

Shiraz Sheikh

From: Andy Walker **Sent:** Thu 18/03/2010 14:47
To: Shiraz Sheikh
Cc:
Subject: Re: Priory Project - Risk sharing agreement
Attachments:

Hi Shiraz
 I'm still waiting on an answer from KPMG but will now chase up.
 Will be in contact.
 Thanks
 Andy


From: Shiraz Sheikh
To: Andy Walker
Sent: Thu Mar 18 14:10:08 2010
Subject: RE: Priory Project - Risk sharing agreement

Hi Andy,
 I am wondering if you had an update for me on this please?


Shiraz

Shiraz Sheikh  **Solicitor (Corporate Services)**

Projects, Procurement, Contracts and Education

 Legal & Electoral Services, West Berkshire Council, Market Street, Newbury RG14 5LD

 01635 519456 (external)  2456 (internal)  (01635) 519431

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From: Shiraz Sheikh
Sent: 03 March 2010 13:18
To: Andy Walker
Cc: Leigh Hogan; David Holling
Subject: RE: Priory Project - Risk sharing agreement

Forgot to attach the agreement which is now attached. Sorry.

From: Shiraz Sheikh
Sent: 03 March 2010 13:17
To: Andy Walker
Cc: Leigh Hogan; David Holling
Subject: Priory Project - Risk sharing agreement

Andy,

This is just to confirm our telephone conversation on the above.

Priory Project is based in Hungerford. It is Sovereign Housing Association's (SHA) project; they own the land and want to build on it. SHA are planning to develop two buildings on this site. One for sheltered housing and the other for extra care housing. The Council will be contributing £1m to the project. The Council will be receiving nomination rights on the extra care housing.

June Graves team, with Cllr Mooney on board, have discussed entering into a risk sharing agreement with SHA. Under the terms of the agreement the Council is to pay 70%, representing an agreed proportion, towards the costs of SHA in the event that: a) SHA's application for outline or detailed planning is refused by the Council's planning committee, or b) if such planning consent is granted but imposes unacceptable planning conditions on the SHA, or c) where the costs deficit per dwelling to the SHA exceeds £80,000, or d) where SHA fails to secure funding for the project either from SHA, the Council or the Housing and Communities Agency or all of them and e) where Council fails to continue to support the project.


The costs include the pre construction agreement costs to the builder of up to £250,000, Legal Fees (no upper limit agreed as yet), SHA agent's fees (no upper limit agreed as yet), and planning consultants fees (no upper limit agreed as yet).

As discussed, you will kindly run this past our external auditors for a view and let me have comments by the end of this week. In case you need to refer to the agreement, it is attached to this email. I have not amended it. In the event that it is acceptable I will need to amend it to balance it and minimise risk to the Council.

Kind regards
Shiraz

Shiraz Sheikh  **Solicitor (Corporate Services)**

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