

Statement of Common Ground in relation to Financial Viability Matters (Construction Cost Estimate)

De Paul House, 628-634 Commercial Road, London E14 7HS (the "Appeal Site")

Prepared by Mr Neville Onan-Read of Robinson Low Francis LLP on behalf of the London Borough of Tower Hamlets ("the Council")

And

Ms Zoe Rines of 3-Sphere on behalf of Wayview Limited ("the Appellant")

Date: 24 November 2020

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1.0 Introduction

- 1.1 This document is prepared in respect of an Appeal (App/E5900/W/20/3250665) lodged by Wayview Limited (“the Appellant”) in respect of the refusal of a planning application LPA ref. PA/19/00804. The Appeal is made under Section 78 of the Town and Country Planning Act 1980.
- 1.2 The planning application (ref. PA/19/00804) was for a proposed development to provide:
“Demolition of existing building and erection of a building of seven storeys, inclusive of two set back floors, plus a lower ground floor to provide 109 rooms for short-term hostel and HMO accommodation”.
- 1.3 This statement of Common Ground focusses on the Construction Cost Estimate for the proposed development and has been prepared to identify areas of agreement and disagreement. The statement has been prepared by Ms Zoe Rines of 3-Sphere and Mr Neville Onan-Read of Robinson Low Francis LLP acting for the Appellant and the Council respectively.

2.0 Background to Financial Viability - Construction Cost Estimate Review

- 2.1 Rapleys Financial Viability Assessment dated 3 December 2019 included Cost Plan Version 1 dated 25 November 2019 prepared by cost consultant 3-Sphere for Interland Group which we understand is the parent company for the Appellant Wayview Limited. The Cost Plan, excluding design fees, amounted to £14,505,100.
- 2.2 Robinson Low Francis (“RLF”) carried out a Viability Cost Review of the Cost Plan and submitted findings in its report dated 27 July 2020.
- 2.3 Between 23 September and 7 October 2020 3-Sphere and RLF exchanged information which resulted in RLF setting a final position of £13,400,401 against 3-Sphere’s sum of £14,252,284; a difference of £851,883.

3.0 Areas of Agreement

- 3.1 We include a schedule of agreed cost elements in Appendix A.

4.0 Areas of Disagreement

- 4.1 We include a schedule of disagreed cost elements in Appendix B.

5.0 Declaration

5.1 The above matters have been agreed by the Appellant's Cost Consultant 3-Sphere and London Borough of Tower Hamlets Cost Consultant Robinson Low Francis

Signed on behalf of the Appellant

Signed on behalf of the Council



Zoe Rines

Neville Onan-Read

3-Sphere on behalf of
Wayview Limited

Robinson Low Francis LLP on behalf of
London Borough of Tower Hamlets

Date: 25.11.2020

Date: 25 November 2020

Appendix A – Agreed Cost Elements

	Element	3-Sphere	RLF
2	Major Demolition Works	413,000	413,000
3A	Frame	422,510	422,510
3B	Upper Floors	614,560	614,560
3D	Stairs and Ramps	140,000	140,000
3F	Windows and External Doors	487,550	487,550
3G	Internal Walls and Partitions	465,780	465,780
4A	Wall Finishes	338,939	338,939
4B	Floor Finishes	353,754	353,754
4C	Ceiling Finishes	248,515	248,515
1	Fittings, Furnishings and Equipment	549,500	549,500
6A	Overhead and Profit	229,050	229,050
6B	Design Risk & Contingencies	128,538	128,538
6C	Water Installations	179,953	179,953
6H	Fire & Lightning Installations	162,296	162,296
6I	Communication Installations	221,706	221,706
7B	Drainage	29,315	29,315
	Agreed Sums	4,984,966	4,984,966

Appendix B – Disagreed Cost Elements

	Element	3-Sphere	RLF
1	Substructure	1,669,300	1,670,800
3C	Roof	373,825	360,070
3E	External Walls	809,805	785,500
3H	Internal Doors	319,600	297,800
6D	Space Heating & Cooling	405,421	233,944
6E	Ventilation	471,750	492,680
6F	Electrical Installations	1,018,978	785,350
6G	Lift and Conveyor Installations	310,000	280,000
7A	Siteworks	87,500	134,900
7C	Services	150,000	80,000
08	Preliminaries	1,877,246	1,933,884
09	Overhead and Profit	861,448	722,394
10	Design Risk & Contingencies	912,445	638,114
	Disagreed Sums	9,267,318	8,415,435