



Democratic Services

Location: Phase II
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**To: COUNCILLOR MARTIN GODDARD
CABINET MEMBER FOR FINANCE**

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

Date: 18 April 2023

Non-Key Decision request

Form D

NEW ALLOCATION OF S106 CONTRIBUTIONS 2023/24: HILLINGDON AIR QUALITY ACTION PLAN (2018-2024): S106 CARBON OFFSET FUND (end of year financing 2022/23)

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 26 April 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 2023/24: Hillingdon Air Quality Action Plan (2018-2024): S106 Carbon Offset Fund (End of Year Financing 2022/23)

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 2023/24: HILLINGDON AIR QUALITY ACTION PLAN (2018-2024): S106 CARBON OFFSET FUND (end of year financing 2022/23)

Cabinet Member	Councillor Martin Goddard
Cabinet Portfolio	Cabinet Member for Finance
Officer Contact	Nicola Wyatt – Place Directorate
Papers with report	None

HEADLINES

Summary	To seek approval to allocate funds from the S106 contributions currently held at S106 case references E/119/402D, E/131/420D and PT/222/434A towards the implementation of the Council's Air Quality Action Plan 2019-2024 and management of the Council's S106 Carbon Offset Fund (end of year financing 2022/23).
Putting our Residents First	The report supports the Council objectives of strong financial management.
Financial Cost	This report seeks to allocate £89,322 from identified S106 contributions held by the Council towards the implementation of the Council's Air Quality Action Plan and management of the Council's Carbon Offset Fund, as outlined in the report.
Relevant Select Committee	Residents' Services Select Committee.
Relevant Wards	All Wards.
Portfolio Member approval	Councillor Eddie Lavery supports the proposal.

RECOMMENDATIONS

That the Cabinet Member for Finance:

1. Approve that a total of £30,000 from the S106 air quality contributions held by the Council is allocated and used towards the provision of expert evaluation to deliver the implementation of the Council's Air Quality Action Plan (2019-2024); and
2. Approve that a total of £59,322 from the S106 carbon off set contributions held by the Council is allocated and used towards project management costs to support the delivery of the Council's S106 Carbon offset fund 2022/23.

Reasons for recommendations

In accordance with the Council's 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 – and any capital release, in conjunction with the relevant Cabinet portfolio holder. 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, an outcome that does not contribute to the Councils' responsibility for protecting and improving the health of our citizens.

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 it must be ensured 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.

Recommendation 1: Allocation of S106 Air Quality contributions

Background

3. There are areas of the Borough adversely impacted by levels of pollution above the national European Union Health Limits. Due to these levels of pollution, and as part of its statutory local air quality management duties, Hillingdon declared an Air Quality Management Area (AQMA) across the bottom two thirds of the Borough and developed an Air Quality Action Plan (AQAP) which includes measures to both monitor and improve local air quality.
4. The Council's Air Quality Action Plan (AQAP) has been updated in accordance with the Mayor of London's London Local Air Quality Management regime. The Plan has incorporated new pollution information including the concept of air quality focus areas. The

focus is on areas where the pollution levels are predicted to be the highest in the Borough and where there is relevant significant public exposure. It is important to reduce pollution exposure as soon as possible in these areas.

5. With medical evidence highlighting the detrimental health impacts arising from exposure to air pollution, there is a recognised need to gain improvements not solely in areas where air quality is currently poor, but also, implement measures set out in the Air Quality Action Plan that leads to improvement across the whole Borough, and subsequently the added health benefits gained from having better air quality.

Proposal - Expert evaluation and implementation of the Air Quality Action Plan - borough-wide (Action Plan measures 1, 9, 19, 20)

6. The implementation of the Council's Air Quality Action Plan (2019-2024) requires specialist technical advice to quantify the impacts of pollution in the Borough, identify trends from monitoring data, measures that can be taken to improve air quality, and develop policies that will secure improvements to local air quality levels, with the overall aim of improving health and wellbeing.
7. Securing the appropriate technical advice is therefore essential to fully implement the projects outlined in the Council's AQAP as required by the Planning Obligations SPD (2014). This support includes expert data analysis to enable the Council to identify the key priority areas in the Borough for action and meet its objective of *improving the areas of poorer air quality as soon as possible* (AQAP, 2019-2024). This proposed allocation is sufficient to secure technical support for the implementation of the AQAP for the year 2023/2024.

The total cost is £30,000

8. Officers are therefore requesting that a total of £30,000 from the S106 air quality contributions detailed in the table below is therefore allocated to secure technical support for the implementation of the AQAP for the year 2023/2024.

Table 1 - Details of S106 contributions to be allocated

S106 reference	Planning reference	Amount to be allocated	comments
E/119/402D	21 High Street, Yiewsley 26628/APP/2014/675	28,275.36	Funds to be used towards initiatives to improve air quality in the Authority's Area including (but not limited to): use of low fuel technology; tree & other planting; restrictions on certain types of vehicles; use of cleaner fuels; use of combined heat & power; environmental management and air quality strategy (see agreement for details).
E/131/420D	Fmr Kings Arms PH, Coldharbour Lane, Hayes 10954/APP/2011/1997	1,724.64	Funds to be used towards initiatives to improve air quality in the Authority's Area including (but not limited to): use of low fuel technology; tree & other planting; restrictions on certain types of vehicles; use of cleaner fuels; use of combined heat & power; environmental management and air quality strategy (see agreement for details).
	TOTAL	30,000.00	

Recommendation 2: Allocation of S106 Carbon Offset Contributions

Background

9. All major developments in London are now required to be zero carbon. To meet this target an on-site reduction of at least 35% beyond the baseline of part L of the current Building Regulations is required, however, where further reductions cannot be achieved on-site, any shortfall should be provided in agreement with the Borough through a cash in lieu contribution towards the Borough's carbon offset fund or through alternative off-site provision. The London Plan allows for the shortfall in carbon, i.e., the carbon tonnage short of the zero-carbon standard to be offset through an in-lieu payment is collected at a rate of £95/ tonne and annualised over a 30-year period. This formula is set by the London Plan and is based on the expected "carbon lifetime" of the National Grid as it moves to renewable resources thereafter.
10. Carbon offset contributions are collected from qualifying developments via a S106 agreement. The money can then be pooled to be used by the Council towards a variety of projects that will contribute to the reduction in carbon. The GLA has provided guidance on how the Council should consider the use of the S106 funds collected which allows for a proportion of the fund to be used to manage and develop carbon offsetting projects.

Proposal – Management & delivery of the Council's S106 Carbon Offset Fund (2022/23)

11. In July 2021, the Council adopted a Strategic Climate Action Plan and is committed to becoming carbon neutral by 2030. The Council's S106 carbon offset fund will contribute to enable the Council to meet this aim. In particular, the fund will have a role in funding schemes to reduce emissions from existing buildings in the Borough where carbon savings can be more challenging than building from new. So far, the fund has supported several Council projects including a recently completed scheme to install energy efficient lighting at The Grainges car park in Uxbridge. The new lighting system is expected to produce energy savings of 53,050Kw/ hour per year and save 10.23 tonnes of carbon dioxide emissions.
12. The Council currently holds S106 carbon offset contributions totalling £1,573,393 (as at 31/12/2022). Officers are requesting that £59,322 from this funding is allocated and spent to cover the cost of managing the delivery of the Council's S106 Carbon Offset Fund for 2022/23. This includes officer time and resources to identify and develop eligible schemes to reduce carbon and best utilise the funding in line with GLA Guidance.
13. Officers are therefore requesting that a total of £59,322 from the S106 carbon offset contribution detailed in the table below is allocated towards the cost of managing the of delivering the Council's S106 Carbon Offset Fund in 2022/23.

Table 2 - Details of S106 contributions to be allocated

S106 reference	Planning reference	Amount to be allocated	comments
PT/222/434A	30-32 Blyth Road, Hayes 68974/APP/2018/2146	59,322.00	Funds received as the Carbon Offset Contribution to be used by the Council towards the provision of off site carbon reduction measures to mitigate the impact of the development. Funds to be spent within 7 years of receipt (Feb 2028)
	TOTAL	59,322.00	

Financial Implications

The report requests the allocation of £89,322 from the three S106 contributions detailed in the table below:

S106 Funding Reference	Scheme	Amount	Time Limit to Spend
E/119/402D	21 High Street, Yiewsley	28,275	N/A
E/131/420D	Fmr Kings Arms PH, Coldharbour Lane, Hayes	1,725	N/A
PT/222/434A	30-32 Blyth Road, Hayes	59,322	Feb-28
Total S106		£89,322	

The S106 funds are proposed to be utilised towards two schemes.

The first two S106 contributions totalling £30k in the above table are proposed to be used towards technical support for the implementation of the Air Quality Action Plan for the ear 2023/24; whilst the third S106 contribution of £59k is to be used towards project management costs to support the delivery of the Council's S106 offset carbon fund for 2022/23.

The S106 contributions will be accounted for under the relevant revenue service areas and will reduce the call on Council resources.

The allocation of the S106 contributions meets the conditions as stipulated in the S106 agreements.

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 notes that the allocation of the above Section 106 contributions will support delivery of the air quality action plan and carbon offset measures, with no impact on Council resources.

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 Adopted July 2008 and amended July 2014.

Carbon Offset Funds: Greater London Authority Guidance for London's Local Planning Authorities on establishing carbon offset funds July 2022