



Democratic Services

Location: Phase II
Ext: 0692
DDI: 01895 250692
CMD No: 683

**To: COUNCILLOR MARTIN GODDARD
CABINET MEMBER FOR FINANCE**

c.c. All Members of the Residents' Services Select Committee
c.c. Nigel Cramb – Place Directorate
c.c. Nicola Wyatt – Place Directorate
c.c. Perry Scott – Corporate Director of Place

Date: 31 January 2023

Non-Key Decision request

Form D

NEW ALLOCATION OF S106 CONTRIBUTIONS 2022/23: ECONOMIC DEVELOPMENT TEAM CORE BUDGET, LBH CONSTRUCTION APPRENTICESHIPS AND PROFESSIONAL DEVELOPMENT

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 Wednesday 08 February 2023** 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.

Ryan Dell
Democratic Services Officer

Title of Report: New Allocation of S106 Contributions 2022/23: Economic Development Team Core Budget, LBH Construction Apprenticeships and Professional Development

Decision made:

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

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

Signed Date.....

Cabinet Member for Finance

New Allocation of S106 Contributions 2022/23: Economic Development Team Core Budget, LBH Construction Apprenticeships and Professional Development

Cabinet Member	Councillor Martin Goddard
Cabinet Portfolio	Cabinet Member for Finance
Officer Contact(s)	Nigel Cramb, Place Directorate Nicola Wyatt, Place Directorate
Papers with report	Appendix A - details of S106 Construction training contributions to be allocated

HEADLINES

Summary	To seek approval to allocate S106 funds from the S106 construction training contributions held by the Council towards the Economic Development Team Core Budget, the Housing Repairs Team construction apprenticeships and professional development as outlined in this report.
Putting our Residents First	The report supports the Council objectives of strong financial management.
Financial Cost	This report seeks to allocate £238,000 from identified S106 contributions held by the Council to support the initiatives outlined in this report.
Relevant Select Committee	Residents' Services Select Committee.
Relevant Ward(s)	All.
Portfolio Member approval received	Councillor Eddie Lavery & Councillor Susan O'Brien - January 2023.

RECOMMENDATION

That the Cabinet Member for Finance agrees the allocation and spend of S106 construction training contributions as follows:

- 1) That a total of £109,000 (£54,500 per annum for two years 22/23 & 23/24) is allocated towards the Economic Development Team Core Budget to support the coordination of construction training work placements in the Borough. Funds to be allocated from the following contributions.

PPR/128/399A

£ 12,100

PPR/130/403B	£ 16,388
PPR/133/407	£ 47,100
PPR/146/427	£ 9,600
PPR/150/410C	£ 10,520
PPR/134/411A	<u>£ 13,292</u>
	£109,000

- 2) That a total of £120,000 is allocated towards funding the Housing Repairs Team construction apprentices for a period of 3 years (22/23, 23/24 & 24/25). Funds to be allocated from the following contributions.

PPR/134/411A	£ 23,808
PPR/143/426A	£ 20,117
PPR/140/420B	£ 18,952
PPR/139/415B	£ 9,600
PPR/147/428B	£ 3,600
PPR/148/432	£ 4,800
PPR/151/429D	£ 3,606
PPR/157/443A	<u>£ 35,517</u>
	£120,000

- 3) That a total of £9,000 is allocated to support continued professional development in construction and property development within the Housing Landlord Engagement Team. Funds to be allocated from the following contributions.

PPR/157/443A	£ 4,742
PPR/155/445A	<u>£ 4,258</u>
	£ 9,000

Reasons for recommendations

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

Alternative options considered / risk management

The Cabinet Member 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.

Democratic compliance

The Cabinet Member for Finance has the delegated authority to allocate funds from planning obligation monies.

Both the Cabinet Member for Residents' Services and the Cabinet Member for Children, Families and Education discussed the scheme with officers in January 2023 and endorsed the proposal.

Select 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.

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

3. 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 as amended 2014.

Proposed allocation

4. Officers are requesting that the contributions listed in Appendix A are allocated and spent towards the construction training projects outlined in this report.

1) Construction Training Work placement scheme (Officer support)

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. Earlier this year the Council renewed the Borough's construction training coordinator service for a further three years with Qualify Me Ltd. This service is vital in maximising opportunities for residents to secure on site skills training and jobs during construction phases a of new developments in the Borough.

7. A total of £241,645 from S106 contributions has therefore been allocated (Cabinet Member Decisions 15/02/2022) and is currently being spent towards this service, to provide construction training initiatives across the Borough.
8. The Economic Development Team provides a range of support in relation to obligations and opportunities arising from planning applications and in particular the management of the S106 construction training coordination contract and service delivered by Qualify Me.
9. Officers also support the construction training provision by Build Training which 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. 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.
10. The changing nature and gradual expansion of construction training schemes in the Borough, has therefore seen the need for a continuing time commitment from officers within the Economic Development and Regeneration Team to facilitate these Programmes. 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.

2) Hillingdon Construction Apprentices -Housing Repairs Team

11. 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)
12. The Council continues to offer a range of apprenticeships and is currently working in partnership with Uxbridge College to offer three apprenticeships in construction, one multi-trade apprentice and two electrician apprentices. All three apprentices work in the Council's Housing Repairs Team and 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.
13. The cost of training and supporting these apprentices is in the region of £15k per annum. Officers are therefore recommending a total contribution of £120k from the S106 construction training contributions held by the Council is allocated to support the three apprentices for the duration of their course (three years for electrician apprentices and two years for multi trade).

3) Professional development – Housing Landlord Engagement Team

14. The Council's Landlord Engagement Team is responsible for engaging with landlords, property owners and property developers with a view to increasing both temporary and permanent accommodation for homeless households in the Borough. Part of the responsibility of this team is to ensure that the accommodation is fit for purpose which requires expertise in property surveying and construction.
15. Officers are requesting that a total of £9k is allocated to support an existing member of the Housing Landlord Engagement Team to attain an MSc qualification in Real Estate from the

University of Greenwich. The part time course is accredited by the Royal Institute of Chartered Surveyors (RICS) and will enable the officer to –

- Develop a critical awareness of a range of property appraisal methods to fully maximise value for money for the Council.
- Develop a deeper understanding of property appraisal in order to protect the council from risk.
- Develop the knowledge to spot construction opportunities for the Council to maximise the use of land.
- Increase commercial competence and capability providing the Council with higher quality professional and ethical standards.
- Provide expertise to the Council on a wider range of real estate and commercial development opportunities.

Financial Implications

The report requests the allocation of fourteen Section 106 (S106) contributions totalling £238k towards three schemes. The attached Appendix A provides details of all the S106 contributions.

Recommendation one requests the allocation of £109k towards the funding of Economic Development Team core budget for a further two years (financial years 2022/23 & 2023/24) at approximately £55k per annum.

Recommendation two requests the allocation of £120k towards funding the Council's Apprentice Scheme in the Housing Repairs Team for a further three years at £45k each in 2022/23 & 2023/24 and £30k in 2024/25.

Recommendation three requests the allocation of £9k towards a member of the Housing Landlord Engagement Team professional development.

All of the 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

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 schemes have been developed in consultation with relevant service groups as appropriate.

BACKGROUND PAPERS

Planning Obligations Supplementary Planning Document 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/128/399A	Townfield	Unit A Bulls Bridge Centre, North Hyde Gardens. 13226/APP/2015/4623	12,100.00	Funds received towards the cost of providing construction training courses delivered by recognised providers and the provision of a construction work place co-ordinator within the Authority's area. No time limit for spend.
PPR/130/403B	Botwell	Fmr Hayes Swimming Pool, Botwell Lane, Hayes (Lidl) 1942/APP/2015/4127	16,388.00	Funds received towards the cost of providing construction training courses delivered by recognised providers and the provision of a construction work place co-ordinator within the Authority's area. No time limit for spend.
PPR/133/407	Heathrow Villages	IAG Cargo Campus, Sealand Road, Heathrow Airport 50045/APP/2016/2081	47,100.00	Funds received towards the cost of providing construction training courses delivered by recognised providers and the provision of a construction work place co-ordinator within the Authority's area. No time limit for spend.
PPR/134/411A	Ickenham	Harefield Place, The Drive, Ickenham 1257/APP/2015/3649	37,100.00	Funds received towards the cost of providing construction training courses delivered by recognised providers and the provision of a construction work place co-ordinator within the Authority's area. No time limit for spend.
PPR/139/415B	West Drayton	West Drayton Police Station, Station Road, West Drayton 12768/APP/2016/1580 & 12768/APP/2014/1870	9,600.00	Funds received towards the cost of providing a construction work place co-ordinator within the Authority's area. No time limit for spend.
PPR/140/420B	Townfield	Fmr Kings Arms PH, 109 Coldharbour Lane, Hayes 10954/APP/2011/1997	18,952.76	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 limits.
PPR/143/426A	Northwood	36-40 Rickmansworth Road, Northwood. 69978/APP/2016/2564	20,117.50	Funds received towards providing construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's area. No time limit for spend.
PPR/146/427C	West Ruislip	Waterloo Wharf, Waterloo Road, Uxbridge 43016/APP/2016/2840	9,600.00	Funds received towards the provision of a construction workplace co-ordinator. No time limit for spend.
PPR/147/428B	West Ruislip	Fanuc House, 1 Station Approach, Ruislip 26134/APP/2016/1987	3,600.00	Funds received towards providing construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's area. No time limit for spend.
PPR/148/432	Uxbridge North	33-37 Belmont Road, Uxbridge 45222/APP/2015/4692	4,800.00	Funds received towards providing construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's area. Funds to be spent within 7 years of receipt (March 2026).
PPR/150/410C	Uxbridge South	66 High Street (Fassnige Park Hall), Uxbridge 1256/APP/2015/4166	10,520.00	Funds received towards the provision of a construction workplace co-ordinator. No time limit for spend.
PPR/151/429D	Botwell	Fmr Nestle Factory, Nestles Avenue, Hayes (Industrial) 1331/APP/2017/1883	3,606.37	Contribution received as the "Industrial land employment & training contribution" to be used towards employment & training measures within the Authority's area.
PPR/155/445A	Northwood Hills	St Johns School, Potter Street Hill, Northwood 10795/APP/2018/149	4,258.00	Funds received towards providing construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's area. Funds to be spent within 7 years of receipt (December 2026)
PPR/157/443A	South Ruislip	Stonefield Close, Production Facility, Stonefield Close & Stonefield Way 1660/APP/2019/1018	40,259.52	Funds received towards providing construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's area. Funds to be spent within 7 years of receipt (March 2027)
		CONSTRUCTION TRAINING - SUB TOTAL	238,002.15	