

Planning Obligations

(Excerpt from [Developer Contributions Guidance Note](#))

- Planning obligations are used specifically when the planning permission is deemed to have significant impact on the local area which cannot be mitigated by conditions. The statutory framework for planning obligations is set out in Section 106 of the Town & Country Planning Act 1990 (as amended by Section 12 (1) of the Planning and Compensation Act 1991). They are therefore widely referred to as 'Section 106' or 'S106' agreements.
- Planning obligations usually take the form of a legal agreement between the developer/landowner and the local planning authority, under which the former party is bound to undertake specific actions (including the payment of stated monetary sums) for the purpose of contributing to meeting the infrastructure demands arising from a development. They can also take the form of a 'Unilateral Undertaking' entered into by the landowner on their own initiative.
- The National Planning Policy Framework (NPPF) provides guidance to local planning authorities on the use of planning obligations in paragraphs 54 to 57. These state that local planning authorities can only use obligations where a condition cannot adequately address any impacts which are deemed unacceptable. Obligations must also meet the following criteria:
 - 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.
- The NPPF further sets out that where policies have set out the contributions expected from development, planning applications that comply with them should assumed to be viable.