it will be index linked to the date of these Heads of Terms.

Contributions will be held for 10 years from date of receipt. Any contributions left unspent or uncommitted at the end of this period may be repaid upon written request.

Sports Facilities

The following sums are to be paid on or before the commencement date for the provision of, or improvements to, Springwood Leisure Centre, Derby Arena and/ or Moorways Sports Village.

- Health and Fitness Suites
 - £174 per 1-bed flat
 - £232 per 2-bed flat
 - £290 per 3-bed flat or 1-4 bed house
 - £348 per 5-bed house and above
- Swimming Pools
 - £335 per 1-bed flat
 - £446 per 2-bed flat
 - £558 per 3-bed flat or 1-4 bed house
 - £669 per 5-bed house and above
- Sports Halls
 - £309 per 1-bed flat
 - £412 per 2-bed flat
 - £515 per 3-bed flat or 1-4 bed house
 - £618 per 5-house and above

If the sum has not been paid by 1st July 2024, then it will be index linked to the date of these Heads of Terms.

Contributions will be held for 10 years from date of receipt. Any contributions left unspent or uncommitted at the end of this period may be repaid upon written request.

Health

The following sum £92,178 to be paid on or before the commencement date for the provision of, or improvements to, Chapel Street Medical Centre, Derwent Valley Medical Practice and/or The Park Medical Practice.

If the sum has not been paid by 1st July 2024 then it will be index linked to the date of these Heads of Terms.

Contributions will be held for 10 years from date of receipt. Any contributions left unspent or uncommitted at the end of this period may be repaid upon written request.

Legal and Administration Costs

You will be required to pay our legal costs for preparing and completing the agreement. If any work is done on a draft, but it is never completed, you will still be required to cover any costs already incurred. Our solicitor will require an undertaking from your solicitor agreeing to this before they start work on

drafting the agreement, or in the case where you decide not to instruct a solicitor they will require an upfront payment from you to cover their costs. Our solicitors will provide you with an estimate of those costs, once heads of terms have been agreed and they have been instructed.

You will also be required to pay our Section 106 costs for administering and monitoring the agreement as this falls outside the normal planning function. These costs will be £8,100 and will be payable on the signing of the agreement.

Viability

Derby City Council is positive about development. If you deem that these Heads of Terms make the delivery of your site unviable we will work proactively with you to try to come to an agreed solution. In order for site viability to be taken into account, you will need to produce a development appraisal which will be independently assessed by the District Valuer at your cost. The Council will require the cost of the assessment to be met upfront by the developer before the District Valuer is formally instructed. The Council will request a quote for this work and this amount will need to be paid before any work is undertaken. If the work costs less than the quoted amount, the Council will refund the unspent amount. The Section 106 agreement will be based on the conclusion of the report.

General information

Once the planning application is registered, the S106 must be completed within the application's 13 week deadline. Unless the application has a Planning Performance Agreement or an extension of time in place, it may be refused if the S106 is not completed within this timescale.

If it has not been refused before 13 weeks, we may seek to refuse it before 26 weeks, if progress has not been made.

I will require the following details before I can instruct our Legal Department:

- Details of your solicitor (name, address, phone number and email address) so that the draft can be forwarded directly to them
- Full company name, registered office and company number for the applicant
- Confirmation that applicants are the owners of the site. If they are not then the details of all owners will be required
- Whether a mortgagee is to be party to the agreement

Please ensure that all of these details are included when you reply on the Heads of Terms, as failure to include them will result in a delay in drafting the agreement.

I trust that the above is in order and look forward to hearing from you on whether you accept the Heads of Terms.

If you have any queries then please let me know.

A handwritten signature in black ink, appearing to read 'Rosie Watson'.

Rosie Watson
Implementation Team Leader