



# Understanding S.106 at Orchards (Grays)

Overview, Usage, Restrictions, and Challenges  
30<sup>th</sup> October 2024



## Introduction

A Section 106 (S106) agreement is a legal contract between a local authority and a developer, established under the Town and Country Planning Act 1990. It is used to secure contributions from developers to mitigate the impacts of new developments on the local community. These contributions can be financial or in-kind and are typically used for infrastructure improvements, such as affordable housing, schools, transport, and public services. S106 agreements ensure that developments contribute positively to the local area, but the funds must be used for specific purposes directly related to the development and within a set timeframe.

## What is a Section 106?

**Definition:** Section 106 (S106) agreements are legal agreements between local authorities and developers, linked to planning permissions. Governed by the Town and Country Planning Act 1990.

**Purpose:** To mitigate the impact of new developments on the local community by securing contributions (financial or in-kind) for local infrastructure and services.

## What can Section 106 be used for?

### Primary uses

- **Affordable Housing:** Securing a portion of housing for low-income residents.
- **Education:** Funding for new school places or expansion of existing facilities.
- **Transport and Highways:** Improvements to roads, public transport, and other transportation infrastructure.
- **Public Services:** Enhancements to healthcare, libraries, and community centers.
- **Environmental Improvements:** Contributions to green spaces, parks, and biodiversity projects.
- **Leisure and Recreation:** Funding for sports facilities, playgrounds, and other recreational amenities



### Legal Restrictions on usage

**Direct Relationship:** Contributions must relate directly to the development.

**Necessary to Make Development Acceptable:** S106 should be used to address specific issues arising from the development that cannot be addressed by planning conditions alone.

**Proportionality:** Contributions must be proportionate to the scale of the development.

**Time Limits:** Funds must be spent within a specified timeframe (usually within 5 to 10 years), or they may have to be returned to the developer.

### Relationship to the infrastructure requirement list

**Infrastructure Requirement List:** A list of projects or services needed to support growth in the community.

**Connection to S106:** S106 funds are allocated to projects on this list, ensuring that contributions are spent on necessary infrastructure.

**Strategic Alignment:** Ensures that the contributions are aligned with the Council's broader strategic objectives and infrastructure priorities.

### Thurrock's Challenges with spending S.106 funds

**Timing and Delays:** Difficulty in aligning the receipt of funds with project timelines.

**Project Delivery:** Complexity in planning and delivering the agreed infrastructure within the required timeframe.

**Coordination:** Need for collaboration across various departments and stakeholders to ensure funds are spent effectively.

**Risk of Repayment:** Unspent S106 funds may need to be returned to developers if not used within the agreed timeframe, potentially leading to lost opportunities for community improvements.



## Our strategy for effective S.106 management going forward

**Enhanced Planning:** Early identification of potential projects and clear timelines.

**Improved Coordination:** Cross-departmental collaboration to align projects with available funds.

**Monitoring and Reporting:** Regular tracking of S106 contributions, expenditure, and project progress.

**Engagement with Developers:** Ongoing dialogue with developers to ensure that contributions are realistic and aligned with community needs

**S.106 Board:** The creation of S106 board is essential for ensuring that S106 contributions are tracked, challenged, and spent effectively. The board's oversight helps to maximize the benefits of these funds, ensuring compliance with legal agreements, prioritizing spending, and maintaining transparency and accountability.

**Dialogue with Community Forums and residents:** Continuous dialogue with community forums and local residents is essential to ensure that S106 funds are spent in a way that genuinely benefits the community, aligns with local needs, and enhances the effectiveness and transparency of the Council's work.

**Recruitment:** Recruit to positions within our service where part of their role will be to negotiate, monitor and track spend.

## Why its important to Thurrock to have better engagement with our residents and community forums

**Ensuring Community Needs are Met:** You have firsthand knowledge of their community's needs and priorities. By involving them in discussions about S106 spending, we can ensure that the funds are directed toward projects that genuinely benefit the community.

**Enhancing Transparency and Trust:** Open communication with the community fosters transparency in how S106 funds are allocated and spent. This transparency helps build trust, showing that we are accountable and committed to using funds in a way that aligns with local priorities.

**Improving Project Effectiveness:** Input from residents can provide valuable insights that improve the effectiveness of funded projects. You can help us identify potential issues, refine project plans, and ensure that the outcomes are more in line with local expectations and needs.

**Promoting Community Ownership:** When you are involved in decisions about S106 spending, they are more likely to feel a sense of ownership over the projects that are funded. This can lead to greater community support and engagement, which is vital for the long-term success and sustainability of the initiatives.

**Addressing Potential Concerns:** Early and ongoing dialogue allows us to address any concerns or misconceptions residents may have about S106 projects. This proactive approach can help prevent opposition or delays, ensuring smoother project implementation.

**Aligning with Strategic Goals:** Engaging with the community ensures that S106 spending aligns with both the Council's strategic goals and the community's aspirations, leading to more cohesive and effective development in the area.

## Orchards (Grays) S.106 current situation

Locality	Amount Spent	Amount Available
Grays	£6,045,838.84	£596,452.1
<b>Total</b>	<b>£6,045,838.84</b>	<b>£596,452.1</b>

## Orchards (Grays) funds by department



## Orchards (Grays) Funds remaining

9

Total Applications

£596,452.10

Amount Available

Clear all

DMACTION	Planning Reference	Locality	Address	Project Status	Development Contribution	Received Date	Repayment Date	Amount Available	Legal Clause	Proposed Spend
PUNCON	12/00926/FUL	Grays	Regency Ceilings Depot Rear Of St Johns Hall College Road Grays Essex	Project Unconfirmed	Committed - Regeneration	14/02/2018		£8,729.27	Enhanced vehicular or pedestrian traffic facilities being part of the Grays Town Centre Regeneration Vision	Grays Programme Board - Match funding to the Grays bus terminus and smart signage projects that feature in the Town Investment Plan.
PUNCON	13/00344/FUL	Grays	Cycles UK 15-17 Southend Road Grays Essex RM17 5NH	Project Unconfirmed	Committed - Regeneration	14/04/2015		£10,189.43	Planning Obligation Strategy	Grays Programme Board - Match funding to the Grays bus terminus and smart signage projects that feature in the Town Investment Plan.
PCONFI	13/01164/FUL	Grays	Land At Rear Of 223 And 225A Lodge Lane Grays Essex	Project Confirmed	Committed - Environment	18/06/2014		£5,000	Planning Obligation Strategy	Tree planting in Grays area.
PUNCON	14/01170/FUL	Grays	Land Fronting Southend Road And Part Of 34 36 38 St Georges Avenue Grays Essex	Project Unconfirmed	Committed - Regeneration	11/08/2017		£5,275.73	Planning Obligation Strategy	Grays Programme Board - Match funding to the Grays bus terminus and smart signage projects that feature in the Town Investment Plan.
PUNCON	15/00176/FUL	Grays	Pier Lodge Day Nursery Argent Street Grays Essex RM17 6JE	Project Unconfirmed	Committed - Education	20/05/2020		£25,075.14	Education IRL-0340 - Extra places and facilities at Thameside Primary School.	IRL-0340 - Extra places and facilities at Thameside Primary School.
PCONFI	15/00579/FUL	Grays	Grays Gas Holder Station London Road Grays Essex RM17 5YB	Project Confirmed	Committed - NHS Health Care	31/01/2018	03/04/2029	£43,268.04	Health contribution to NHS England once undertaking obtained to use for increasing capacity at C100 Medical Centre by reconfiguration, extension or new build.	NHS England - this funding is for the extension and reconfiguration of C100 Medical Centre. This is currently going through a business case process and shall be drawn down.
PUNCON	15/00579/FUL	Grays	Grays Gas Holder Station London Road Grays Essex RM17 5YB	Project Unconfirmed	Committed - Environment	31/01/2018	03/04/2029	£79,536.83	Open Space contribution for providing and maintaining play equipment within Parker Road Park.	Committed for Parker Road Park
PCONFI	20/01273/FUL	Grays	Thames Park School Chadwell Road Grays Essex	Project Confirmed	Committed - Highways- Transportation	20/12/2022	20/12/2032	£22,486	Amending parking controls locally	Parking control adjacent to Thames Park School.
PCONFI	21/01309/FUL	Grays	Land Adjacent Blackshots Stadium And Stanford Road Grays Essex	Project Confirmed	Committed - Highways- Transportation	11/07/2023	11/07/2033	£20,000	Highway improvements to parking controls in the vicinity of the site.	Parking controls in the vicinity of the site.
PCOMME	78/00601/OUT	Grays	STREET RECORD Thurrock Park Way Tilbury Essex	Commenced	Committed - Highways- Transportation			£229,059.94	Bus facilities/cycle/footpath link from Thurrock Park Way to either Manor Road or Churchill Road.	IRL-0090 - Accumulated money from yearly payments between 1984-2005 now known as Surplus Fund. Interest included from the £97,000 Initial payment. Proposals for spend agreed by Regeneration Board after public consultation :- Footpath from Manor Road to Thurrock Park Way with a bridge crossing a ditch (subject to approval from land owner which is holding up the project).
PCONFI	78/00601/OUT	Grays	STREET RECORD Thurrock Park Way Tilbury Essex	Project Confirmed	Committed - Sports	02/06/2011		£50,831.72	Community and environmental improvements within the land outlined red plan 2, which encompasses all of Thurrock Park Way northwards to Dock Road/Broadway Grays and west to Maple Road/Gipsy Lane.	HAGS Play area at Elm Road Park Solar lighting and footpath enhancement.
PCONFI	78/00601/OUT	Grays	STREET RECORD Thurrock Park Way Tilbury Essex	Project Confirmed	Committed - Highways- Transportation	25/04/2006		£97,000	Initial payment for new bus facilities/newcycle/footpath link from Thurrock Park Way to either Manor Road or Churchill Road.	IRL-0090 - The interest is in with the Surplus Fund. Proposals for spend agreed by Regeneration Board after public consultation :- Footpath from Manor Road to Thurrock Park Way with a bridge crossing a ditch (subject to approval from land owner which is holding up the project).

## QUESTIONS AND DISCUSSION

