

Schedule of Terms and Conditions
Land at Blackwell – Disposal to a new JV Company

Background

1. Subject to Cabinet approval, it is proposed that a planning application would be submitted for residential development on site 403 and for the restoration of the parkland surrounding Blackwell Grange Hotel, as shown on the plans at **Appendix 1**.
2. Principle heads of terms can be finalised once the planning application has been through the planning process and costs relating to the development identified. Tendered costs for the parkland will also need to be obtained as it is proposed that the parkland restoration is funded from the sale of the land.

SALE HEADS OF TERMS	
Buyer	The new JV company when established, subject to a further Cabinet approval
Seller	Darlington Borough Council
Property	Land At Blackwell, site 403
Completion Date	The date that all the Conditions have been either satisfied or waived (where permitted)
Purchase Price	To be agreed
Conditionality	Completion is to be conditional upon: a) Planning consent being obtained, and b) Funding
s.106 Obligations/Payments	In order to secure the grant of planning, DBC (as landowner) will need to commit (by way of cabinet resolution) to be responsible for all the s.106 planning obligations relating to the whole site. On this basis the contract may require that: (a) On exchange the Buyer will enter into a s.111 Agreement with the Local Planning Authority annexing the agreed form of s.106 Agreement which will be entered on completion
Reports/Warranties/Letters of Reliance	Warranties for the works undertaken by the Buyer to be provided to the Council
Description of Buyer's Works , the Parkland Restoration Works	The Buyer's Works to be detailed in the Contract of sale

Long Term Maintenance of the Parkland	The parties to make arrangements for the future management of the parkland
Management and maintenance of site 403	It is proposed that a levy arrangement would be applied with appointment of a management company
Seller	Darlington Borough Council
Buyer	A JV company (ESH and Darlington Borough Council)
Restrictive Covenants	It is proposed that site 403 would be developed for circa 44 dwellings – subject to planning.
Rights for Services	To be agreed
Overage Beneficiary	Darlington Borough Council
Overage Terms	To be agreed (b) the calculation of overage payment (c) the duration of the agreement (d) the restrictions on disposals
Thresholds	Overage Thresholds to be agreed.
Provisions	Charge over Land to protect the Council's position.

3. A further report will be submitted to Cabinet with the proposed sale price and seeking approval to establish a new Joint Venture company with Homes by ESH to undertake the parkland restoration and development of site 403. This is subject to the viability of the proposals.