

DRAFT

HEADS OF TERMS

BETWEEN

THE CAMBRIDGE PRESERVATION SOCIETY (THE LESSOR) OF WANDLEBURY RING, GOG MAGOG HILLS, BABRAHAM, CAMBRIDGE, CB22 3AE

AND

THE ENVIRONMENT AGENCY (THE LESSEE) C/O SMITHS GORE, 190 HIGH STREET, NEWMARKET, CB8 9WJ

**SUBJECT TO CONTRACT
WITHOUT PREJUDICE**

The Lessor is the freehold owner of land at Coton, known as St Catherine's Hall Farm. The Environment Agency are proposing the construction of earthworks on part of the farm in order to provide a Flood Alleviation Scheme for land at Gough Way, Newnham in Cambridge.

The Lessor has agreed to enter into a Lease (peppercorn rent equivalent) with the Lessee on the following basis:-

1. The Lessee will construct and maintain embankments, sluices, boundary safety fencing, vegetation cover, access/maintenance track and access gates and retain adequate public rights of way and farm track to the areas outlined in red on the attached plan 1, to a specification and design to be agreed with the Lessor.
2. The Lessee will construct a pond and wetland area in the area outlined in blue on plan 1 in accordance with detailed plans to be approved by the Lessor, on the understanding they will continue to maintain its structures (such as inlets, outlets and silt traps) for a defects liability period prior to handing it over to the Lessor.
3. Compensation to be paid by the Lessee to the Lessor will be as follows:-
 - a) For the land outlined in red, yellow and blue (wetland area) on the attached plan. This land will be offered for no consideration in exchange for environmental work as detailed in these Heads of Terms.
 - b) For the land required for flooding in accordance with the Lessee's schedule - £80,983.
 - c) For compensation to Tenant for land loss (outlined in red and yellow on the attached plan) - £5,700.
4. The area upstream from the embankments, which will be subject to flooding on occasions, will not form part of the Lease and will remain with the Lessor and their agricultural tenant.
5. In the event that the flood frequency is greater than that proposed by the Environment Agency, the Lessor will reserve the right to additional compensation.
6. The above claim includes for the Lessor to negotiate with their Tenant to reach a financial settlement in connection with the reduced rental value of the land which will be retained as part of the flood alleviation scheme.

7. The Lessor and Lessee will agree to fund a planting scheme on a 50/50 basis over the area in accordance with plans to be agreed between the parties (suggested full ground preparation by the Lessee; landscape design, consultancy work, plant material and planting works to be carried out by the Lessor).
8. The Lessee will be responsible for all the Lessor's costs associated with the negotiations, to include those of their tenant. The Lessee will also be responsible for any crop loss associated with the work.
9. The Lessee will be responsible for arranging (and funding if necessary) the diversion of the water pipe in accordance with plan 2 attached to these Heads of Terms in accordance with a diversion route to be agreed with the Lessor, and compensation and associated costs to be payable to the Lessor.
10. Prior to the commencement of any works the Lessee will be required to carryout a survey of the land which will potentially be flooded and to create a new comprehensive drainage scheme across this area to facilitate drainage in general, and in particularly in the event of flood.
11. Access arrangements for construction and future maintenance by Lessee to be agreed.
12. In the event that the scheme is delayed beyond 1st January 2008, the Lessor reserves the right to reconsider the compensation payable.
13. Additional costs to be funded by the Lessor will include:-
 - a) Cambridge Preservation Society Ranger and Office Teams – landscape design - £2,500
 - b) Wetland area – plant material and plant labour - £15,000.

SIGNED:
for and on behalf of the Environment Agency

DATED:

SIGNED:
for and on behalf of the Cambridge Preservation Society

DATED: