Heads of Terms
Development Agreement
Brimscombe Port, Thrupp

Parties
1. Stroud District Council (SDC)
2. Developer (selected pursuant to the Competitive Dialogue process)

Interested parties
3. SVCC – Stroud Valleys Canal Company, canal owner and operator
4. Homes England (HE) – funding partner
5. LGA/Cabinet office – One Public Estate Land Release Funding partners

1. The Project

SDC intends to select a Developer capable of delivering a profitable and sustainable, new residential led, mixed use community that meets the needs of both existing and future residents and which brings the canal, and the wider site back into vibrant use.

2. Objectives

To select a skilled, visionary Developer to successfully redevelop this brownfield site. The Project will be delivered by means of a contractual development agreement (**"DA"**). Prospective Developers will be required to mark-up this document in principle and submit the mark-up to SDC in accordance with the published bid timetable. The mark-up of the DA will be considered as part of the award criteria.

The DA will require the Developer to remediate, decontaminate, provide new infrastructure and construct a new mixed development community in accordance with a pre-set timetable. SDC has, at its own cost, undertaken the pre-development demolition works. The further obligations to be taken on by SDC are set out in detail at paragraph 6 below.

SDC requires the Brimscombe Port development offer submitted by a Developer to include the following key deliverables as set out in the Council's **Output Specification** in the Procurement Portal:

1 (a) Reinstatement of the canal and associated infrastructure including the port basin, canal lock, winding hole, fresh water source (water abstraction licence and design to be completed by SDC), craning area, the towpath, site remediation and flood alleviation within the site and a short section of the canal channel excavated adjacent to the site and within SVCC's ownership.

(b) Provision will be made for canal moorings. The Developer will provide not less than 24 moorings, split between; 8 residential and 16 permanent and/or visitor classes of mooring. Not less than 8 of the 24 moorings will be finger moorings located in the basin with mooring rings and bollards. The detailed specification will follow, but the Developer is to include lighting, electricity/potable water/foul water in its specification provided for review (but these services are not necessarily delivered direct to each individual mooring). Facilities for conveniences and showering / disposal of waste water (black waste pump-out and chemical toilet cassette

emptying) and refuse disposal for moorings, as well as a Seabin are also to be provided on site, in an easily accessible location of the Developer's discretion.

(c) A water supply and drainage will also be provided to the Salt Warehouse which will be transferred to SVCC.

2 Provision of a high density mix of residential units that will address the current overall housing need for the District which is predominantly for 1, 2, and 3 bedroom dwellings, with 30% affordable and provision of planning compliant car parking. The affordable unit mix and sizing is as specified in the Output Specification provided in the Procurement Portal. The Shared Ownership and the Affordable Rent units will be transferred to SDC or to a Registered Provider (which Registered Provider is yet to be defined). Costings for both tenures shall be included in the disclosed Developer financial model.

3 Design of a new community space, will be required to be submitted as part of the planning application, whilst the construction of this is not expected to be included within the development scope. To confirm, the costs associated with the construction of the community facilities do not form part of the tender.

Further information is detailed in the Output Specification and at point 20 below.

4 Provision of commercial/retail units/offices to provide a 'mixed use' element.

5 New site access/egress points.

6 Public realm for residents and visitors. Play areas and landscaping to be delivered by the Developer. Also a bat house (already present) is to be retained and incorporated into the site in a wildlife area and is incorporated in Atkins' GA drawings.

7 Provision of a craning facility (as part of the canal infrastructure design) for a mobile crane, being a tarmacked/paved area that would be public space when not in use for purpose, built for heavy goods use. To be in the specific area opposite the main entrance and which forms part of Atkins' infrastructure design managed as part of the public spaces.

Building for a Healthy Life and Building with Nature will be the criteria against which proposals will be assessed.

3. The site

Brimscombe Port, Thrupp comprising approximately 10 acres with the site being edged red on the attached **Site Plan**. The land for development by the Developer is within the red outline and unshaded (white). The Developer will be granted land interests in the site in accordance with paragraph 19 (below).

4. Delivery

The Developer will be responsible for and fund (subject to paragraph 15 below) any remaining demolition, site clearance, remediation, planning, design, construction, development, property sales, site management in order to enable delivery of the project.

The Developer and SDC will be committed to working in an open and innovative manner to successfully achieve the project objectives

5. Developer obligations:
These are principally:

a) To lead on community and key stakeholder engagement and consultation
b) To obtain planning permission and funding for the main development
c) To construct the key infrastructure and development
d) To market and sell the residential and commercial elements
e) To offer the management and maintenance responsibilities for the public spaces, structures, play spaces and parking on site of the development to the Parish Council. If the Parish Council does not wish to take on such responsibilities, to consider alternative methods of securing their long-term management and maintenance, including the use of a management company.
f) To deliver social value (including sustainability) as part of the development
g) To ensure compliance with the conditions and milestones of the Council's funding agreements

6. Council's obligations:
The Council will:

a) Provide or arrange the funding set out at paragraph 15 below
b) Provide vacant possession of the site (excludes the Port Mill)
c) Use reasonable endeavours to secure an agreement with the Parish Council or other accountable body for the funding of the construction and fitting out and for the ownership of the community facilities
d) In its capacity as Landowner, support the Developer with community engagement and consultation
e) Comply with the terms of the funding agreements

7. Development Finance
The Developer will maintain a Project Expenditure Account (PEA) which records the scheme income and costs. The Developer must on reasonable request give copies of invoices or certificates to verify the PEA's accuracy.

8. Sale Proceeds
Proceeds from residential or commercial disposals will be credited to the PEA and first used to reimburse the Developer's development costs (and Developer profit). This will be encapsulated through a Cash Management Agreement.

9. Development Costs
Costs of development are debits to the PEA and include all expenditure incurred in the reconstruction such as:

Surveys, investigations, fees for legal - planning - consultants - advisers - highways, stamp duty, irrecoverable VAT, insurance, site preparation, highways, remediation, drainage, landscaping, s104 s106, s278 and s38 obligations, contingencies, architects,

engineers, agents, interest, site management, security, insurances, contractors, materials.

10. Council costs
SDC is not expecting monetary receipts for its investment of land and capital funding contributed at the outset.

11. Developer project management fees
Developers are required to show any proposed developer project management fees in their financial modelling, along with payment dates. If it is a percentage cost, then the relevant percentage must be stated and the detailed method or computation set out along with the payment dates.

12. Developer profit
This is to be determined through the competitive dialogue process and final bids. Land values will be assessed by reference to anticipated market values having deducted estimated development costs assembled in RICS based development appraisals.

13. Development surplus
If the Developer achieves its projected income levels as set out in the site development appraisals, it will share additional income over and above this threshold with SDC in a 50:50 SDC: Developer proportion.

14. Risks
Development risks will be the Developer's responsibility.

15. Public Investment/Funding
The council has secured funding for the scheme from Homes England (£2m) and the Government's Land Release Fund (£776k). The council will also commit a further £750k to the project (Total £3.526m).

16. Planning
The Council has procured the design of the infrastructure on the site and achieved planning permission - S.19/1502/FUL and S.19/1503/LBC.

The Developer shall obtain a satisfactory planning permission for the main development site, this will be subject to review before submission by the South West Design Review Panel and subject to approval of the council as landowner and Homes England as funder.

Satisfactory planning permission is achieved where the permission allows the project to proceed in the manner set out in the contract with no materially onerous conditions, where an onerous condition would cost the Developer any more than 10% of the projected development costs of any of the proposed works.

17. Infrastructure Works Contract
the Developer shall provide collateral warranties to SVCC for the infrastructure works undertaken upon completion.

18. Building contracts and sub-contracts

i. The Developer will appoint all necessary contractors. SDC will have the right to approve any contracts covering any part of the Project in which it is invested e.g. the canal infrastructure.

ii. Usual collateral warranties for the aspects of the Project which are being developed for the Council will be provided by the main contractor and any sub-contractors with any design responsibility prior to PC sign off. SDC may appoint a monitoring surveyor.

19. Land transfers

i. Brimscombe Port Mill and The Salt Warehouse (Listed Buildings)

Brimscombe Port Mill does not form part of the redevelopment. Parking for the building will have to be maintained throughout the redevelopment and parking lost due to the reinstatement of the canal and basin will need to be replaced by the Developer. The Developer shall, within the site, provide temporary parking to the current provision and at the end of the development provide the same level of parking capacity within the development.

The Salt Warehouse does not form part of the redevelopment and will be transferred to SVCC once the site is redeveloped or, if not required by SVCC, retained by the council.

ii. Development

(i) The Development parcels shown white on the attached Site Plan and the wildlife area will transfer to the Developer. SDC will grant long leasehold interests to the Developer's nominated entity with the freehold interest of the residential houses transferred to such entity upon PC.

(ii) Prior to land transfers, the Developer shall enter into a building licence for the site (to enable them access to undertake the works) which will be terminable upon breach.

(iii) The last circa 25% of the private for sale units (and any to let space) cannot be disposed of for money or monies worth until the Canal Works have reached PC. If the developer can produce a guarantee or deposit or retention, then this will be considered.

iii. Canal infrastructure

(i) The land designated for the canal and basin and associated infrastructure will be transferred to SVCC prior to the commencement of the canal works. A licence will then be entered into between SVCC and the developer in respect of access to carry out the canal works. The works are to be built to a contract mechanism - i.e. Subject to Paragraph 15 above, the Developer is responsible for undertaking and meeting the additional cost of the canal infrastructure specification and on PC of these works will provide a usual warranty package to SVCC.

20. Community Facilities

The design of the new community space shall provide a building with a minimum footprint of 300 m^2. It is currently envisaged that this will be provided on the 'island' next to the Salt Warehouse on the Port, an alternative central location around the basin may be considered

Organisations/groups will be sought to fund, provide, own and manage these community facilities, by the council.

21. Public Realm Requirements
The developer will offer the management and maintenance responsibilities for the public spaces, structures, play spaces and parking on site of the development to the Parish Council. If the Parish Council does not wish to take on such responsibilities, to consider alternative methods of securing their long-term management and maintenance, including the use of a management company.

SVCC will be responsible for the canal towpath and completed canal and the Developer is to ensure that the remaining space and access roads are adopted.

Also surface water discharge consents, or any other suitable mechanisms from the site, will be utilised where possible to contribute to SVCC towards the costs of maintaining the restored canal and basin.

Milestones and Longstop Date

Activity	Milestone Date
Development Agreement completed	August 2027
River/canal/new access road infrastructure can start	August 2027
Prep. of detailed planning application for development	August 2027 – Jan 2028
South West Design Review Panel submission	Nov 2027
Pre-app consultation	Sept to Nov 2027
Public consultation on planning application	Dec 2027/ Jan 2028
Submission of detailed planning application	Feb 2028
Planning approval for site	Nov 2028
JR period	Feb 2029
Mobilisation, construction and completion of development	May 2029 to Jan 2034
Longstop for completion of the development	Dec 2035

The Long Stop date for completion of the development is the 31 December 2035

22. Bond
Developer is required to provide these, and shall include proposals in their bid documents.

23. Insurance
Developer to insure from site entry.

24. Guarantees
Where DevCo is a shelf company, the Developer shall set out what guarantees it is offering to support the project's delivery.