

Memo

To: JOHN MACHOLC – DEVELOPMENT CONTROL MANAGER
From: JOHN GORTON – LEGAL DEPARTMENT
Date: 07/05/2009
Re: SECTION 106 AGREEMENT – LAND AT PETRE HOUSE FARM, WHALLEY ROAD,
LANGHO (Planning Reference 3/2007/0555/P)

The Section 106 Agreement has now been completed and dated 7 May 2009. I enclose a copy of the Agreement for your information. The Original Agreement will be kept in the Councils Strong Room under reference no. 1631

DATED

7th day of May

2009

RIBBLE VALLEY BOROUGH COUNCIL

- and -

MANCHESTER METHODIST HOUSING ASSOCIATION LIMITED

A G R E E M E N T

Under Section 106 Town and Country Planning Act 1990

relating to land adjoining Petre House Farm,

Whalley Road, Langho, Lancashire BB6 6AB

Legal Services Manager

Ribble Valley Borough Council

Clitheroe

Ref JG

THIS AGREEMENT is made the Seventh day of May Two Thousand and Nine **BETWEEN RIBBLE VALLEY BOROUGH COUNCIL** of Council Offices Church Walk Clitheroe Lancashire BB7 2RA (hereinafter called "the Council") of the first part and **MANCHESTER METHODIST HOUSING ASSOCIATION LIMITED** (Industrial and Provident Society No. IP19564R) of Southern Gate, 729 Princess Road, Manchester M20 2LT (hereinafter called "the Association") of the other part_____

WHEREAS:

- (1) The Council is the Local Planning Authority for the purposes of the Town and Country Planning Act 1990 as amended ("the Act") for the Property shown edged red on the plan ("the Plan") annexed to this Agreement_____
- (2) The Association is the registered proprietor of the Freehold Estate of the Property known as Petre House Farm, Whalley Road, Langho, Lancashire, BB6 6AB (" the Property") which is registered with Absolute Title at HM Land Registry under Title Number LAN36551. _____
- (3) The Association on the First day of June Two Thousand and Seven applied to the Council for planning permission for the erection of 45 new build units ("the Proposed Development") more fully shown in the planning application allocated the Councils Planning Application Reference Number [3/2007/0555/P] ("the Application")
- (4) The Council is satisfied that the development is such as may be approved by it under the Act but subject to the Association entering into an agreement with the Council under the provisions of Section 106 of the Act of 1990 and Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 to which this agreement is made subject.

NOW THIS DEED WITNESSETH as follows: _____

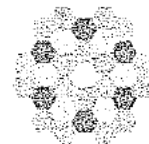
5. DEFINITIONS

- 5.1 In this Agreement the following words and expressions shall, unless the context otherwise requires have the meanings set opposite them:

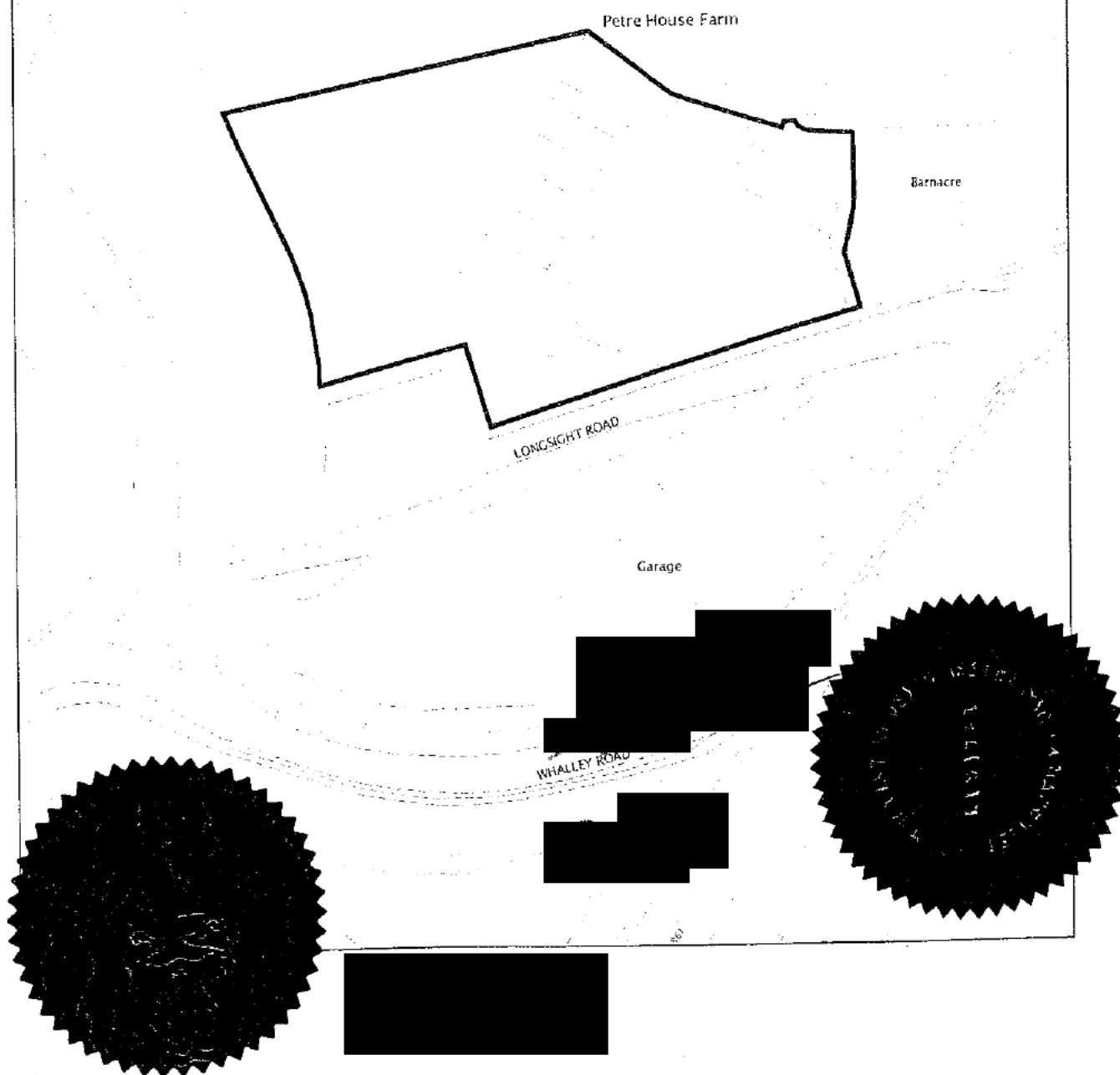
"Approved Person"	a person approved by the Council and or the Association under the provisions of this Agreement and who meets the criteria set out in 10 (v), (vi), (vii), (viii)
"Intermediate Rent"	80% of the Market Rent
"Homes and Communities Agency"	The National Housing and Regeneration Agency.
"Market Rent"	the rent set by an independent valuer appointed by the Association to establish a market rent for a unit on the Development.
"Plumlife Intermediate Rent Scheme"	the Rent to Homebuy Scheme run by the Association which allows for a potential shared ownership purchaser to rent a Unit for a maximum period of five years prior to purchasing the Unit under the New Build Homebuy scheme.
"Potential Purchaser"	An Approved Person who wishes to purchase a Unit.
"Rental Units"	12 two bedroom apartments available to rent at a rent calculated in accordance with the Government Guidance on Formula Rent as issued by the Office of the Deputy Prime Minister which governs rents to be charged by all Social landlords whether they be registered Social Landlords or Local Authorities.
"Sale Units"	33 Units which are Offered for sale in accordance with the provisions of Clause 10 (ii)
"Shared Ownership "Accommodation"	where a unit is owned part by the Association and part by an Approved Person
"Shared Ownership Lease"	a lease of a unit in shared ownership accommodation to an Approved Person
"Stair casing"	where an occupant of a shared ownership unit increases their percentage of equity in the property.

Land Registry Current title plan

Title number LAN36551
Ordnance Survey map reference SD7034NE
Scale 1:1250
Administrative area LANCASHIRE: RIBBLE
VALLEY



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This is a print of the view of the title plan obtained from Land Registry showing the state of the title plan on 07 April 2009 at 11:47:19
This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. See Land Registry Public Guide 19 - Title Plans and Boundaries
This title is dealt with by Land Registry, Fylde Office

"Final Stair casing"

where an occupant of a shared ownership unit purchases 100% of the unit removing the Housing Associations share in the unit.

"Unit"

a unit of property on the Development

INTERPRETATION

Unless the context otherwise requires references to statutory provisions include those statutory provisions as amended or enacted; and references to any gender includes all genders; and words denoting the singular shall include the plural and vice versa

- (6) **THIS** Agreement is conditional upon the granting by the Council of planning permission in respect of the Application for the Proposed Development.
- (7) **THE** Association hereby covenants with the Council pursuant to section 106 of the Act that the Property shall be subject to the obligations set out in clause 10 of this agreement and that the Association shall duly carry out and perform such obligations.
- (8) **THE** Association hereby covenants with the Council that the Property shall be permanently subject to each and every one of the restrictions regulating the development as are contained in this Agreement and the purpose and intent of such covenants and obligations shall be registered at HM Land Registry upon the Association's title relating to the Property being Title Number LAN36551_____
- (9) The Association hereby agrees to provide to the Council within 3 months of the date hereof an Official Copy of the Register as evidence that such registration has been completed_____
- (10) **THE** obligations referred to in the preceding clause are as follows:_____
- (i) Rental Units that will be allocated by 100% nomination arrangements on first let to an Approved Person nominated by the Council in accordance with the allocations policy of the Council and any subsequent lets to be on 50% nomination arrangements by the Council and 50% by the Association. All such rental units shall remain social rented units in perpetuity
 - (ii) - Sale Units

that on completion of the construction of the Proposed Development or as soon as possible thereafter the Association shall _____

- (a) ensure that the units are used for shared ownership accommodation to meet the objectives of the Association as established by the Housing Act 1996
- (b) shared ownership leases shall be granted to an Approved Person each such Approved Person shall use the Sale Unit as his own and only residence and shall not be permitted to sublet.
- (c) the rent level on the percentage equity retained by the Association under the Shared Ownership Lease shall be determined for the time being by the Home and Communities Agency and in the absence of such determination at a rent level comparable with rent levels set for similar comparable new build home buy in Clitheroe.
- (d) Intermediate Rent
Any Sale Unit of the property may be offered at 80% (eighty per cent) of the market rent for a maximum period of five years and shall be signed up to the Plumlife Intermediate Rent Scheme and adhering to the terms of that scheme.

(iii) - Minimum share

- (a) the Approved Person shall be required to purchase a minimum 30% (thirty per cent) equity share and will then have the option to purchase additional equity share(s) in increments of no less than 10% (ten per cent) up to a maximum of 100% ("Final Staircasing")

(iv) - Disposal

On each and every subsequent disposal of a Sale Unit after the first disposal the Association shall, before giving consent to a subsequent disposal obtain the councils approval PROVIDED THAT if the decision of the Council is not received by the Association within two weeks of the Associations request then the Association shall be free to decide whether to give consent to the

disposal. The Association will in such circumstances ensure that the disposal is to a person that falls within the criteria of an Approved Person contained in this Agreement. In the event of final staircasing the Seller must give to the Association the first opportunity to buy back the Unit at a price determined by an independent valuer.

(v) - Approved Person

In selecting an Approved Person the Council and the Association shall have regards to the following in order of priority:-

(a) First time buyers who can demonstrate a housing need requirement for the type of unit who are either _____

(i) living in Ribble Valley or

(ii) working in Ribble Valley or

(iii) who have lived in Ribble Valley for any five of the last ten years having left to find suitable accommodation elsewhere and who also have close family living in Ribble Valley

(iv) Persons moving to the Ribble Valley to offer support or receive support from a close family member who is living in the Ribble Valley.

(b) None first time buyers who can meet one of the qualification provisions set out in (a) above

(c) In the event that the Association is unable to dispose of any unit to an approved person because it is unable to find a person who meets the definition of approved person then the Association shall market the unit for a period of at least three months. If at the end of the period of three months in which a unit has been marketed no approved person has been identified then the Association may with the consent of the Council not to be unreasonably withheld dispose of the unit to a person who is not an approved person provided that best endeavours have been made to identify an approved person. The Council shall require evidence of three months marketing of the

unit before it will grant any such consent to a disposal to a person who does not meet the definition of approved person. _____

vi) - Eligibility criteria: financial

The Association will ensure that purchasers demonstrate that they _____

- (i) do not have sufficient income to purchase the same type of unit on the open market
- (ii) have a satisfactory credit history containing no County Court Judgements or Insolvency proceedings within the past six years credit history report _____
- (iii) have sufficient funds to cover the legal costs and disbursements involved in the purchase _____

vii) - Eligibility criteria: income

The Association will also

- (i) impose upper income brackets per household for purchasers of each Unit in accordance with Homes and Communities Agency regulations and guidance.
- (ii) ensure income levels are verified via wage slips/P60s _____

ensure local connection is established by reference to the electoral roll at a specific date in time.

(viii) - Eligibility criteria: local connection

- (i) verify local connection based on employment by way of references/confirmation of employment history confirmation of permanence of employment will be required from employer _____
- (ii) verify five out of last ten years connection by placing the onus on the approved person to provide suitable supporting evidence eg council tax records, electoral roll records _____

provided that should the Council and the Association be unable to nominate an Approved Person to any mortgagee of the Association (or the Associations successors in title or mortgagees of persons deriving title through the Association)(

who has exercised its power of sale under any mortgage or charge of the property or any unit comprising the property) within one month of a request by such mortgagee in possession. The mortgagee in possession shall then market the unit with a local estate agent for a period of twelve weeks and shall provide to the Council evidence of such marketing in the form of estate agent particulars of sale and newspaper advertisements showing the property for sale subject to the terms of this Agreement. If after a period of twelve weeks marketing of the property no eligible person has been found to purchase the property or unit. Then after the period of twelve weeks having provided evidence of such marketing to the Council the mortgagee in possession shall be free to sell the property or any unit comprising part of the property on the open market.

- (11) A person who is not a party to this agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms of this agreement

(12) Notices

Any notice or other communication given or made in accordance with this Agreement shall be in writing and may (in addition to any other effective mode of service) be sent by recorded delivery or registered post to the Strategic Housing Officer for the time being of the Council at the address of the Council shown on the first page of this agreement or at such other address as may from time to time have been notified to the sender as being the address for service of the relevant party for the purposes of this Agreement _____

(13) Records

The Association shall maintain records enabling them to supply to the Council (within four weeks of the Council's written request to do so) such information as the Council may reasonably require in connection with this agreement

- (14) **THE** expressions "the Council" and "the Association" shall include their respective successors in title and assigns and shall include any persons or mortgagees of such persons deriving title through or under the Association **PROVIDED THAT** no such person (including the parties hereto) shall be liable for any breaches occurring after

they have disposed of their interest in the Property or the relevant part or parts thereof_____

IN WITNESS whereof the Council and the Association have hereunto caused their respective Common Seals to be hereunto affixed and executed as a Deed the day and year first before written_____

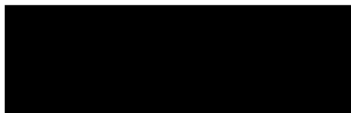
THE COMMON SEAL of RIBBLE VALLEY)

BOROUGH COUNCIL was hereunto affixed to)

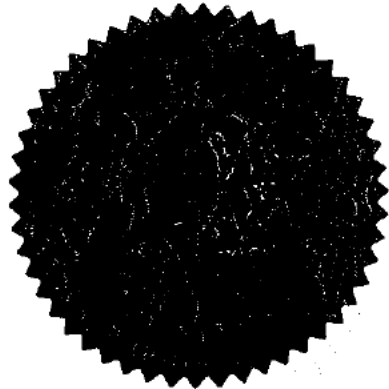
this Deed in the presence of:)



Mayor



Chief Executive

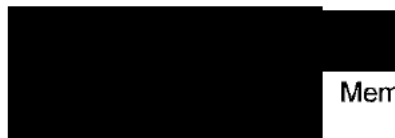


Seal No 996

THE COMMON SEAL of MANCHESTER METHODIST)

HOUSING ASSOCIATION LIMITED was hereunto)

affixed to this Deed in the presence of:)



Member

Secretary

