

LAND AT RECTORY FARM (NORTH) YATTON

SUMMARY OF AND NOTE FOR INSPECTOR ON SECTION 106 AGREEMENT OBLIGATIONS

Introduction

- 1 This is a summary of the obligations contained in the Section 106 Agreement (the Agreement) between North Somerset District Council (the Council), Bridget Pratt and Judith Hodge (the First Owner) Oliver Cheslin Matthews (the Second Owner) and Persimmon Homes Limited (the Developer) in connection with planning application 23/P/0664/OUT for development of land at Rectory Farm (North) Yatton, North Somerset (the Land – see the Plan at Appendix 1 to the Agreement) for the erection of up to 190 dwellings, (including 50% affordable homes) to include flats and semi-detached, detached and terraced houses 0.13ha of land reserved for Class E uses, allotments, car parking, earthworks to facilitate sustainable drainage systems, orchards, open space comprising circa 70% of the gross area including children's play with a minimum of 1no. LEAP and 2no. LAPS, bio-diversity net gain of a minimum of 20% in habitat units and 40% in hedgerow units, and all other ancillary infrastructure and enabling works with means of access from Shiners Elms for consideration. All other matters (means of access from Chescombe Road, internal access, layout, appearance and landscaping) reserved for subsequent approval (the Development) which is to be determined on appeal.
- 2 Unless otherwise stated, terms used in this summary are as defined in the Agreement (see clause 1 of the Agreement and paragraph 1 of each Schedule).

Provision of Affordable Housing (First Schedule)

- 3 Not Less than 50% of the Dwellings are to be provided as Affordable Housing Units (see definition) 60% of the Affordable Housing Units are to be provided without Public Subsidy (Policy Affordable Housing Units) and the remaining 40% may use Public Subsidy. All are to be delivered in accordance with the Affordable Housing Plan and the Construction Requirements (see definition)
- 4 The Policy Affordable Housing Units are to be provided to the following mix (see Table 1 in paragraph 2.1 of the First Schedule to the Agreement):

77% social rent

Unit size/type	Number of Occupants	Percentage to be provided	Minimum Size
1 bed	2	20%	50m ²
2 bed flat	3	18%	61 m ²
2 bed house	4	23%	79m ²
3 bed house	5	31%	93m ²
4+ bed house	6+	8%	106 m ²

23% intermediate affordable housing (shared ownership):

Unit size/type	Number of Occupants	Percentage to be provided	Minimum Size
1 bed	2	13%	50m2
2 bed flat	3	21%	61 m2
2 bed house	4	25%	79m2
3 bed house	5	35%	93m2
4 + bed house	6+	6%	106 m2

5 The Shared Ownership Units of the Policy Affordable Housing Units shall be provided with a limit on the rental element of Shared Ownership Units to a maximum annual rent equivalent to one point five percent (1.5%) of the equity retained by the HARP (excluding reasonable Service Charges)

6 The Additional Affordable Housing Units shall all be provided as Shared Ownership Dwellings with a limit on the rental element of Shared Ownership Units to a maximum annual rent equivalent to two point seven five percent (2.75%) of the equity retained by the HARP (excluding reasonable Service Charges). The mix of housetypes is as follows:

Unit Size/Type	Number of Occupants	Percentage to be provided	Minimum Size
1 bed flat	2	13%	50m2
2 bed Flat	3	21%	61 m2
2 bed house	4	25%	79m2
3 bed house	5	35%	93m2
4+ bed house	6+	6%	106 m2

7 The Affordable Housing Plan is to be submitted for approval by the Council prior to Commencement of Development or on the submission of the first Reserved Matters Application (paragraph 2.3).

8 The Affordable Housing Units are to be seamlessly integrated and distributed throughout the Development in clusters of no more than 6 units (general needs) or 12 units (supported housing) (paragraph 2.3.1).

9 Subject to paragraph 7 of the First Schedule, from the date of Practical Completion, the Affordable Housing Units may only be used as Affordable Housing and in accordance with the tenure mix in Table 1 unless otherwise agreed in writing with the Council (paragraph 3).

10 The Affordable Housing restrictions in the First Schedule are not to apply to:

- those who have exercised their right to acquire, right to buy or who have purchased all of the equity in their Shared Ownership Unit (Tenant Purchaser) or their successors in title;
- mortgagees/chargees of a Tenant Purchaser; or
- any purchaser from a Tenant Purchaser or their mortgagee/chargee (paragraph 3).

- 11 No more than 35% of the Open Market Dwellings may be Occupied until at least 25% of the Affordable Housing Units have been constructed and the relevant Affordable Housing Land has been transferred to the HARP for the Transfer Price and is ready for immediate occupation (at least 60% of such Affordable Housing Units being Policy Affordable Housing Units) (paragraph 4.1).
- 12 No more than 60% of the Open Market Dwellings may be Occupied until at least 62.5% of the Affordable Housing Units have been constructed and the relevant Affordable Housing Land has been transferred to the HARP for the Transfer Price and is ready for immediate occupation (at least 60% of such Affordable Housing Units being Policy Affordable Housing Units) (paragraph 4.2).
- 13 No more than 85% of the Open Market Dwellings may be Occupied until 100% of the Affordable Housing Units have been constructed and the Affordable Housing Land has been transferred to the HARP for the Transfer Price and is ready for immediate occupation (paragraph 4.3).
- 14 Each HARP Transfer is to include:
- a grant of rights of access from the public highway to the Affordable Housing Units;
 - a grant of rights for the passage of Services through the Service Media on the Development up to and abutting the boundary to the Affordable Housing Land with those services to be connected to the mains;
 - as far as reasonably possible, the benefit of the same rights, covenants, obligations as are applicable to the Open Market Dwellings;(paragraph 4.2).
- 15 The Affordable Housing Units are to be subject to the following covenants ensuring that the HARP will:
- comply with the provisions of the Council's Nomination Policy for the letting of the Social Rented Units;
 - grant the Council the right to nominate Applicants from the Council's Register on all lettings of Social Rented Units;
 - only use the Affordable Housing Land for the provision of Affordable Housing Units and in accordance with the reasonable requirements of Homes England or as otherwise provided for in the Agreement;
 - not charge a rent with regards to the Social Rented Units which is more than the Target Rents unless otherwise agreed;
 - not charge a Service Charge of more than £550 per annum (index linked annually from the date of the Agreement) unless otherwise agreed in writing by the Council (paragraph 4.5).
- 16 With respect to the Shared Ownership Units, in the event that Staircasing occurs, any capital receipt received is to be used on other affordable housing schemes in North Somerset (paragraph 4.6). The HARP is also to ensure that: in the event of Staircasing, the Notional

Social Housing Grant Element is to be applied towards Affordable Housing schemes in North Somerset; and the initial tranche of equity transferred to a tenant of a Shared Ownership Unit is not to be more than 40% of the Open Market Value and the rental element is to be limited to a maximum annual rent equivalent to no more than 1.5% in the case of the Policy Affordable Housing Units and up to 2.75% in the case of the Additional Affordable Housing Units of the equity retained by the HARP (paragraph 4.7).

- 17 Where a tenant of a Shared Ownership Unit increases his equity share to 100% or a tenant of a Social Rented Unit exercises their right to buy or right to acquire, the restrictions in the First Schedule will no longer be binding on the relevant Affordable Housing Unit (paragraph 4.8).
- 18 Any Chargee who is seeking to dispose of an Affordable Housing Unit following a default under its mortgage is required to give the Council written notice of its intention and use reasonable endeavours to complete a transfer to another HARP or the Council.. If such disposal has not completed within 3 months of serving notice on the Council, the Chargee is able to dispose of the Affordable Housing Units free of the restrictions in the First Schedule. (Paragraph 5).

Public Open Space (Second Schedule)

- 19 The Open Space Land is as defined in the Agreement in Schedule 2 as including the following
 - a. The Allotments
 - b. The Community Park
 - c. The Ecology Area
 - d. The Orchard.
 - e. LEAP and LAPs
 - f. The SUDS
 - g. Such other areas as are identified and agreed to be Open Space between the Owner and the Council
- 20 There is provision to agree the detailed specification the Open Space including size type design layout and a timetable for carrying out the works (paragraph 2.1). The agreed Open Space Works are then be carried out as agreed and completed prior to the occupation of the 125th Dwelling
- 21 The Supervision Fee is to be paid to the Council within 30 Working Days from the date of receipt by the Owner of an invoice from the Council
- 22 Following satisfactory completion of the Open Space Works such 'Works are to be maintained for the duration of the Maintenance Period to the reasonable satisfaction of the SOS Manager, and made available to the public at no cost in perpetuity.
- 23 The Owner shall elect whether to transfer the Open Space to a Management Company or to the Council's Nominee.
- 24 If the Open Space is to be transferred to a Management Company there are provisions to agree an acceptable Management Company with the Council.

- 25 If the Open Space Land is to be transferred to the Council's nominee, the Owner is to pay a commuted sum and or such financial contribution as is required by the Council
- 26 There are then terms setting out the principal terms for the transfer to the Management Company (or Council's nominee)

Financial Contributions (Third Schedule)

- 27 The Owner agrees to pay to the Council the following Contributions (see the individual definitions and paragraphs 1.1 to 1.12 of the First Schedule):

Contribution	Amount	Trigger
The Strawberry Line Contribution to be used by the Council to improve the Strawberry Line	£44,000	prior to Commencement of Development
The CMF Contribution towards the cost of monitoring contributions	£1,048	prior to Commencement of Development
The Public Transport Improvements Contribution to be used by the Council for the improvement of bus stops and to increase the frequency of local bus services	£160,000	Prior to the occupation of the first Dwelling
The Traffic Calming Contribution towards the cost of traffic calming measures on Mendip Road	£5,500	prior to Commencement of Development
Sustainable Travel Contribution for the provision of travel information packs, public transport taster tickets and cycle vouchers to be spent provided to residents to encourage sustainable travel	£180 per Dwelling	Prior to the occupation of the first Dwelling
TRO Contribution required to deal with traffic management issues	£3,400	prior to Commencement of Development

The Lining Contribution towards the cost of lining improvements at local junctions	£2,200	Prior to the occupation of the first Dwelling
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- 28 The Education Transport Contribution being a figure (to be agreed) consisting or a portion for secondary school pupils and a portion for special educational needs pupils. This is to be paid in 5 equal instalments at the following triggers
- a. Prior to first occupation
 - b. Prior to 20% occupations
 - c. Prior to 40% occupations
 - d. Prior to 60% occupations
 - e. Prior to 80% occupations
- 29 If any sums due under the Agreement are paid late, the Owner is to pay interest at a rate of 4% above the base lending rate of the Bank of England from the date that the sum is due until the date that the sum is actually paid (clause 8.1).
- 30 If any of the Contributions fall to be paid more than 12 months from the date of the Agreement, the sum to be paid is to be increased to take account of inflation in accordance with the Retail Prices Index (All Items) (clause 8.2).

General

- 27 Clause 2 deals with the interpretation of the Agreement and clause 3 deals with its legal basis.
- 28 Unless where otherwise required and with the specific exception of paying the Council's costs associated with the Agreement, the obligations are also conditional upon the grant of Planning Permission and Commencement of Development. (Clause 4).
- 29 Other "general clauses" deal with payment of Vat, indexation and interest payment.
- 30 Clause 8 contains a dispute resolution procedures and clause 10 deals with "legal delivery" of the Agreement.
- 31 Clause 9 gives effect to the planning obligations as set out in the Schedules to the Agreement and include, in particular, covenants by the Owner
- 32 Clause 11 deals with the position of the Developer which consents to the terms of the agreement and agrees to be bound by its terms

Matters Remaining in Discussion

- 33 The Plan to be used as Plan 1 the issues being
- a. Whether to use a plan showing the Planning Application Boundary or the land ownership boundary
 - b. Whether to permit the exclusion of a narrow strip along the northern boundary of the site.
- 34 The amount (not the principle of) of the Education Transport Contribution
- 35 Certain title issues – such as confirmation of certain applications that have been made to Land Registry but not yet completed.

Clarke Willmott LLP

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