



## Democratic Services

**Location:** Phase II  
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**My Ref:** SC

**To: COUNCILLOR IAN EDWARDS  
LEADER OF THE COUNCIL**

**COUNCILLOR MARTIN GODDARD  
CABINET MEMBER FOR FINANCE**

c.c. All Members of Executive Scrutiny Committee  
c.c. Dan Kennedy, Director of Planning,  
Environment, Education and Community Services  
c.c. Chairman of the Residents, Education and  
Environmental Services Policy Overview Committee  
c.c. Nicola Wyatt / Nigel Cramb, Residents Services  
c.c. Conservative and Labour Group Offices  
(inspection copy)

**Date:** 19 April 2021

## Non-Key Decision request

## Form D

### NEW ALLOCATION OF S106 CONTRIBUTIONS 2021/22: ECONOMIC DEVELOPMENT & REGENERATION TEAM CORE BUDGET AND LBH APPRENTICESHIP SCHEME

Dear Cabinet Member

Attached is a report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

You should take a decision **on or after Tuesday 27 April 2021** in order to meet Constitutional requirements about publication of decisions that are to be made. You may wish to discuss the report with the Corporate Director before it is made. Please indicate your decision on the duplicate memo supplied, and return it to me when you have made your decision. I will then arrange for the formal notice of decision to be published.

Steve Clarke  
Democratic Services Officer

**Title of Report: New Allocation of S106 Contributions 2021/22: Economic  
Development & Regeneration Team Core Budget and LBH Apprenticeship Scheme**

**Decision made:**

**Reasons for your decision:** (e.g. as stated in report)

**Alternatives considered and rejected:** (e.g. as stated in report)

Signed .....Date.....

*Leader of the Council / Cabinet Member for Finance*

# NEW ALLOCATION OF S106 CONTRIBUTIONS 2021/22: ECONOMIC DEVELOPMENT & REGENERATION TEAM CORE BUDGET AND LBH APPRENTICESHIP SCHEME

<b>Cabinet Member(s)</b>	Councillor Ian Edwards Councillor Martin Goddard
<b>Cabinet Portfolio(s)</b>	Leader of the Council Cabinet Member for Finance
<b>Officer Contact(s)</b>	Nigel Cramb, Residents Services Nicola Wyatt, Residents Services
<b>Papers with report</b>	Appendix A - Details of S106 Construction training contributions

## HEADLINES

<b>Summary</b>	To seek approval to allocate s106 funds from three separate s106 contributions towards the Economic Development and Regeneration Team Core Budget and the LBH Apprenticeship Scheme as outlined in this report.
<b>Putting our Residents First</b>	The report supports the Council's objectives of strong financial management.
<b>Financial Cost</b>	This report seeks to allocate £173,850 from identified s106 contributions held by the Council to support the initiatives outlined in this report.
<b>Relevant Policy Overview Committee</b>	Residents, Education and Environmental Services Policy Overview Committee
<b>Relevant Ward(s)</b>	All

## RECOMMENDATION

That the Leader of the Council and Cabinet Member for Finance:

- 1) Agree the allocation of £109,250 (£54,625 per annum over two years) from the s106 contribution relating to the construction of a new hotel at Heathrow Airport (held at case ref PPR/136/409B) towards the Economic Development & Regeneration Team Core Budget to support the coordination of construction training work placements in the Borough; and
- 2) Agree the allocation of £64,600 (£32,300 per annum for a period of two years) towards the LBH construction apprenticeship Scheme.

## **Reasons for recommendations**

The allocation of Section 106 (S106) and Section 278 (S278) funds is required to be formally approved by the Leader of the Council and the Cabinet Member for Finance on a case-by-case basis. This report requests the approval for the S106 funds held at the case reference detailed in this report to be committed as outlined in this report.

## **Alternative options considered / risk management**

The Cabinet Members may agree to fund the scheme and / or suggest alternative projects to which funds could be allocated within the terms of the relevant legal agreements. If the S106 funds are not allocated to an appropriate scheme, the unspent funds may need to be refunded.

## **Policy Overview Committee comments**

None at this stage.

## **SUPPORTING INFORMATION**

1. Planning obligations, or S106 agreements, are an established mechanism for mitigating planning effects arising from development proposals. The agreements are usually negotiated within the context of planning applications, between Local Planning Authorities and persons with an interest in the piece of land (owners, leaseholders or developers). They are intended to make development acceptable, which would otherwise be unacceptable in planning terms.
2. Any S106 monies generated from planning agreements must be spent on their intended purpose and that the associated development contributes to the sustainability of the area by addressing the impacts of the development proposals. As a result, expenditure of S106 funds must relate to a specific development and must be in accordance with the corresponding legal agreement. If a contribution is not used for the intended purpose or not spent within the period allocated in the S106 agreement, the monies may need to be returned.
3. In July 2008, the Council adopted a Supplementary Planning Document for Planning Obligations which outlined the Council's approach, policies and procedures in respect of planning obligations. This document has been replaced by the Updated Planning Obligations SPD (adopted July 2014) which reflects the introduction of Hillingdon's Community Infrastructure Levy (CIL). The original SPD is, however, still relevant for contributions negotiated before the introduction of CIL on 1 August 2014 and provides stakeholders with a fair, transparent and predictable basis for the implementation of S106 agreements. Details of the financial planning obligations held by the Council and the progress being made in their allocation and implementation are reported to Cabinet on a quarterly basis through the 'Planning Obligations Financial Monitoring Report'. The purpose of this report is to further assist in providing a transparent approach to the allocation of S106 funds.

Planning Background – developer obligations taken towards construction training and work place co-ordinator

4. The contributions outlined in Appendix A were taken in relation to planning applications which were expected to generate significant employment opportunities during the construction phase of the development. Planning permission was therefore approved subject to the developer providing a financial contribution towards the cost of providing construction training courses and the provision of a workplace coordinator to coordinate "on site" training and employment opportunities arising from construction schemes in the Borough. The level of contribution was calculated in proportion to the size of the development and the build costs of the scheme, in accordance with the Council's Supplementary Planning Document on Planning Obligations 2008.

Proposed allocation

A) Construction Training Work placement scheme

5. The Council is continuing to develop its programme to support residents into employment and maximise training opportunities in the construction sector, via the use of construction training agreements with major developers in the Borough.
6. As part of this programme, the Council currently has a three-year contract with the construction training coordination service, 'Qualify me'. The organisation's prime objective is to liaise with contractors to support the delivery of on-site training and employment opportunities for residents, to secure suitable applicants and to oversee the training programme in partnership with employers.
7. A total of £232,790 from s106 contributions has been allocated (Cabinet Member Decisions 25/04/2018 and 06/10/2020) and is currently being spent towards this service, to provide construction training initiatives across the Borough. This funding will support the programme to the end of the contract in June 2021.
8. The Economic Development Officer within the Partnership Team supports the management of the S106 construction training coordination service delivered by Qualify Me. The service provided by Qualify Me is vital in maximising opportunities for residents to secure skills training and jobs during construction phases and end use.
9. The Council's involvement in supporting construction training in the Borough is continuing to grow. This reflects both the growing number of new construction projects and the evolving nature of training schemes to reflect the needs of the building construction industry. Rather than the traditional approach to construction training which focuses on skills training and the delivery of traditional apprenticeships, training on site has gradually become more modular in nature, with apprentices moving from site to site during their apprenticeships.
10. In addition, officers will now also support the recently approved construction training provision by Build Training which will work with adults over 24 years old, who have challenging life circumstances providing access to training, job opportunities and sustainable career development within the construction industry. This initiative is

particularly timely as it serves to support residents who have become unemployed as a result of the COVID crisis but also seeks to take advantage of the significant number of construction opportunities that will be available over the next few years. There are numerous sites in Hillingdon where the Economic Development officer is working with partners to deliver construction training schemes that would be relevant and accessible to participants in the Build training scheme.

11. The changing nature and gradual expansion of construction training schemes in the Borough, has therefore seen the need for an increasing time commitment from officers within the Economic Development and Regeneration Team to facilitate this Programme. Officers are therefore asking for a further allocation of approximately £54,500 per annum (for a two-year period) as a contribution towards officer time in providing support for these schemes. This figure is considered to be proportionate to the time officers commit to work on construction training initiatives.

#### B) Hillingdon Construction Apprentices - Repairs Team

12. The Council has previously used funding secured via section 106 contributions to support the employment and training of several construction apprentices within its own repairs service (Cabinet Member Decision 29 March 2019).
13. The Council offers a range of apprenticeships and is currently working in partnership with Uxbridge College to offer three apprenticeships, one Multi-Trade apprentice, one electrician apprentice and one plumbing apprentice. All three apprentices work in the Council's Repairs Team and will have four days a week on the job training and one day a week at College. Training will encompass both theory and practical skills to enable them to complete their chosen trade apprenticeship qualifications.
14. The current apprentices are due to complete their courses, two in June 2021 and one in September 2021. Further construction apprentices will then be recruited to continue the scheme. The cost of employing the apprentices is in the region of £48k per annum. Officers are recommending a contribution of approximately £32k per annum for a further two years (£64,600 in total) to support this element of the Council's apprenticeship programme.

### **Financial Implications**

The report requests the allocation of the following Section 106 contributions towards two schemes:-

Table 1: S106 Contributions

<b>S106 Funding Reference</b>	<b>Scheme</b>	<b>Amount</b>	<b>Time Limit to Spend</b>
PPR/90/331B	216 Field End Road, Eastcote	5,000	None
PPR/108/371B	272-276 Bath Road, Hayes	19,600	None
PPR/136/409B	Fmr Contractor's Compound, South of Swindon Road, Heathrow Airport	149,250	Dec-23
<b>Total S106</b>		<b>£173,850</b>	

Recommendation one requests the allocation of £109,250 from the S106 contribution held at PPR/136/409B.

The S106 contribution is to fund continued support for officers within the Economic Development and Regeneration Team for a further two years (financial years 2020/21 & 2021/22) at £54,500 per annum.

Recommendation two requests the allocation of £64,600 from the remaining S106 contributions provided in Table 1 above.

The S106 funds are to partly fund the LBH Apprentice Scheme in the Housing Repairs Team for a further 2 years (financial years 2020/21 & 2021/22) at £32,300 per annum.

All of the above S106 contributions, meet the conditions stipulated in the S106 agreements' and if approved, will reduce the call on Council resources.

## **RESIDENT BENEFIT & CONSULTATION**

### **The benefit or impact upon residents, service users and communities**

The recommendations will enable external funds to be spent to maximum effect to provide viable improvements for the benefit of local communities.

### **Consultation carried out or required**

Not required.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

Corporate finance concurs with the financial implications above, noting that the allocation of Section 106 monies to support training and apprenticeships will also enable monies to be spent within the agreed time limit where applicable.

### **Legal**

Decisions on the release of monies for allocation/capital release are delegated to the Leader jointly with the Cabinet Member for Finance. This is contained at Article 7.08 paragraph (e) 11 and 12 of the Cabinet Scheme of Delegations of the Council's Constitution.

The recommendations therefore fall within the Leader's and the Cabinet Member for Finance's individual delegations.

Legal Services have considered the content of the section 106 agreements referred to in this report and concludes that the recommendations presented are consistent with the terms of the respective agreements.

## **Infrastructure / Asset Management**

There are no Infrastructure / Asset Management implications arising from the recommendations in this report.

## **Comments from other relevant service areas**

The scheme has been developed in consultation with relevant service groups as appropriate.

## **BACKGROUND PAPERS**

Planning Obligations Quarterly Monitoring Report to Cabinet March 2021

Planning Obligations Supplementary Planning Document Adopted July 2008 and amended July 2014.

## APPENDIX A

Details of S106 Construction training contributions to be allocated towards the Economic Development & Regeneration Team core budget and Hillingdon construction apprentices - Repairs Team

CASE REF.	WARD	SCHEME / PLANNING REFERENCE	PROPOSED ALLOCATION	COMMENTS
PPR/136/409B	Heathrow Villages	Fmr Contractor's Compound, South of Swindon Road, Heathrow Airport 67622/APP/2013/2532 & 67622/APP2015/1651	149,250.00	Funds received towards the cost of providing construction training courses delivered by recognised providers and/or the provision of a construction work place co-ordinator within the Authority's area. Funds to be spent within 5 years of receipt (Dec 2023).
PPR/108/371B	Heathrow Villages	272-276 Bath Rd, Hayes 464/APP/2014/2886	19,600.00	Funds received towards the cost of providing construction training courses delivered by recognised providers and/or the provision of a construction work place co-ordinator within the Authority's area. No time limit for spend.
PPR/90/331B	Cavendish	216 Field End Road, Eastcote. 6331/APP/2010/2411	5,000.00	Contribution received towards the costs of providing construction training schemes within the London Borough of Hillingdon. No time limit for spend.
		<b>TOTAL</b>	<b>173,850.00</b>	