
REPORT TO THE MEETING OF THE EXECUTIVE 9 NOVEMBER 2022**PORTFOLIO: STRATEGIC PLANNING****REPORT FROM DIRECTOR OF PLACE****SUBJECT: SECTION 106 QUARTERLY BRIEFING: OCTOBER 2022****1 DECISION BEING RECOMMENDED**

- 1.1 That the position on Section 106 contributions as at 1 October 2022 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 October 2022.
- 3.2 This note only covers planning obligations that are due to the Council and which are financial in nature. As a result, obligations due to other authorities (e.g. Essex County Council) or non financial obligations (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 health care 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 health care contributions, the Council does not itself have final discretion over the timing or use of these funds.

Summary of Financial Position

- 3.4 As of October 2022, the Council currently holds unspent £627,286.59 for RDC-led expenditure and £850,215.48 on behalf of the NHS.
- 3.5 As of October 2022, the Council anticipates receiving up to £1,828,150 for further RDC-led expenditure and up to £560,270.82 on behalf of NHS from currently signed Section 106 agreements. It should be noted, however, that around £730,000 in contributions due for RDC-led expenditure are 'clawback' clauses for affordable housing and are therefore not secure. Only £1,085,810 of the c.£1.8m can therefore be considered secured funding.

Summary of Changes Since Previous Update

- 3.6 Since the previous update, the Council has received £100,000 in relation to the Land West of Malyons Lane (Hullbridge) development for use towards cycleway improvements in the vicinity. The Council has also received c.£165,000 from the same development for use towards health care improvements in the vicinity.
- 3.7 Since the last update, a number of new Section 106 agreements have been signed. These include:-
- A Deed of Variation in relation to the Land North of London Road, Rayleigh development (planning application 20/00940/OUT);
 - A Section 106 agreement for the Land East of Ashingdon Road, Ashingdon development (planning application 20/00363/OUT);
 - A Section 106 agreement for the Civic Suite, Rayleigh development (planning application 21/01331/FUL); and
 - A Section 106 agreement for the 3-15 South Street, Rochford development (planning application 21/01241/FUL)
- 3.8 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.
- 3.9 The newly added Tables 3 and 4 summarise outstanding financial obligations within Section 106 agreements and the trigger point for their payment, including those newly signed.

Table 1: Developer Contributions Held by RDC for RDC-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>
190 London Road, Rayleigh	Rochford District Council Community Facility contribution. To be used on the development of community facilities near the site.	<u>20,000.00</u>	Indefinite
Land at Thorpe Road, Rectory Road and Clements Hall Way, Hawkwell.	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.	<u>93,378.21</u>	Indefinite
Star Lane Brickworks, Star Lane, Great Wakering	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.	<u>25,000.00</u>	11/11/2031
90 Main Road, Hawkwell	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.	<u>38,743.41</u>	28/09/2028
Saxon Business Park, Rochford	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.	<u>100,000.00</u>	Indefinite

<u>Development Location</u>	<u>Detail</u>	<u>Total Financial Value Held but Not Spent (£)</u>	<u>Date to be spent by</u>
Land west of Malyons Lane, Hullbridge	Improvement of sports facilities in Hullbridge by carrying out works to improve drainage at the Pooles Lane Playing Field - payment made before 50th dwelling AND Construction of multi-use games area or a skate park on land within the vicinity of the development site if the proposals approved under clause 3.2 include funding such facilities on a site secured for such purpose instead of the owner constructing such a facility itself	<u>250,164.97</u>	Indefinite
	Providing the proposed National Cycle Network Route 135	<u>100,000.00</u>	26/04/2032

Table 2: Developer Contributions Held by RDC 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>
190 London Road, Rayleigh	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project.	<u>71,015.13</u>	10/08/2030
Star Lane Brickworks, Star Lane, Great Waking	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project.	<u>28,400.00</u>	11/11/2026
Land south of High Street, Great Waking	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)	<u>75685.59</u>	10/02/2030
Land North of Hall Road, Rochford	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project.	<u>427,635.76</u>	26/06/2028

<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>
Pond Chase Nursery, Folly Lane, Hockley	Healthcare contribution. Money received on behalf NHS England. Monies held in a designated account until an invoice is received for provision of capital project.	<u>23,040.00</u>	01/05/2028
Three Acres, Canewdon	Contribution will be made towards expansion of local doctors surgeries in respect of increased demand.	<u>13,248.00</u>	16/06/2027
Birch Lodge, Canewdon	A capital provision towards the healthcare facilities at either Greensward Surgery or the Ashingdon Medical Centre - occupation of first dwelling	<u>5,520.00</u>	03/10/2029
Land north of Hall Road, Rochford (Addendum)	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	<u>12,789.00</u>	No date

<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>
Bullwood Hall, Hockley	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	<u>28,382.00</u>	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
Land west of Malyons Lane, Hullbridge	Healthcare contribution. Fund capital expenditure for the provision of primary healthcare facilities to serve the area in which the site is situated prior to the occupation of the first dwelling - no more than 100 dwellings before payment made	<u>164,500.00</u>	26/04/2032

Table 3: Summary of outstanding financial contributions for RDC-led expenditure

<u>Development Location</u>	<u>Detail</u>	<u>Total Value of Contribution Not Yet Received (£)</u>	<u>Trigger Point for Payment</u>
Land at Grange Vilas, Rayleigh	Community Facility contribution for overhaul and upgrade to Little Wheatleys Play Space.	<u>45,000.00</u>	Prior to First Occupation – In discussions to facilitate payment
Fairways Garden Centre, Rayleigh	“Clawback” payment to be utilised towards the provision of off-site Affordable Housing - payments should it be shown post-development that the development could have viably delivered affordable housing	<u>UP TO 663,429.00</u>	Retrospective assessment post-development – development not yet commenced
Land Rear of 12 to 26 Eastwood Road, Rayleigh	“Clawback” payment to be utilised towards the provision of off-site Affordable Housing - payments should it be shown post-development that the development could have viably delivered affordable housing	<u>UP TO 78,911.00</u>	Retrospective assessment post-development, expected 2025
Land North of London Road, Rayleigh	To fund off-site playing pitch (3G) provision in the vicinity	<u>820,250.00</u>	50,000 can be requested up until 5 years from permission date. 361,740 can be requested after permissions secured. A further 361,740 can be requested once construction has commenced and a final 46,770 can be requested once completed

<u>Development Location</u>	<u>Detail</u>	<u>Total Value of Contribution Not Yet Received (£)</u>	<u>Trigger Point for Payment</u>
	Off-site flooding mitigation contribution	<u>UP TO 200,000.00</u>	<p>flood mitigation scheme being designed as at September 2022</p> <p>First payment (£50,000.00) can be requested any time up until the occupation of the 150th dwelling, assuming also that the outline proposals of a flood mitigation scheme using the funding has been identified and consented in principle</p> <p>Second payment (£100,000) can be requested any time up until the occupation of the 150th dwelling, assuming also that detailed design and costings of the above scheme are available</p> <p>Final payment (up to £50,000) can be requested any time between the occupation of the 200th and 250th dwellings, assuming also that construction has been awarded and all necessary consents have been obtained</p>
	Rodent Control Contribution	<u>3,000.00</u>	Not guaranteed. Only payable should the Council have evidence of a causal link between groundworks and the presence of rodents at a dwelling within 50 metres of the development site
	For the provision and enhancement of youth facilities in Rochford District	<u>75,000.00</u>	Prior to occupation of 50th dwelling (expected first half of 2024)
Land East of Ashingdon Road, Ashingdon	To fund compensatory tree planting and purchasing of uprated compensatory tree planting stock	<u>75,000.00</u>	Prior to commencement – invoiced October 2022

<u>Development Location</u>	<u>Detail</u>	<u>Total Value of Contribution Not Yet Received (£)</u>	<u>Trigger Point for Payment</u>
	Capital Asset Value for Amenity Trees (CAVAT) contribution	67,560.00	Prior to commencement – invoiced October 2022

Table 4: Summary of Outstanding Financial Contributions for NHS-led expenditure

<u>Development Location</u>	<u>Detail</u>	<u>Total Value of Contribution Not Yet Received (£)</u>	<u>Trigger Point for Payment</u>
Land North of London Road, Rayleigh	Healthcare contribution to be paid in lieu of healthcare land being required on site	164,581.82 + 120,089.00	Upon serving of health care notice. First payment invoiced September 2022. Second payment due within one calendar year of first payment (i.e. before September 2023)
Civic Suite, Hockley Road, Rayleigh	Towards increasing healthcare capacity in vicinity of site	5,700.00	Prior to first occupation (exp. 2024)
Land East of Ashingdon Road, Rochford	For the provision of capital projects to expand existing or provide new general practitioner medical surgeries to serve the development	262,300.00	Prior to first occupation (exp. 2024)
3-15 South Street, Rochford	Towards increasing healthcare capacity in vicinity of site	7,600.00	Prior to first occupation (exp. 2024)

- 3.10 Whilst the clawback of the vast majority of currently held contributions is still several years away, there remains an imperative to continually monitor the funds within RDC's control to ensure that the purpose for which the contribution was collected is realised at the earliest opportunity. Information is also now being provided on contributions secured but not yet received so that there is a shared understanding of the funding pipeline coming forward through Section 106 agreements.
- 3.11 The Strategic Planning team meets monthly with representatives from the Mid and South Essex Integrated Care System to communicate the funding available for use towards capital improvements to health care provision. It is understood that schemes are currently being developed that would utilise some of these funds and that formal requests to access this funding will follow.
- 3.12 It is recommended that the Executive receives quarterly reports in this format on the status of developer contributions held by RDC for both RDC-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 ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no environmental implications directly arising from this report.

7 RESOURCE IMPLICATIONS

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

8 LEGAL IMPLICATIONS

- 8.1 There are no legal implications arising from this report.

9 EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1 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: _____



Director Of Place

Background Papers:-

None.

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