

## **ANNUAL SUM MAINTENANCE CHARGE**

**DAVID WILSON HOMES, LAGAN HOMES LIMITED AND LAGAN BIDDENHAM LIMITED SITES**

**PLEASE NOTE ALL PAYMENTS SHOULD BE MADE THROUGH BACS/CHAPS DUE TO STAFF CURRENTLY WORKING FROM HOME.**

The Council's bank details are the following:

Bedford Borough Council Receipt Suspense Account 62288849

National Westminster Bank 81 High Street Bedford MK40 1YN

Sort Code 60 02 13

Please quote the property address.

Because of the volume of payments received by the Council the cashiers will not automatically report receipts and will only do so if specifically asked on the day of receipt. Can you please ensure that firstly the reference is quoted and secondly that I am notified by e-mail when the funds are sent so that I can ask for a receipt confirmation.

### **Covenant Provisions relating to disposals**

The relevant covenant provisions are in one of the Schedules of the original transfer in these general terms:

1. **The seller must pay all arrears of Annual Sum and may not sell the property whilst there are arrears** unless the seller is a registered social landlord which is charging the property or is granting a tenancy of it
2. **The purchaser must enter into a deed of covenant with the Council** to observe and perform the covenants in one of the Schedules
3. **Notice must be served upon the Council** on the occasion of every sale, lease or other disposal (except a charge over the property of a registered social landlord or grant of a tenancy of that property) giving details of the new owner and/or chargee
4. **The Notice must be accompanied by a fee** of not less than £40 plus VAT
5. **Certificate of compliance.** In respect of certain properties, the Council must provide a certificate indicating that the covenant provisions have been complied with. Where the restriction refers to a certificate being given by a body other than Bedford Borough Council or the applicant or the applicant's solicitor, **the purchaser's solicitors will need to undertake to the Council to register an amendment to that restriction** in a form which has been approved by the developer and which will be provided by the Council. The amendment will provide for the certificate to be given by Bedford Borough Council, which will assist sellers and buyers going forward.

### Explanatory Note/Procedural Guide

1. Not all of the properties within the development have precisely the same provisions relating to the Annual Sum, according to which developer built the property and when. **To answer any queries in relation to a particular property, the Council will need to see a copy of the original transfer from the developer to the first purchaser.**
2. The Council commenced collection of the Annual Sum with effect from 1<sup>st</sup> April 2017. There are **no arrears of Annual Sum for any property prior to April 2017**. Further details are set out here <https://www.bedford.gov.uk/planning-and-building/major-planning-applications/great-denham/great-denham-and-west-of-kempston/>
3. The Annual Sum is expressed in the original transfer to be not less than £120 plus VAT, subject to indexation. It is the Council's current view that no VAT is chargeable by the Council on the Annual Sum. **The Annual Sum has now changed to £60 for the year 2024/2025.**
4. The Annual Sum for each year runs from 1<sup>st</sup> April – 31<sup>st</sup> March.
5. On enquiry, the Council will confirm the position regarding the payment of the Annual Sum in respect of any individual property at any time, but **the transfer provisions require that there are no arrears at the date of completion of any sale** and the Council will check that payments are up to date to enable the appropriate certificate to be provided at that stage.
6. **The annual sum is payable in advance.** Some owners will have paid the full amount in advance and some will have entered into direct debit arrangements. Please note that, if an owner is paying by direct debit, the payments may not be sufficient by the completion date to cover the whole of the £60, in which case the **seller must pay the balance of the £60 before completion**. Please note that the Council will not refund any part of the annual sum to the seller after completion and the seller and buyer should make appropriate arrangements between themselves to apportion the annual sum at completion.
7. **The notice fee is currently £74.15.** No VAT is payable on the notice fee.
8. The fee for the Deed of Covenant is currently £111.25. No VAT is payable on this fee.
9. The deed of covenant is in a standard form and a template accompanies this note. **Please use the form which has been supplied by the Council and return the original signed version for the attention of the Legal Department at Borough Hall, Cauldwell Street Bedford, MK42 9AP. Any other form will be rejected.**
10. The Council will manage and maintain all the formal and informal open space and play areas within the Biddenham Loop/West of Kempston development for which permission was originally granted to the developer. The Council will commence such management when the relevant areas are transferred to the Council.

11. The Council will insure the areas for which it is responsible in the same way that it insures all of the land that it owns.
12. The Council is aware that some original plot transfers refer to Resident or other Management Companies. The Council understands that these were formed to deal with private communal areas which can include matters such as shared driveways etc. **The Council is not responsible for these areas and purchasers should make their own enquiries** as regards any matters affecting those Companies.
13. The Council will answer specific enquiries in relation to the operation of the Annual Sum, but **will not complete preliminary enquiries or similar forms** sent by purchasers Solicitors. The details within this note should provide purchasers Solicitors with enough information. All information which a seller or purchaser will reasonably require will be detailed in the Procedural Guide or publicly available. A charge of £10.33 plus VAT per enquiry will be payable in dealing with enquiries which relate to matters additional to or not set out in the pack.
14. The Council will endeavour to respond to enquiries promptly, but cannot necessarily meet the commercial deadlines of third parties. **Please ensure that any matters that require the Council's attention are raised as early as possible in any transaction as applications are currently taking up to 4 weeks to process.**
15. **The Council will reject** any Deed of Covenants or Notices if they have not been drafted correctly.

**16. ON COMPLETION**

The purchasers' Solicitor should send to the Council the following:

- a. The **original deed of covenant** signed by the transferee
- b. A **notice of transfer/charge** signed by the transferee or his solicitor in duplicate
- c. **Payment of for the notice fee through BACS/CHAPS (£74.15 for a notice of transfer or assignment)**
- d. Payment for £111.25 made through BACS/CHAPS (in relation to the Deed of Covenant)
- e. An undertaking to submit an application to the Land Registry for the amendment of the restriction where that restriction requires a certificate of compliance from the developer or other third party

When all of the above documents have been supplied, the Council will supply the following:

- a. A **receipted notice of transfer/charge**
- b. **Where required, forms RX1 and RX3** for submission by the purchaser to vary the restriction (the purchaser may choose to submit such other forms are necessary to achieve the same end). The Council will add the information relating to the amendment but the purchaser's solicitor will need to check and complete the forms on behalf of the client before submitting

- to the Land Registry. **These forms WILL NOT be required** from the Council where the restriction allows the applicant for registration or their conveyancer to certify compliance.
- c. Certificate of compliance **IF** required. **A certificate WILL NOT be required** from the Council where the Restriction allows the applicant for registration or their conveyancer to certify compliance.
  - d. **Authority** from the developer to vary the restriction and permit the Council to give any certificate of compliance required

### **FREQUENTLY ASKED QUESTIONS**

#### **Where can I obtain copies of the Section 106 Agreements?**

Copies of the Section 106 Agreements can be found on the Bedford Borough Website:

<https://www.bedford.gov.uk/planning-and-building-control/planning-applications/section-106-agreements>

#### **Can you supply a copy of the last three year's maintenance charge?**

A copy of this is sent out with the invoices for the Annual Sum between February – March each year. If you no longer have a copy of this letter please request an additional copy via email.

#### **Do you require an undertaking for costs?**

We do not require an undertaking – the only costs that we receive are for the annual sum and the amount necessary for the notice fee which is detailed above.

#### **Can you complete an LEP1 form or any other similar form?**

As mentioned above we do not complete any forms other than partially filling in RX1 and RX3 forms. Any requests for this will be rejected.

#### **Does the annual sum include any levies?**

No the annual sum is currently at £60.00 which does not include VAT or any other charges.