

DECISION NO:	<i>For Member Services use only</i>
---------------------	-------------------------------------

Concurrence No:	066479
-----------------	--------

Action under delegated authority of Chief Executive	
Action under delegated authority of Director of Finance and Cabinet Member for Finance	
Action taken by Chief Executive in consultation with Cabinet Member(s)	X

Subject: Brookfield collaboration agreement with Hertfordshire County Council

Signature and designation of officer(s) taking action:

Chief Executive	<u>20.07.2021</u> Date	Director of Finance	<u>20.07.2021</u> Date
		Head of Finance	<u>29/07/21</u> Date

Name of Cabinet Member(s) Consulted:	I have been consulted and concur with the proposals set out below:
---	--

26/07/2021

Councillor Lewis Cocking
Leader of the Council

Signature: _____ Date: _____

Councillor Paul Mason
Cabinet Member for Finance and Business Services

Signature: _____ Date: 21/07/2021

Name of any member who has declared a conflict of interest in relation to this decision: _____

THIS DOCUMENT WILL BE PUBLISHED ON THE COUNCIL'S WEBSITE

The report overleaf sets out the decision to be taken, the reasons for the decision, and the details of alternative options, if any, considered and rejected. Officer decisions are available for public inspection, both at the Borough Offices and on the Council's website.

Officer decisions are kept for a period of six years at the Borough Offices and for six months on the website after the decision is made. Background papers are available for four years.

RECOMMENDED that: the collaboration agreement with Hertfordshire County Council relating to the Brookfield project is entered into.

Purpose

To enter into a Partnership (Collaboration) with Hertfordshire County Council (HCC) for the Brookfield Project.

For members information appendix A and B relate to this item.

The Proposal

At its meeting of 9 April 2019 Cabinet resolved that a partnership agreement between the Council and HCC be entered into, based on the outline proposals set out in the report and that the Chief Executive be authorised to agree the final version of the agreement in consultation with the Leader of the Council and the Cabinet Member for Finance.

The partnership agreement, known as the Collaboration Agreement, has been jointly produced by both council and their respective legal advisors.

A legal summary report is at appendix A and the final version of the agreement is provided in full at appendix B.

The major features of the agreement are:

- Brookfield Garden Village will continue to be dealt with on the basis of equal shares of both income and costs
- Income and costs for Brookfield Riverside will be dealt on the basis of 75:25 share Broxbourne:HCC
- A governance structure has been established which sets out responsibilities, voting rights and dispute procedures, and includes a Joint Members' Board comprising an equal number of representatives from both councils
- The agreement is to last for 15 years, unless determined otherwise by agreement between both parties
- The agreement sets out pre-emption rights should either council wish to withdraw
- Any appointments of external consultants will be made jointly.

Financial, Legal and Risk Management Implications

To date, both councils have been funding everything equally. Now that the shares in Riverside have been agreed as being 75:25 in Broxbourne's favour, the agreement provides for a refund payment to HCC for its overpayment of fees paid thus far. The actual final figure is yet to be calculated but it is expected to be in the region of £250,000 for which provision has been made in the Brookfield budget for this financial year. These fees relate primarily to fees and costs associated with the procurement process to appoint Sovereign Centros, the negotiation of the development agreement and general legal and property advice.

The collaboration agreement sets out the framework for the councils to set up joint venture (JV) partnerships as and when required for both Riverside and Garden Village with the shares in those companies following the same proportions as set out above. In

respect of Riverside the JV will be required so that the single JV entity can grant the lease to Sovereign Centros. All necessary land will be transferred into the JV at the appropriate time.

The 75:25 split in relation to Riverside is based on the current share of land area which will be included in the lease to be granted to Sovereign Centros. Any land acquired subsequent to this agreement will also be dealt with on the basis of a 75:25 share. The agreement at Appendix B contains a plan showing the current land ownerships and areas.

The only exception to this is if overage becomes payable in respect of Riverside. In these circumstances, overage will be shared on a 50:50 basis.

Alternative Options Considered and Rejected

The councils could continue with an informal arrangement. However, such an arrangement would lead to uncertainty over commitment and decision making which in turn would be of significant concern to the councils' development partner.

Contribution to the Council's Objectives and Environmental Sustainability Priorities

The development of Brookfield is one of the Council's primary economic development objectives both within the Corporate Plan and the Local Plan.

Conclusion

The Collaboration Agreement is an essential part of bringing forward the Brookfield development over the forthcoming years and provides a platform for both councils to work together to achieve this development. The agreement should therefore be entered into.

Contact Officer: Kevin
Clark

Ext:5541

Date 20 July
2021

Action reported to the Cabinet on:
