

Appendix A

**DRAFT HEADS OF TERMS**  
**Proposed Planning Obligation Agreement**  
**Section 106 Town and Country Planning Act 1990**

**Full Planning Application: 21/00916/FUL**

**Full application for the erection of 40 new affordable residential dwellings consisting of a mixture of 1-bed apartments and 2, 3 and 4-bed house types split across the development with associated infrastructure (road / parking / landscaping) at the former Worcester Swimming Pool and Fitness Centre site, Sansome Walk, Worcester, WR1 1NU**

1. All of the dwellings shall be used exclusively for the purposes of "Affordable Housing" as defined in the National Planning Policy Framework.
2. 30% the new dwelling units shall be Social Rent Housing and 55% shall be Affordable Rent Housing Units and managed by a Registered Provider, and these units shall not be occupied unless the City Council has previously given its written agreement to the terms on which they are to be let taking into account the Management Practices and Rent Setting Policies applicable to these units.
3. The remaining 15% of the units shall be Shared Ownership Affordable Housing Units, to be leased to a Purchaser in accordance with Homes England's model form of shared ownership lease and the rent charged (excluding any service charges) on the remainder share shall be no more than 3% (or such other percentage as may be permitted by Homes England from time to time) of the capital value of the remaining share to be purchased based on the sale price of the unit sold.
4. The Council to include within the Agreement the following provisions –
  - i) a mortgagee protection clause to the satisfaction of the Owner/Developer and their mortgagees providing that in the event of a Mortgagee exercising their power of sale a mortgagee and their successors in title will be able to dispose of the Affordable housing units free of the affordable housing provisions contained in the Section 106 Agreement provided the mortgagee shall first give written notice to the City Council of its intention to dispose of the Affordable Housing Units and shall have used reasonable endeavours over a period of 12 weeks / 3 calendar months from the date of the written notice to dispose of the Affordable Housing Units to another Registered Provider or to the City Council
  - ii) any tenant or lessee who exercises a statutory right to buy/right to acquire/right to shared ownership his/her Affordable Housing unit (and their successors in title) may purchase free of the affordable housing obligations contained in the Section 106 Agreement
  - iii) any shared ownership lessee of an Affordable housing unit who has staircased to 100% of the value of the unit (and their successors in title)

acquires the freehold interest in the unit free of the obligations contained in the Section 106 Agreement.

5. Prior to occupation of any part of the development the Developer shall pay to Worcestershire County Council an education contribution of **£49,926** to provide additional education facilities at Nunnery Wood High School, or towards providing a new secondary school to serve Worcester City.
6. In the event that the County Council does not for any reason expend or commit the expenditure of the said sums in paragraph 5 for the purposes specified in the Agreement within ten years of the date of receipt of the payment, the County Council shall repay to the developer the said sum or such part thereof which has not been used by the County Council
7. The Developer shall provide to the City Council either a solicitor's undertaking for the reasonable legal costs incurred by the City Council in connection with the preparation and completion of the Agreement or if no solicitor is instructed these fees must be paid direct to the City Council. These fees shall be payable prior to the commencement of any legal work and are payable whether or not the agreement completes.
8. The Developer shall provide to the County Council either a solicitor's undertaking for the reasonable legal costs incurred by the County Council in connection with the preparation and completion of the Agreement or if no solicitor is instructed these fees must be paid direct to the County Council. These fees shall be payable prior to the commencement of any legal work and are payable whether or not the agreement completes
9. The Developer covenants with the City Council to pay a Section 106 monitoring fee of **£650** to the City Council which shall be paid on or before completion of the Agreement. This fee will be to cover the cost relating to the administration and monitoring of the planning obligations.
10. The Developer covenants with the County Council to pay a Section 106 monitoring fee of **£490** to the County Council which shall be paid on or before completion of the Agreement. This fee will be to cover the cost relating to the administration and monitoring of the planning obligations
11. The Developer shall complete the Agreement within 6 months of the committee resolution, unless otherwise agreed by Development Services Manager; otherwise the application will be registered as deemed refused.