

Bridgend County Borough Council Local Development Plan 2018-2033

Planning Obligations: A Non-Technical Guide 2026



Cyngor Bwrdeistref Sirol



Introduction

A planning obligation is a contract between a developer and the Council, secured through legal agreements known as section 106 (s106) agreements. These agreements require the developer to provide or fund something to offset the impact of a new development. This guide explains what s106 agreements are and why they are used. It also answers common questions about how planning contributions can and cannot be used.

What Is the Purpose of a S106 Agreement?

The planning system allows the Council to ask developers to make contributions so that new developments are acceptable. Without these contributions, some developments would not be acceptable. These contributions are secured through planning obligations under s106 of the Town and Country Planning Act 1990 (as amended).

A s106 agreement is a legal agreement. It is usually signed by:

- The Council; and
- The current landowner(s), who may include the developer.

The agreement can require the developer to:

- Carry out works;
- Provide infrastructure; and/or
- Pay money.



However, a legal agreement can only be sought where it's necessary to mitigate the impact of a new development. For a planning obligation to be lawful, it must meet all three legal tests:

1. It must be necessary to make the development acceptable;
2. It must be directly related to the development; and
3. It must be fair and reasonable in scale and kind.

Once signed and sealed, a s106 agreement is registered as a Local Land Charge.

How Is the Need for Planning Obligations Identified?

All planning applications are assessed against:

- National Planning Policy;
- The Replacement Local Development Plan; and
- Supplementary Planning Guidance.

These documents help identify what planning obligations are required. Developers are encouraged to ask for pre-application advice before submitting a planning application. This allows the Council and the developer to:

- Discuss expected planning obligations; and
- Identify possible problems early.

S106 contributions cannot be used to fund general projects in the community. Any financial contributions must be linked to the development and used to mitigate the development's impact only.



What Can S106 Agreements Cover?

Planning obligations can be used to:

- Limit development (for example, limiting the number of homes that can be occupied until specific infrastructure, such as new schools or transport improvements, is delivered);
- Require specific works (such as providing parks or public open space);
- Control how land is used (for example, providing affordable housing); and
- Require financial contributions (for example, money for road or transport improvements).

Each s106 agreement sets out when obligations must be delivered or payments made. These are sometimes called “triggers”. Triggers are agreed between the Council's lawyers and the developer's lawyers before the legal agreement is signed and sealed. They make sure obligations are delivered at the right time and by the right organisation. As developments happen in stages, obligations are often delivered over many years.

Money paid to the Council can only be used in a certain way:

- It must be used for the purpose stated in the s106 agreement;
- It must be linked to the development;
- It cannot be used for other projects; and
- Some agreements include time limits.

Planning obligations can be used to enable delivery of projects such as Education, Outdoor Recreation Areas, Affordable Housing and Transportation.



What Happens if the Owner of the Land Changes?

S106 agreements run with the land. If the land is sold, the new owner is responsible for any outstanding obligations.

How Are Agreements Monitored and Enforced?

Council Officers in the Strategic Planning Policy Team regularly monitor s106 agreements and undertake frequent site visits. If an agreement is not followed:

- Officers will first try to resolve the issue with the developer;
- If this does not work, the Council may take more formal legal action, including applying for an injunction;
- If financial contributions are overdue, invoices will be issued, including any late payment charges; and
- Unpaid invoices will be pursued formally.

Contact Details

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