

**BOSHAM LIMITED, SHOPWYKE  
LIMITED, CS EAST LIMITED AND CS  
SOUTH LIMITED**

Chichester District Council (Tangmere)  
Compulsory Purchase Order 2020

Appendices to Proof of Evidence of

Matthew Bodley

16 August 2021

Ref: PCU/CPOP/L3815/3264148

## APPENDICES

MB1	Heads of Terms issued by Developer – 28 May 2021
MB2	Heads of Terms issued by Matthew Bodley – 30 July 2021

**APPENDIX MB1:** Heads of Terms issued by  
Developer – 28 May 2021

**SUBJECT TO CONTRACT**

**HEADS OF TERMS - PROPOSED HYBRID OPTION AGREEMENT**

**TANGMERE STRATEGIC DEVELOPMENT LOCATION**

<b>1. Landowners</b>	Bosham Limited and Shopwyke Limited, 22 Chancery Lane, London WC2A 1LS
<b>2. Developer</b>	Countryside Properties (UK) Ltd
<b>3. Existing Interest</b>	Bloor Homes Limited and Bloor Holdings Limited ('Bloor') are the holders of an existing interest in the Property by way of a Promotion / Option Agreement dated 21 December 2012.
<b>4. Property</b>	<p>The land parcels identified for this agreement are as follows:</p> <ul style="list-style-type: none"> <li>• Bosham Limited and Shopwyke Limited, measuring approximately 55.2 acres/22.3 ha (the 'Heaver Land'); and</li> <li>• CS South Ltd and CS East Ltd (combined known as the 'Strips').</li> </ul> <p>For the avoidance of doubt the parcel of land known as Tangmere Corner (measuring approximately 2.9 acres / 1.2 ha) is excluded from the definition of the Property and will not form part of the land the Developer will have option to acquire. The Landowners will however enter into a Section 106 agreement in respect of both the Property and Tangmere Corner.</p>
<b>5. Agreement Summary</b>	<p>The Landowners and Countryside will facilitate the delivery of the Tangmere SDL by way of a hybrid-option agreement where Countryside will be obligated to service the Property and Tangmere Corner and will have the option to draw down up to 50% of the developable land within the Property (always subject to a minimum of 140 units across 50% the Property). An indicative layout and phasing plan prior to exchange will be provided for agreement prior to an exchange. The Landowner will be permitted to share this with Bloor Homes. It is accepted that the indicative layout and phasing plan may evolve and any proposed changes will be provided for agreement.</p> <p>The Landowners will seek to agree a Deed of Variation with Bloor Homes that will enable Bloor to acquire up to 50% of the developable land within the Property. The Deed of Variation will be exchanged simultaneously with this agreement.</p> <p>Countryside will be subject to overriding objectives to maximise value and minimise costs.</p>
<b>6. Premiums</b>	<p>Initial Premium: £150,000 (plus VAT); and</p> <p>Extension Premium: £100,000 (plus VAT).</p> <p>Both payments are to be deductible on exercise of the Countryside Parcel, but not refundable.</p>

<b>7. Period</b>	<p>Initial Term: 5 years</p> <p>Extension: 2 years in the event of a planning slippage, or a delay to the CPO across the TSDL and subject to performance hurdles.</p>
<b>8. Planning and Promotion Costs</b>	<p>A planning and promotion cost cap of £600,000 to reflect the Landowners' share of the real and budgeted costs to date in relation to the Tangmere SDL's promotion and preparation of the Outline Planning Permission. It is agreed that this excludes any internal Countryside costs or any Countryside costs in relation to the compulsory purchase of other land interests within the Tangmere SDL which will not be included in any development account relating to the Property.</p> <p>It is currently assumed that Countryside do not have to prepare to defend a CPO Inquiry in relation to the Property and Tangmere Corner. If contracts are not exchanged prior to the date on which Countryside draws down the Property, the Property will be acquired pursuant to the CPO.</p> <p>The planning and promotion costs as reasonably evidenced by Countryside (up to the agreed cap) will be deductible upon exercise of the first Countryside Parcel.</p>
<b>9. Phasing</b>	<p>Prior to an exchange of contracts, it is proposed that a Phasing and Disposals Plan will be agreed as soon as possible that will locate the Countryside Parcel(s) and Bloor Parcel(s). The Phasing and Disposals Plan will also set out the timing of each parcel draw down and the apportionment of infrastructure / s106 / CIL costs. The Phasing and Disposals Plan will be indicative and evolve over time and any proposed changes will be provided for agreement.</p>
<b>10. Countryside Parcel(s)</b>	<p>Countryside will have the option to draw down up to 50% of the developable land within the Property (always subject to a minimum of 140 units across 50% of the Property).</p> <p>Countryside will acquire the Countryside Parcel at 90% of Market Value. Countryside will drawdown 100% of its share in the land following exercise of the option, subject to Countryside having the ability to defer 50% of the purchase price by 12 months. The Countryside Parcel will include developable land and any infrastructure land required to service the parcel acquired, or any other parcels.</p> <p>There will be a Minimum Price equal to the greater of £350,000 per Net Developable Acre or £175,000 per Gross Acre (for the avoidance of doubt, no more than 50% of the infrastructure land required to service the Heaver land) and subject to upwards only indexation (RPI). For the avoidance of doubt, Gross Acre includes all land within the Property, including infrastructure land required to service the Net Developable Acre land.</p>

	<p>For the avoidance of doubt, no costs associated with the compulsory purchase of the Tangmere SDL will be considered when calculating Market Value.</p> <p>In the event that the Landowners and Countryside cannot agree an appropriate Market Value then the matter will be referred to an Independent Expert for determination.</p> <p>The contract will also provide for an anti-embarrassment provision in the event that a land parcel is acquired and traded at a greater price within 5 years. The net uplift over the purchase price will reflect the costs set out below, reasonably and properly incurred (and evidenced on an open book basis), by Countryside in the process of achieving an enhanced consent:</p> <ul style="list-style-type: none"> <li>• Planning costs only in relation to an additional planning application relating to the sale parcel and proportionate where this may part of a wider planning application.</li> <li>• Holding costs incurred by Countryside up to a cap of 4% over LIBOR and calculated over the period of Countryside's ownership of the land where it is demonstrable that these arise from an extended period over and above the delivery strategy for the Tangmere SDL.</li> <li>• Additional agents and legal costs applicable to the third party sale</li> <li>• Any non-recoverable VAT liability applicable to the third party sale</li> </ul> <p>Where parts of the land are sold the calculation would be adjusted on an appropriate pro-rata unit basis.</p> <p>The payment calculation will be on the basis of an un-serviced land value of the sale parcel to be shared equally between Countryside and the Landowners.</p> <p>Countryside will draw down the Countryside Parcel within three years from Satisfactory Planning Permission. The Parcel will be subject to an automatic extension in the event the Price is not agreed and has been referred to an Independent Expert. There will be a Long Stop Date of 4 years from Satisfactory Planning Permission subject always to the Countryside Parcel being drawn down within 3 years from the date of the first acquisition (whether by Bloor or Countryside).</p>
<p><b>11. Bloor Parcel(s)</b></p>	<p>It is anticipated that Bloor will acquire the Bloor Parcel(s) from the Landowners at an agreed percentage of Market Value.</p> <p>If Bloor do not exercise their option within an agreed period the Landowners may opt to dispose of all or part of that land to Heaver Homes Ltd which will deliver the requisite dwellings, subject to the delivery being pursuant to and not prejudicing Countryside's Outline Planning Permission.</p> <p>Any parcel(s) not acquired by Bloor or sold to Heaver Homes Ltd will be taken to the market with Countryside obligated to service the parcel in accordance with the Phasing and Disposals Plan. If a sale does not exchange within an agreed period, Countryside can elect to acquire the parcel(s) at</p>

	<p>100% of Market Value to ensure continuity of development (the Market Value of the parcel(s) acquired will be have regard to the value of the previous Countryside parcel(s)). This sale and / or purchase by Countryside shall complete within 3 years of Countryside’s first land acquisition of the Property.</p> <p>The Landowners may appoint a selling agent to advise on the draw down of the respective Countryside and Bloor land parcels over the Property.</p> <p>A reasonable Project Management Fee will be charged by Countryside in relation to any parcel that has been serviced but not drawn down by Countryside. This Project Management Fee will reflect competitive rates in the marketplace at that time up to a cap of 6% of that parcel’s pro-rata share (x/1300 or subsequent increase in residential units) of infrastructure costs across the Tangmere SDL.</p> <p><b>NB RICS Market Value definition to be referenced as defined by the Royal Institution of Chartered Surveyors – Global Standards (28 November 2019) and Valuation of Development Property 1st edition October 2019 (Guidance note, Global) or any replacement.</b></p>
<p><b>12. Tangmere Corner</b></p>	<p>Tangmere Corner will be serviced by Countryside and the Landowners will dispose of it as . a relatively freestanding plot capable for coming forward for development within 30 months of Countryside's implementation on site, subject to extension for force majeure.</p> <p>No Project Management Fee will be charged by Countryside in relation to Tangmere Corner.</p> <p>In accordance with Countryside’s outline planning permission, the number of units at Tangmere Corner will be restricted to up to 18 under the outline planning permission. Any subsequent new planning application prepared by the Landowners in respect of Tangmere Corner must not prejudice Countryside’s Outline Planning Permission, Section 106 Agreement, delivery of site wide infrastructure or any Reserved Matters Approvals secured pursuant to Countryside’s Outline Consent. Countryside also reserves the right to access Tangmere Corner for the purposes of carrying out any surveys or technical investigations required.</p> <p>Countryside will be responsible for fully servicing Tangmere Corner to the boundary, including permanent and construction access.</p>
<p><b>13. S106 / CIL / Infrastructure</b></p>	<p>Countryside will use reasonable endeavours to maximise the value of the scheme and minimise the obligations and costs when negotiating the s106 agreement/CIL liability. The Landowners will enter into the s106 agreement (in respect of both the Property and Tangmere Corner) as reasonably required to enable Satisfactory Planning Permission.</p>

	<p>Countryside will indemnify the Landowners against all s106 / CIL liability where they implement a liability on the Landowners.</p> <p>Where land is subsequently drawn down by Bloor Homes or becomes a market sale parcel then the liability will be indemnified by the purchaser.</p> <p>All costs relating to site-wide strategic infrastructure / s106 / CIL will be equalised across the Tangmere SDL and apportioned to each parcel on a pro-rata gross acreage basis. As Countryside will be servicing the Bloor Parcels and Tangmere Corner, those servicing costs attributed to those parcels as set out in the Phasing and Disposals Plan will be taken into account in the calculation of the Price for the Countryside Parcel.</p> <p>Chichester District Council ("<b>the Council</b>") do have an adopted CIL charging schedule, however Countryside will use commercially reasonable endeavours to achieve zero-rated CIL for Tangmere SDL, in line with the objective to minimise costs and maximise value.</p>
<p><b>14. CPO</b></p>	<p>Upon entering into the agreement:</p> <ul style="list-style-type: none"> <li>• Countryside and the Council will undertake not to execute any confirmed CPO or compulsorily acquire any of the Property and Tangmere Corner. The Council will also be required to provide an undertaking to this effect (<b>NB the Council will be the Acquiring Authority. The Landowners require direct privity of contract with the Council – they will not be reliant upon an undertaking from Countryside. This is a standard approach.</b> Such an undertaking would be conditional upon: (1) the Landowners complying with the terms of the Agreement; (2) should any unknown interests arise the Council can exercise their CPO powers; and (3) it will not otherwise prejudice or fetter the Council’s discretion in exercise of its functions as a Local Authority.</li> <li>• The Landowners will agree not to object to any CPO, subject to the CPO not being in conflict with any of the terms of the agreement.</li> </ul>
<p><b>15. Balancing Payment</b></p>	<p>Where the Countryside option to acquire is exercised in advance of an open market land sale within the Tangmere SDL, a balancing payment will apply, whereby should the average sale price of the individual residential units be greater than the average sale price evidenced to determine the negotiation of the sale price then the following calculation will be applied to determine a further payment to the Seller:</p> <p>Sales receipts above this level will be split 50:50 between Countryside and the Landowners.</p> <p>. The calculation will determine any true increase in sales receipts and will allow for the appropriate BCIS indexation and any increase in S106/CIL costs, from a baseline figure fixed to the date of the parcel sale. The balancing payment will be payable on the sale of the final residential unit or three months from the practical completion of the final unit. A valuation</p>



	assessment will be applied [3] years from completion from the purchase date to determine the increase in the GDV in the event that the two trigger events have not occurred.
<b>16. Professional Fees</b>	<p>An undertaking will be provided to meet the Landowners' reasonable legal, and surveyor fees, as follows:</p> <ol style="list-style-type: none"> <li>1. A contribution of £80,000 (plus VAT) towards the Landowners' costs accrued to date from the appointment of Countryside as the Development Partner of The Council. This will be paid upon exchange of the Agreement.</li> <li>2. Costs anticipated in negotiating the proposed Hybrid Option Agreement with a cap of up to £60,000 (plus VAT). This sum will be increased if both parties agree to do so, acting reasonably. Both parties will work towards exchanging the agreement at the earliest opportunity. Countryside will undertake to cover these costs through staged undertakings, where reasonably and properly incurred, irrespective as to whether or not the agreement is exchanged other than in the event that the Landowner seeks a material departure to these HoTs, or fails to progress the transaction, or withdraws unilaterally</li> <li>3. The Landowners' reasonable justified and evidenced monitoring costs for Planning, and other development consultants as required, capped at £3,000 plus VAT per quarter.</li> <li>4. For the avoidance of doubt, the costs related to this clause will be included as deductible costs under the Agreement but outside of the planning promotion cost cap.</li> </ol>
<b>Vacant Possession</b>	Prior to Countryside's Implementation of works on the Property, the Landowner will ensure Vacant Possession of both the Property and the land known as Tangmere Corner, as defined within Clause 4 of these Heads of Terms.

<b>17. Landowner's Solicitors</b>	<p>Henry Moss, Partner          Ashurst LLP          Fruit &amp; Wool Exchange          1 Duval Square          London E1 6PW          Tel: 020 7859 2767  <a href="mailto:Henry.Moss@ashurst.com">Henry.Moss@ashurst.com</a></p>
<b>18. Developer's Solicitors</b>	<p>Dave Kerr, Partner          Osborne Clarke LLP          One London Wall,          London, EC2Y 5EB          Tel: 020 7105 7402  <a href="mailto:dave.kerr@osborneclarke.com">dave.kerr@osborneclarke.com</a></p>
<b>19. Conditionality</b>	<p>The agreement is Subject to Contract and Countryside Board Approval; and will be conditional upon:</p> <ol style="list-style-type: none"> <li>1. Either a Compulsory Purchase Order being confirmed, and / or contracts having been exchanged on all other land interests within the Tangmere SDL;</li> <li>2. The simultaneous exchange of a Deed of Variation between the Landowners and Bloor. Prior to exchange, the two agreements (being; i) the Deed of Variation between Bloor and the Landowner; and ii) the agreement between Countryside and the Landowners) will be shared between Countryside and Bloor to ensure compatibility, save for confidential commercial terms being redacted.</li> <li>3. Countryside will confirm to the Landowners the variations they are seeking to the Bloor Option Agreement to ensure its compatibility with Countryside's Option Agreement as soon as possible and no later than 10 working days from agreeing Heads of Terms with Bloor;</li> <li>4. As required, any part of the Strips being transferred to the Landowners simultaneous to any completion by Countryside or Bloor; and</li> <li>5. As required, the Landowners to sign a S106 agreement in respect of the Property and Tangmere Corner.</li> <li>6. Prior to any completion by Countryside of the acquisition of the CS East Ltd and CS South Ltd interests (combined known as the 'Strips'), the Landowners will be obligated to procure the release</li> </ol>

	of the associated restrictive covenants benefitting Herbert George Heaver and Shelagh Heaver.
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**Landowners**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Developer**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Additional Headings

<b>Parent Company Guarantee</b>
<b>Non Assignment</b>
<b>Non competition</b>
<b>VAT</b>
<b>Tax suspension</b>
<b>Access for Farming activity; and crop compensation</b>

**APPENDIX MB2:** Heads of Terms issued by  
Matthew Bodley – 30 July 2021

## Subject to Contract

### Heaver Land, Tangmere

#### Heads of Terms

1	<b>Landowners</b>	Bosham Limited and Shopwyke Limited of 22 Chancery Lane, London WC2A 1LS; and CS South Limited and CS East Limited of New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire SO53 3LG
2	<b>Council</b>	Chichester District Council
3	<b>Developer</b>	Countryside Properties (UK) Ltd
4	<b>Property</b>	The freehold land identified as plot 16 in the CPO measuring approximately 55.22 acres.
5	<b>Tangmere Corner</b>	The freehold land identified as plots 2, 3 and 4 in the CPO measuring approximately 2.9 acres.
6	<b>Control Strips</b>	The freehold strips of land identified as plots 15 and 17 in the CPO and measuring 1,028m <sup>2</sup> and 292m <sup>2</sup> respectively.
7	<b>Bloor Option</b>	The Promotion and Option Agreement between: (1) Mr and Mrs H G Heaver; (2) Bloor Homes Limited; and (3) Bloor Holdings Limited dated 21 December 2012.
8	<b>TSDL</b>	The Tangmere Strategic Development Location
9	<b>CPO</b>	The Chichester District Council (Tangmere) Compulsory Purchase Order 2020
10	<b>Compensation Code</b>	The body of statute and case law and the established practices for the assessment, payment and determination of compensation for compulsory acquisition of land and rights, including the Land Compensation Acts of 1961 and 1973, the Compulsory Purchase Act 1965, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Planning Act 2008, the Housing and Planning Act 2016 and the Neighbourhood Planning Act 2017, in each case as amended from time to time.
11	<b>Land Consideration</b>	A sum to be agreed or determined for the acquisition of the Property and the Control Strips in accordance with the Compensation Code subject to the Minimum Land Price. The Land Consideration will include an appropriate sum in respect of ransom for the provision of access to the land to the south of the Property and the Control Strips. In no circumstances will the Land Consideration be less than the Minimum Land Price.
12	<b>Determination of Land Consideration</b>	In the absence of agreement either party may refer the assessment of the Land Consideration to the Upper Tribunal (Lands Chamber) for determination at any time following service of a Trigger Notice, pursuant to section 1(5) of the Lands Tribunal Act 1949. The standard statutory limitation period of six years from the Transfer Date will apply to any reference to the Upper Tribunal (Lands Chamber).
13	<b>Basic Loss Payment</b>	£75,000 per interest (x 3 making a total of £225,000)
14	<b>Minimum Land Price</b>	£30,000,000 (thirty million pounds)

## Subject to Contract

<b>15</b>	<b>Valuation Date</b>	The Transfer Date
<b>16</b>	<b>Transfer Date</b>	The date that the Property and the Control Strips transfer from the Landowners to the Council in accordance with the arrangements under the “ <b>Agreement</b> ” as described below.
<b>17</b>	<b>Agreement</b>	<p>The Agreement will be in the form of a put and call option to be triggered by the service of a “<b>Trigger Notice</b>”. The Trigger Notice can be served either by the Council serving notice on the Landowners or the Landowners serving notice on the Council. A notice period of three months will apply in both cases. The Trigger Notice can be served at any time following confirmation of the CPO. The requirement for the CPO to be confirmed can be waived by the Council. Three months from the date of service of the Trigger Notice the following events will occur:</p> <ul style="list-style-type: none"> <li>• Transfer of the Property from the Landowners to the Council.</li> <li>• Transfer of the Control Strips from the Landowners to the Council.</li> <li>• Payment of the Land Consideration by the Council to the Landowners. In the event that the Land Consideration has not been agreed by the Transfer Date the Council will pay the Minimum Land Price. The balance of the Land Consideration will be payable on agreement between the parties or determination by the Lands Chamber.</li> <li>• Payment of a Basic Loss Payment in respect of the Property and each of the two Control Strips (i.e. three payments making a total of £225,000) from the Council to the Landowners.</li> </ul> <p>The Council will acquire the Property subject to the Bloor Option. The Landowners will be under no obligations with regard to the Bloor Option.</p>
<b>18</b>	<b>Dealings with Tangmere Corner</b>	Tangmere Corner is excluded from the Property to be transferred by the Landowners to the Council, and the Council undertakes not to acquire Tangmere Corner pursuant to the CPO. The Landowners will, however, enter into a Section 106 Agreement in respect of Tangmere Corner. The Developer will be obligated to fully service Tangmere Corner to the boundary, including permanent and construction access, subject to payment of a reasonable Project Management Fee. The Project Management Fee will reflect competitive rates in the market place at that time subject to a cap of 6% of Tangmere Corner’s pro-rata share of 1,300 units (or any subsequent increase of residential units at the TSDL) of infrastructure across the TSDL.
<b>19</b>	<b>Longstop Date</b>	30 June 2025. If the Trigger Notice has not been served by the Longstop Date the Agreement can be terminated by either party.
<b>20</b>	<b>Exchange and Completion</b>	As soon as reasonably practicable.
<b>21</b>	<b>Deposit</b>	Non-refundable deposit of £300,000 payable on exchange of the Agreement which will be deductible from the Land Consideration payable on agreement or determination of the Land Consideration.

**Subject to Contract**

22	<b>Non use of CPO Powers and Objection</b>	<p>The Council will undertake not to exercise the CPO over the Property, Tangmere Corner and the Control Strips. This undertaking will be conditional upon: (1) the Landowners complying with the terms of the Agreement; (2) should any unknown interests arise the Council can exercise their CPO powers against the unknown interests; and (3) it will not otherwise prejudice or fetter the Council's discretion in exercise of its functions as a Local Authority.</p> <p>The Landowners agree to withdraw their objections to the CPO and not to challenge the confirmation of the CPO (s23 ALA 1981), subject to the confirmed CPO not being in conflict with any of the terms of the Agreement.</p>
23	<b>Professional Fees</b>	<p>The Council (or at their election the Developer) will pay the Landowners' reasonable professional fees (details to be confirmed) on exchange of the Agreement.</p>
24	<b>VAT</b>	<p>All sums referred to in these Heads of Terms (and in the subsequent Agreement) exclude VAT which will be payable in addition where applicable.</p>
25	<b>Landowners' Surveyor</b>	<p>Matthew Bodley          Matthew Bodley Consulting Limited          5th Floor, St George's House          15 Hanover Square          London          W1S 1HS</p> <p>Email: <a href="mailto:matthew@matthewbodleyconsulting.com">matthew@matthewbodleyconsulting.com</a>          Mobile: 07814 545287</p>
26	<b>Landowners' Solicitor</b>	<p>Henry Moss, Partner          Ashurst LLP          Fruit and Wool Exchange          1 Duval Square          London          E1 6PW</p> <p>Email: <a href="mailto:henry.moss@ashurst.com">henry.moss@ashurst.com</a>          Tel: 020 7859 2767</p>
27	<b>Council's Surveyor</b>	TBC
28	<b>Council's Solicitor</b>	TBC

Matthew Bodley  
 For and on behalf of Matthew Bodley Consulting Ltd

30 July 2021