

Appendix 1

Draft Heads of Terms for the sale of the three sites in Podsmead

HEADS OF TERMS

Regeneration at Podsmead Estate, Podsmead, Gloucester

("the Regeneration")

1 Parties

Gloucester City Council ("Land Owner")
Gloucester City Homes ("Developer")

2 Agreement between the Land Owner and the Developer

- 2.1 The Land Owner and the Developer agree to enter into an agreement by 31st March 2024 to transfer the land shown edged red on the attached plan to the Developer for £1 in consideration of the Developer agreeing to deliver 177 affordable units, new retail space, new parks and related public realm as part of the wider regeneration of the Podsmead Estate as outlined in the Master Plan. The agreement will be conditional on the following:
- (a) the Developer obtaining satisfactory outline planning permission covering the whole estate;
 - (b) planning application to include detailed phasing plan of residential development, open space, retail and community hub, a delivery timetable, number of homes & tenure in each phase and decant programme based upon local housing need in line with the approved housing need assessment & rehousing strategy.
 - (c) the Land Owner obtaining a release of a restrictive covenant registered in favour of Gloucester Schools Trust, Gloucester City Homes to reimburse all GUS & Gloucester City Homes reasonable costs;
 - (d) restricted covenant to be agreed to restrict inappropriate commercial use of land released by Gloucester City Council such as, bookmakers, fast food outlet.
 - (e) grant funding being made available to the Developer by Homes England; and
 - (f) the Land Owner giving vacant possession of the land.
 - (g) Gloucester City Homes to reimburse all Gloucester City Council reasonable legal costs
- 2.2 Subject to the planning strategy being agreed by the Land Owner and the Developer by 31 January 2024 the Developer shall submit an application for planning with the local planning authority on or before 31 March 2024.
- 2.3 The Land Owner and the Developer agree that the Developer shall bring forward new affordable homes on land transferred to GCH and that the Regeneration will not create a net loss position of affordable homes throughout the delivery of the Master Plan
- 2.4 The Developer agrees with the Land Owner to use all reasonable endeavours to deliver the units as referred to at paragraph 2.1 above within [5] years of the date of the implementation of the planning permission.
- 2.5 Save for reductions in numbers brought about by the planning process, The Developer will agree to a penalty provision of a lump sum payment per home not delivered or per home

converted to Open Market. The amount of the lump sum to be agreed subject to obtaining independent valuation advice.

- 2.6 The Developer agrees to take on the ownership and management of all new public open space as outlined in the Master Plan in perpetuity.
- 2.7 The Developer will use all reasonable endeavours to invest in its remaining stock in Podsmead to ensure all Developer owned units achieve an 'EPC C rating' on completion of the scheme.
- 2.8 The parties agree to act reasonably and in good faith when negotiating the full land and development agreement.

Signed:
For and on behalf of Gloucester City Council

Signed:
For and on behalf of Gloucester City Homes Limited