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**REPORT TO THE MEETING OF THE EXECUTIVE 22 JULY 2021****PORTFOLIO: PLANNING****REPORT FROM ASSISTANT DIRECTOR, PLACE AND ENVIRONMENT****SUBJECT: SECTION 106 QUARTERLY BRIEFING: JULY 2021****1 DECISION BEING RECOMMENDED**

- 1.1 That the quarterly position on Section 106 contributions held at July 2021 be noted.

**2 REASON/S FOR RECOMMENDATION**

- 2.1 It is important that the Council routinely monitors its position with respect to Section 106 contributions to ensure that infrastructure associated with development can be delivered in a timely and effective way.

**3 SALIENT INFORMATION**

- 3.1 This note has been prepared for information purposes to summarise the Council's position on Section 106 contributions as at 1 July 2021.
- 3.2 This note only covers those contributions that are due to the Council and which are financial in nature. As a result, contributions due to other authorities (e.g. Essex County Council) or non-financial contributions (e.g. affordable housing) are not included. Essex County Council monitoring of Section 106 contributions can be found at [Planning advice and guidance: Guidance for developers - Essex County Council](#),
- 3.3 It should also be noted that whilst healthcare contributions are collected and monitored by the Council, they are ultimately passed to the NHS or local CCG for expenditure. Whilst this note does provide a current picture of the value and purpose of these healthcare contributions, the Council does not itself have final discretion over the timing or use of these funds.
- 3.4 As of July 2021, the Council holds unspent £277,121.62 for Council-led expenditure and £685,715.48 on behalf of the NHS. This is the same position as at April 2021 as no contributions have been received or spent in this quarter.
- 3.5 Some infrastructure milestones have been achieved in this quarter, however, including the opening of the new roundabout at Hambro Hill which will help to alleviate traffic associated from new developments in Hullbridge and West Rayleigh.
- 3.6 One new Section 106 agreement has been signed in this quarter, relating to a housing development at Land Rear of 3 to 45 Alexandra Road, Great

Wakering. This agreement secured contributions towards affordable housing (non-financial), education and habitats mitigation.

- 3.7 Table 1 below sets out the purpose, value and refund date of contributions currently held unspent for RDC-led expenditure. Similarly, Table 2 sets out the same information for NHS contributions.

Table 1: Developer Contributions Held by the Council for Council-Led Expenditure

<u>Development Location</u>	<u>Detail</u>	<u>Total Financial Value Held but Not Spent (£)</u>	<u>Date to be spent by</u>
<b>190 London Road, Rayleigh</b>	Rochford District Council Community Facility contribution. To be used on the development of community facilities near the site.	<b><u>20,000.00</u></b>	Indefinite
<b>Land at Thorpe Road, Rectory Road and Clements Hall Way, Hawkwell.</b>	Improvement of Sports Facilities in Hawkwell to be spent on at least two of the following:- 1. Levelling and improving the drainage of 2 football pitches at Clements Hall 2. Providing a new floor surface at the Clements Hall Sports Centre 3. Providing a 3G surface for the multi-use games area at Clements Hall.	<b><u>93,378.21</u></b>	No End Date
<b>Star Lane Brickworks, Star Lane, Great Wakering</b>	Community Facilities contribution (for a multi-use games area) to be paid to RDC on occupation of first dwelling. Money to be held for the provision of a multi-use games area in Gt Wakering. Any unexpanded balance to be returned to Taylor Wimpey after the 15th Anniversary of the payment.	<b><u>25,000.00</u></b>	11/11/2031
<b>90 Main Road, Hawkwell</b>	A sum of £37,000 to be paid to RDC towards its Affordable Housing Policy. This will be paid upon occupation of the first dwelling.	<b><u>38,743.41</u></b>	28/09/2028
<b>Saxon Business Park, Rochford</b>	The owner will pay towards a cycleway between Cherry Orchard Way and Hall Road. The Owner, RDC and ECC shall use reasonable endeavours to negotiate with relevant landowners to deliver the cycleway improvements within 5 years	<b><u>100,000.00</u></b>	01/09/2021

Table 2: Developer Contributions Held by the Council for NHS Expenditure

<u>Development Location</u>	<u>Detail</u>	<u>Total Value of NHS Contribution Held but Not Spent (£)</u>	<u>Date to be spent by</u>
<b>190 London Road, Rayleigh</b>	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project.	<b><u>71,015.13</u></b>	10/08/2030
<b>Star Lane Brickworks, Star Lane, Great Wakering</b>	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project.	<b><u>28,400.00</u></b>	11/11/2026
<b>Land south of High Street, Great Wakering</b>	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project. £70,978 - RPI added to payment of 6.632% (Indices 272.9 on July 2017 and 291.0 in Sep 2019)	<b><u>75685.59</u></b>	10/02/2030
<b>Land North of Hall Road, Rochford</b>	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project.	<b><u>427,635.76</u></b>	26/06/2028
<b>Pond Chase Nursery, Folly Lane, Hockley</b>	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project.	<b><u>23,040.00</u></b>	01/05/2028
<b>Three Acres, Canewdon</b>	Contribution will be made towards expansion of local doctors surgeries in respect of increased demand.	<b><u>13,248.00</u></b>	16/06/2027
<b>Birch Lodge, Canewdon</b>	A capital provision towards the healthcare facilities at either Greensward Surgery or the Ashingdon Medical Centre - occupation of first dwelling	<b><u>5,520.00</u></b>	03/10/2029

<u>Development Location</u>	<u>Detail</u>	<u>Total Value of NHS Contribution Held but Not Spent (£)</u>	<u>Date to be spent by</u>
<b>Land north of Hall Road, Rochford (Addendum)</b>	Healthcare contribution. Developer to pay RDC a Healthcare Uplift Contribution for the Primary Care Trust, which is to be paid prior to Occupation of the 501st Dwelling. To be paid plus or minus a sum to reflect increase or decrease of RPI	<b>12,789.00</b>	No date
<b>Bullwood Hall, Hockley</b>	Paid prior to commencement. This will contribute towards the addition, or improvement at the General Practitioners Church View Surgery with predominantly serves the district of Hockley (including the Jones Family Practice). Contribution must be paid to NHS within 3 months of receipt	<b>28,382.00</b>	Paid to NHS within 3 months of receipt - Unspent contribution (plus interest) must be returned to developer - after 10th anniversary of the date of receipt

3.8 Whilst the 'refund date' of the vast majority of these contributions is still several years away, there remains an imperative to continually monitor the funds within the Council's control to ensure that the purpose for which the contribution was collected is realised at the earliest opportunity.

3.9 It is recommended that the Executive receives quarterly reports in this format on the status of developer contributions held by the Council for both Council-led expenditure and NHS expenditure to allow for these contributions to be monitored and any necessary actions taken.

#### **4 ALTERNATIVE OPTIONS CONSIDERED**

4.1 This report is for noting and no decision is being made.

#### **5 RISK IMPLICATIONS**

5.1 Should Section 106 contributions not be spent within a prescribed period, the developer can, in many cases, request the funds be returned. It is therefore important that the Council routinely monitors Section 106 contributions to ensure infrastructure associated with new development is delivered effectively and timely.

#### **6 RESOURCE IMPLICATIONS**

6.1 The monitoring of Section 106 agreements is achieved within existing agreed budgets and resources.

**7 LEGAL IMPLICATIONS**

7.1 There are no legal implications arising out of this report for noting.

**8 EQUALITY AND DIVERSITY IMPLICATIONS**

8.1 An equality impact assessment has not been completed as no decision is being made.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

LT Lead Officer Signature: \_\_\_\_\_



**Assistant Director, Place and Environment**

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**Background Papers:-**

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.