

Cabinet

10 March 2026

Transfer of Section 106 Contributions Towards Replacement Hoo Community Village Hall

Portfolio Holder: Councillor Simon Curry, Portfolio Holder for Climate Change and Strategic Regeneration

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Summary

The Section 106 (S106) team have collected S106 contributions from developments within Hoo St Werburgh and Chattenden parish area towards new or improved community facilities within the area. This report seeks agreement to transfer these funds to Hoo St Werburgh & Chattenden Parish Council (Hoo Parish Council) to support their project to build a replacement community village hall at Pottery Road, Hoo St Werburgh.

1. Recommendation

- 1.1. The Cabinet is recommended to approve the transfer of S106 contributions earmarked for this project to Hoo Parish Council which will project manage and deliver this scheme.

2. Suggested reasons for decision

- 2.1. There has been a significant number of new developments in and around Hoo St Werburgh in recent years. The existing village hall needs a major refurbishment and in addition it cannot accommodate the pressures of an increase in residents from the new developments using this community facility.
- 2.2. S106 agreements have been agreed and secured for these new developments in the Hoo area with contributions that are specifically to go to community facilities or a replacement community centre near the developments. Some of these developments have been built and the contributions collected and pooled to support the provision of a replacement village hall. There are some developments that have not yet reached the trigger requiring payment of the contributions but these will be collected when they do.

- 2.3. The amount of funding available is over £1m and is above the amount allowed for officer approval under the scheme of delegation. Therefore, this requires Cabinet approval to enable transfer of the funds.
- 2.4. Hoo Parish Council are planning to construct a replacement village hall and demolish the existing hall so the contributions need to be transferred to them to enable the project to proceed. This will ensure the contributions are spent as set out within the S106 agreements.

3. Budget and policy framework

- 3.1. S106 contributions mitigate against the impact of a development. These contributions have been received for community facilities from new developments in the surrounding area. The required community facility has been identified as a replacement community village hall in Hoo.
- 3.2. There are no direct budget pressures on Medway Council services as a result of this funding transfer. The S106 agreements specify how the contributions should be used so they could not be redirected to alternative projects that do not meet the requirements of the agreements.
- 3.3. S106 agreements are entered into to ensure that the developments are acceptable in planning terms. The Guide to Developer Contributions and Obligations, May 2018, is a supplementary planning document and it sets the framework for agreeing contributions.

4. Background

- 4.1. S106 contributions are sought for developments of 10 or more dwellings to mitigate the impact of each development.
- 4.2. There have been several new developments in the vicinity of Hoo St Werburgh and Chattenden parish resulting in a significant increase in the number of residents living there which in turn can put pressure on existing services and community facilities. As a rural community, with limited facilities, the village hall plays an important role in the social wellbeing of Hoo and neighbouring villages.
- 4.3. New developments in Hoo have resulted in a significant amount of contributions available to support a much needed replacement village hall. These have been collected over a number of years so they can be pooled to support the delivery of a new community facility.

5. Options

- 5.1. To agree to transfer all the currently available S106 contributions to Hoo Parish Council upon completion of a development funding agreement between Medway Council and Hoo Parish Council. To delegate authority to the Planning Service to transfer additional S106 contributions that have been secured but not yet collected or will be secured from proposed developments as may be necessary to support this scheme. This will support Hoo Parish

Council with their project by providing some of the necessary funding to deliver the replacement community hall. It will also enable them to demonstrate that there are secured funds when submitting funding bids to other organisations to help deliver this project. This also ensures Medway Council meets its obligations in the S106 agreements and to ensure the impact of development is sufficiently mitigated. This is the preferred option.

- 5.2. To agree to transfer all the currently available S106 contributions to Hoo Parish Council subject to completion of a development funding agreement between Medway Council and Hoo Parish Council. Without delegated authority to transfer S106 contributions expected in the short to medium term, there could be delays to the project due to seeking further approval to transfer additional funds. Delays to receiving funding could have negative implications such as delaying payment of contractors or for materials.
- 5.3. To agree to transfer the S106 contributions to Hoo Parish Council as the development progresses subject to a development funding agreement with claims for funds being assessed and transferred in stages throughout the development. This is likely to limit the additional funding the Parish Council can secure. It would also cause delays to funding being transferred and might stop the development progressing.
- 5.4. Not to transfer the funds and use them for alternative community schemes within Hoo and Chattenden Parish Council or the wider Medway Council area. The wording in the S106 agreements is specifically for the Hoo and Chattenden parish area and to comply with the terms of these legal agreements, the Council must spend them in this area. There are also time limits set out within the agreement which specify when the S106 funding must be used by. Failure to comply with these terms could result in the developers' reclaiming the contributions with added interest. This project is due to commence this year so it is likely the funds would be spent within the agreed timescales. The replacement village hall will be a Hoo Parish Council asset which they will take responsibility for.

6. Advice and analysis

- 6.1. Everyone wants to feel part of a community and the proposed village hall will support local residents to partake in different activities or just getting together to improve their wellbeing.
- 6.2. Section 106 of the Town & Country Planning Act 1990 provides the legal framework for the Council to secure contributions from developments. Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. The Community Infrastructure Regulations (CIL) 2010 may only constitute a reason for granting planning permission if they meet the tests, being:
 - necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development.

- 6.3. The Medway Guide to Developer Contributions and Obligations 2018 was approved at Cabinet on 8 May 2018 for adoption as a Supplementary Planning Document. The Guide sets out Medway Council's S106 requirements for developments of 10 dwellings and above. It includes a requirement to secure contributions towards community facilities such as community centres, village halls and meetings rooms as an essential part of a sustainable living environment promoting general well-being amongst members of the local community and facilitating community cohesion.
- 6.4. A new guide, the Medway Developer Contributions and Obligations Guide, December 2025, has been prepared alongside the recently submitted draft Local Plan. A separate report is being presented to this Cabinet meeting to seek agreement to carry out a consultation exercise with stakeholders on the new guide in advance of adopting it to replace the current guide. The new guide also includes an intention to secure contributions towards community facilities from major development in a similar way to the existing guide.
- 6.5. The Council has previously engaged and consulted with communities on the Hoo Peninsula in a number of ways. This has included as part of the Local Plan process, in preparing the Hoo Development Framework and working with the community in developing a Community Infrastructure Framework. There have been ongoing discussions with Hoo Parish Council about improvements to their facilities including green spaces and the community hall.
- 6.6. The draft Local Plan policy SA8 includes the requirement for development coming forward in Hoo to support the delivery of an Infrastructure Plan for Hoo and Chattenden to deliver a wide range of community services and infrastructure, reflecting the needs arising from the scale of planned growth and includes provision for a new community centre/hub and investment in increasing capacity in current facilities. The supporting text to the policy sets out the population of Hoo St Werburgh and Chattenden was 13,782 in 2021 which is a near doubling in size since 2001.
- 6.7. The supporting Infrastructure Delivery Plan identifies that village halls continue to have an important role for social and recreational activities and are generally well utilised but that some require maintenance or upgrades due capacity and quality issues. It notes that there are proposals to improve village hall facilities in Hoo St Werburgh.
- 6.8. The Parish Council has produced the Hoo St Werburgh and Chattenden Neighbourhood Plan (HSWCNP) which is used alongside the Local Plan to determine planning applications. The plan states a steering group was formed to ensure residents and local groups were involved in producing policy, based on evidence and local knowledge and views. The plan includes a policy in relation to community facilities which sets out support in principle for 'improvement and diversification of existing facilities' subject to defined criteria.
- 6.9. The Parish Council has submitted a planning application for the replacement community hall, MC/25/2312, following preapplication engagement with the Council including presentation to members. The application is currently under

consideration. It proposes 'construction of a community centre (demolition of existing community centre (Use Class F2) and associated external works such as access, parking and landscape'. The intention is for the existing hall to remain in use whilst the new hall is being constructed and demolished once the new building is in use.

- 6.10. The community hall is owned by Hoo Parish Council and the replacement building will also be owned and maintained by them.
- 6.11. The current hall is located on Pottery Road in Hoo St Werburgh and owned by Hoo Parish Council. It was built in the 1960s with an additional hall attached in the mid-1970s and consists of a single storey building with barrel vaulted roof with flat roof elements to the east and west. Due to the structure of the building, Hoo Parish Council has been unable to expand it further to meet the needs of an increased population. The current facility has no clear entrance and the internal spaces are poorly connected and not flexible enough to meet a variety of user needs. The two halls have separate entrances, toilets and kitchens. The height and width of the current main hall mean it is not suitable for recreational activities such as badminton. The hall has also been subject to vandalism and measures have been put in place to secure it but this means it does not have a very welcoming feel.
- 6.12. The proposed replacement hall has a larger footprint than the existing hall and has been designed with regard to current guidance from organisations such as Sport England. The supporting planning statement states 'the aim with the replacement community hall is to provide a modern, fit-for-purpose building that is capable of meeting a range of community needs for space.' This would include things like sports, events, educational programmes, social gathering and a children's nursery. The proposed building would be owned, operated and maintained by Hoo Parish Council.
- 6.13. S106 contributions have been secured and collected from a number of developments in Hoo within recent years. The applications will have been considered against policy requirements and the reports set out the need for the contributions in compliance with the CIL tests. The Planning Committee approved most of these applications, with one determined under delegated powers. This means they have already had member approval to be used for the purpose or improving, upgrading or replacing existing community facilities.
- 6.14. They are all S106 agreements which are bilateral agreements between the developer and Council. They must be spent in line with the wording in the S106 agreements. For several of these agreements, the wording specifically refers to the provision of a community village hall. There are also time limits on spending the contributions set out in each of the agreements with the first contributions needing to be spent by the middle of 2027. Failure to comply with the obligations placed on Medway Council could result in the developers requesting a return of the funds with added interest.
- 6.15. Hoo Parish Council's ambitious proposal has progressed to submission of a planning application and they plan to start development in the summer of 2026. They have engaged architects and consultants to carry out the

necessary preparatory work and preparation of the application and to support delivery of the project.

- 6.16. The Planning Service are working with Legal Services to prepare a development funding agreement as the mechanism to ensure the S106 contributions are used for their intended purpose. This agreement will be between Medway Council and Hoo Parish Council. It will set out the expectations the Council has for the project and put in place governance arrangements to ensure the funds deliver the desired outcomes. It will provide certainty to Hoo Parish Council that the Council will transfer the funds at the appropriate point in time and it will support them in seeking additional funding.
- 6.17. The project is ambitious and will cost more than the currently available S106 funds. Hoo Parish Council have signalled their intention to secure additional funding, for example, from the Heritage Lottery Fund. They have been advised they can only do this once they have planning permission. It is also likely that it will be contingent on them having match funding and the S106 contributions provide that.
- 6.18. There are community facility S106 contributions due from a development that has recently commenced in Hoo but has not yet reached the trigger point for payment. It is intended for these funds to be used to support this proposal. It would be preferable to delegate authority to officers to add these funds to the development funding agreement when they are received to avoid creating delays by the need to seek additional approval. The terms of the S106 are similar to the other S106s where funding has already been received.
- 6.19. There are also some developments recently agreed by Planning Committee that have contributions to community facilities but the developments have not commenced. Again, if there is a need for additional funding to finish the community facility, it would be preferable to delegate authority to officers to approve the use and transfer of funds to Hoo Parish Council. They may not be available early enough but providing certainty on this might enable the parish to secure some borrowing in advance or possibly even liaise with the developers to seek early payment of the funds. These funds would only be transferred if they were needed.

7. Risk management

- 7.1. Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community. The key risks in this matter relate to the certainty on delivery of the new village hall project, as a large capital scheme.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Insufficient funding to complete village hall	S106 contributions do not cover total cost of scheme	Other funding streams agreed/available	BII
Insufficient funding to complete village hall	Increasing construction costs	Contingency budget, and project management to adapt and/or raise additional funding.	BIII
Contributions remain unspent in the event the scheme is altered	Funding agreement completed between Medway Council and Hoo St Werburgh and Chattenden Parish Council	Agree transfer S106 funding in instalments with clawback clause in agreement	CIV

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

8. Consultation

- 8.1. Consultation and engagement with residents in Hoo and the parish council about the need for new and/or improved community facilities in the area has been ongoing for many years, as noted earlier in the report. There is no specific need to consult on the use of these contributions as they are being used as defined by the relevant S106 agreements.

9. Climate change implications

- 9.1. This project will be delivered by Hoo St Werburgh & Chattenden Parish Council. The existing community hall is now relatively old and not fit for purpose. It won't meet current sustainability and energy efficiency standards. The new building will need to be built in line with those standards.
- 9.2. Hoo Parish Council have submitted information supporting their planning application that address issues such as flood risk and ecological enhancement. These will be assessed as part of the planning application. The case officer will consider climate change implications as part of their assessment.

10. Financial implications

- 10.1. S106 contributions are received from developers and ringfenced for specific projects. They are not included in Medway Council budgets.
- 10.2. The development funding agreement will put in place measures to ensure that necessary financial processes and checks are in place to ensure funds are used for the desired purpose.
- 10.3. The annual Infrastructure Funding Statement reports on the spend of all S106 contributions so will include reporting on the delivery of the replacement community hall.

11. Legal implications

- 11.1. The Town and Country Planning Act 1990 and the Community Infrastructure Regulations 2010 provide the legal basis for securing planning obligations. Medway Council use S106 agreements to ensure that developments are acceptable in planning terms. It also needs to ensure that the contributions are used for a purpose that complies with the tests set out in the regulations. The provision of a replacement community facility that meets the needs of an expanding community would comply with these tests.
- 11.2. Legal Services are working with the S106 team to produce the development funding agreement which will be sent to Hoo St Werburgh and Chattenden Parish Council for their agreement and completion. When the funding agreement is signed and completed by both parties the S106 contributions can be transferred under the terms of the funding agreement. This agreement will place obligations on both parties and be legally binding.

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Appendices

None

Background documents

None