

South Kilburn Regeneration Progress Update

Executive Report

11th November 2013

Appendix 9

Peel: Heads of Terms

The agreement between the London Borough of Brent and the selected Delivery Partner will take the form of a Development Agreement under which the Delivery Partner will be obliged to carry out the Scheme in accordance with the Council's requirements, as listed below:

- The Delivery Partner will be required to submit a Reserved Matters application and secure approval for all reserved matters (save in relation to the affordable block and Health Centre).
- The Delivery Partner will be required to demolish the existing structures on Peel and build out the Scheme to a high quality.
- The Delivery Partner will be required to ensure the delivery of a block of 36 affordable homes at the Council's Target Rents, with South Kilburn tenancies and affording the Council 15 years' nomination as the first Phase of development.
- The Delivery Partner will be required to deliver a Health Centre of approximately 2,380 sq m (25,600 sq ft) to a high quality.
- The Delivery Partner will be required to deliver approximately 200 market units (this assumption is subject to agreement with the GLA and further viability and market testing).
- The Delivery Partner is expected to work in partnership with the Council to deliver the redevelopment of Peel.
- The Development Agreement will provide for the grant of a 250 year lease of Peel to the Delivery Partner following the satisfaction of all reserved matters approvals. The Delivery Partner will then be required to build out the scheme. The Council will have the ability to buy back the lease where the Deliver Partner defaults on its obligations. The Delivery Partner will be required to take planning cost and full sales risk for delivery of the scheme.

Proposed Structure with Development Partner

The agreement with the Health Centre Provider will take the form of an Agreement for Lease and Lease. The Lease will be granted by the Developer once the Developer has achieved Practical Completion of the Health Centre. There will be restrictions in the Lease to the Developer relating to the rent that can be charged by the Health Care Provider in relation to the three identified GP practices to ensure the rents accord with the district valuers rents and with NHS requirements.