

## HEADS OF TERMS

This heads of terms is between:

Cornhill Parish Council (CPC)

(address)

and

Cornhill Community Action Ltd (CCA Ltd)

(address).

### **Background.**

- CPC intends to negotiate a Community Asset Transfer (CAT) with Northumberland County Council (NCC) of the former First School site within the village of Cornhill on Tweed (address).
- CPC intends to develop the site for the economic, social and environmental benefit of the community.
- The residents of the parish have been consulted about the nature of the development, and CPC will use its best endeavours to develop the site in accordance with the preferences expressed.
- CPC intends to outsource the development and ongoing management of the site (either in its entirety or just the Village Green element, dependent on the outcome of the CAT process), in order to:
  - manage the potential unlimited liability of parish councillors;
  - maximise the range and number of funding sources available for this development; and
  - bring more members of the community into the work of developing the site, i.e. to attract people who may not wish to be parish councillors, but wish to work on the site project.
- Therefore, CPC has decided to outsource the development and management of the site to CCA Ltd a company limited by guarantee. The directors and subscribers of the company are locals who are willing to work for the health and well-being of the community. The company started with three such people but others will be identified and asked to join.
- The primary purpose of CCA Ltd is to be the vehicle for the execution of decisions taken by CPC with regard to the development of the school site.
- The secondary purpose of CCA Ltd is to be the umbrella organisation under which community volunteers lead community activities including but not limited to the actions led by the established Cornhill Community Action Group.
- CCA Ltd will have no other purposes.
- CCA Ltd will not receive any remuneration from CPC or the community for this service.

### **Heads of terms.**

- The following heads of terms are not exhaustive but are intended to form the basis for negotiation of a formal written agreement.
- Pending completion of such an agreement, the principles set out in the heads of terms will apply.
- Both parties will negotiate the final written agreement in good faith, with a view to signing the agreement before the completion of the CAT between CPC and NCC.

### **Preconditions to the signing of the final agreement.**

- The negotiation of the CAT.
- The unanimous approval of all terms of the final agreement by the CPC members.
- The nature of the proposed agreement being made known to residents. The final decision as to the detail of any agreement rests with CPC, whose decision will be final.

**Basis of proposed agreement.**

- The obligations of CPC are:
  - to protect the interests of the community of the parish of Cornhill on Tweed;
  - as regards the development of the school site, CPC is obliged to ensure that:
    - it provides an economic, social and environmental benefit to the community;
    - is as close as it can be to the preferences expressed by the community, but not limited to this if such preferences are unachievable after reasonable effort has been made to achieve this;
  - to give a clear mandate to CCA Ltd in order to guide its activities, and to provide a means for evaluating whether it acts as required,
  - to require and receive bi-monthly reports on activity by CCA Ltd in time for consideration at formal CPC meetings, and for these reports to be critically reviewed and reported on in the CPC minutes;
- the obligations of CCA Ltd are:
  - to develop the site only within the parameters set by CPC;
  - to raise the funds necessary to do this;
  - to enter into contractual relationships with this purpose, only with the prior approval of CPC;
  - to operate its own bank account to record income and expenditure;
  - to produce and maintain accurate records of both an administrative and financial nature;
  - to report to CPC at each CPC meeting on current and proposed activities, and its current and forecast financial position.

**Costs.**

- CPC and CCA Ltd will each be responsible for its own costs related to the completion of the final agreement.

**Law.**

- These heads of terms and the final agreement are and will be subject to the laws of England and Wales, and the jurisdiction of the courts of England and Wales.

**Duration.**

- The heads of terms will govern the relationship between CPC and CCA Ltd until the formal agreement is signed.
- The final agreement will only be terminated by the resignation of CPC.

Signed: CPC  
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CCA LTD.  
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