



Democratic Services

Location: Phase II
Ext: 0636
DDI: 01895 277655
CMD No: 1082

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

c.c. All Members of the Residents' Services Select
Committee
c.c. Julia Johnson/ Nikki Wyatt, Central Services
Directorate

Date: 20 March 2024

Non-Key Decision request

Form D

NEW ALLOCATION OF S106 CONTRIBUTIONS 2023-24: AFFORDABLE HOUSING FUND

Dear Cabinet Members,

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 Thursday 28 March 2024** 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.

Anisha Teji
Democratic Services

Title of Report: NEW ALLOCATION OF S106 CONTRIBUTIONS 2023-24: AFFORDABLE HOUSING FUND

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: AFFORDABLE HOUSING FUND

Cabinet Member(s)	Cllr Martin Goddard
Cabinet Portfolio(s)	Cabinet Member for Finance
Officer Contact(s)	Julia Johnson/ Nikki Wyatt, Central Services Directorate
Papers with report	None

HEADLINES

Summary	<p>To seek Cabinet Member approval to allocate funds from the Section 106 budget towards the delivery of affordable housing as follows:</p> <ul style="list-style-type: none"> • Funding the acquisition or development of new affordable homes. • Funding the delivery of additional affordable housing on Council developments or. • Funding the delivery or commissioning of affordable housing in the borough from Registered Providers.
Putting our Residents First Delivering on the Council Strategy 2022-2026	<p>This report supports our ambition for residents / the Council of: Live in good quality, affordable homes in connected communities</p> <p>This report supports our commitments to residents of: Thriving, Healthy Households</p> <p>Housing Strategy Delivery – enabling affordable housing.</p>
Financial Cost	This report seeks the allocation of £5,099,654.62 from S106 funds held by the Council.
Relevant Select Committee	Residents' Services Select Committee
Relevant Ward(s)	NA

RECOMMENDATIONS

That the Cabinet Member(s):

- 1. Approve the allocation of £5,099,654.62 from sixteen S106 contributions towards an S106 Affordable Housing Fund to support the delivery of affordable housing in the Council's area as follows:**
 - Funding the acquisition or development of new affordable homes.
 - Funding the delivery of additional affordable housing on Council developments or.
 - Funding the delivery or commissioning of affordable housing in the borough from Registered Providers.
- 2. Agree that the Corporate Director of Central Services, in consultation with the Cabinet Member for Finance, Cabinet Member for Residents' Services and Cabinet Member for Property, Highways and Transport, agree specific allocations (including capital releases) from the S106 Affordable Housing Fund, that meet one or more the criteria in Recommendation 1.**
- 3. Note that a Capital Release will be progressed once specific allocations have been agreed.**

Reasons for recommendation

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 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, an outcome that does not contribute to the councils' responsibility for protecting and improving the health of our citizens.

Democratic compliance / previous authority

Under the Local Government Act 2000, Cabinet Members may delegate their functions to officers, however, is the responsibility of the relevant officer to ensure there is a proper record of such decisions-made.

Select Committee comments

None at this stage.

SUPPORTING INFORMATION

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.

Any s106 monies generated from planning agreements must be spent on their intended purpose and ensure 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

The council currently holds the following contributions for the delivery of affordable housing within the authority's area. These receipts were received in lieu of on-site affordable housing and can only be used to fund the delivery of additional affordable housing.

	S106 REF.	PLANNING REFERENCE	ALLOCATION
1	H/45/323F	150 Field End Road (Initial House), Eastcote, Pinner 25760/APP/2013/3632	86,000.00
2	H/52/205G	Former RAF Eastcote (Pembroke Park), Lime Grove, Ruislip 10189/APP/2014/3354 & 3359/3358 & 3360	298,998.00
3	H/56/348A	Lancaster & Hemitage Centre, Lancaster Road, Uxbridge. 68164/APP/2011/2711	390,564.64
4	H/68/329F	Pronto Industrial Estate, 585-591 Uxbridge Rd, Hayes 4404/APP/2014/2506	120,793.95
5	H/72/411C	Harefield Place, The Drive, Ickenham 12571/APP/2015/3649	254,308.70
6	H/74/284D	Fmr Honeywell Site, Trout Road, West Drayton 335/APP/2010/1615	60,000.00
7	H/76/426B	36-40 Rickmansworth Road, Northwood 69978/APP/2018/417	25,000.00
8	H/77/430D	Randalls 7-9 Vine St, Uxbridge 41309/APP/2016/3391	210,347.38
9	H/78/441D	297 Long Lane, Hillingdon 4860/APP/2018/3719	222,669.99
10	H/80/284E	Fmr Honeywell Site, Trout Road, West Drayton 335/APP/2010/1615	54,400.00
11	HA/001/561A	Bourne Court Site, Bourne Court, Ruislip 11891/APP/3414	2,976,356.53
12	HA/002/562A	Allport House, Cowley Business Park, High Street 46104/APP/2020/789	117,442.92
13	HA/003/569D	579-583 Uxbridge Road, Hayes. 72470/APP/2016/4648	164,586.80
14	HA/004/583A	1-53 Constabulary Close, West Drayton 12768/APP/2022/2175	40,000.00
15	HA/005/587A	Allport House, Cowley Business Park, High Street 46104/APP/2020/789	32,000.00
16	HA/006/588A	1-3 Bakers Road, Uxbridge 72219/APP/2021/1535	46,185.71
		TOTALS	5,099,654.62

Proposed Allocations

This report sets out types of allocation for the future use of the S106 receipts to support as part of S106 Affordable Housing fund to increase the provision of affordable housing within the council's area as follows:

i. Acquisition or development of new affordable homes

A combination of street and block purchases, and access to newly constructed homes by external providers all need to be considered as part of the process of acquiring and obtaining good quality affordable homes. The housing service has also been presented with potential land and development opportunities across the borough which could be unlocked to deliver affordable housing that would otherwise remain unviable. It should be noted that contributions received can only be used for new affordable housing beyond that which is required by the donor site under any existing S106 legal agreement.

- ii. The delivery of affordable housing on Council developments.

The Council has a number of developments which seek to deliver low-cost affordable homes including two estate regeneration schemes on Avondale Road and in Hayes town centre. S106 affordable housing funding may be used to secure the provision of additional affordable housing in these schemes above that required by planning legal agreements, and to increase the number of social/ affordable rented homes.

- iii. The delivery of affordable housing in the borough by Registered Providers.

Registered Providers are not for profit affordable housing providers who can develop new affordable homes within the Council's area. It is proposed that S106 affordable housing funding is used to secure the provision of additional affordable housing in such schemes above that required by planning legal agreements, and to increase the number of social/ affordable rented homes.

Reasonable project management and other costs related to the securing of additional affordable housing may also be recovered in accordance with terms in each relevant legal agreement.

The release of S106 funding to the S106 Affordable Housing Fund will enable the council to support the cost of delivering affordable homes alongside other financing options. The proposed allocations would provide appropriate mitigation for the impacts of the specific developments. The decision to approve the expenditure of specific monies is a matter reserved under Recommendation 2 for the Corporate Director of Central Services in consultation with the Cabinet Member for Residents' Services. A record of all specific allocations will be maintained for monitoring purposes and reported in the council's annual Infrastructure Funding Statement.

Financial Implications

This report requests the allocation of £5,100k from sixteen affordable housing S106 contributions as detailed in the table above.

The S106 contributions are to be used towards the delivery of affordable housing in the Council's area.

The scheme(s) is yet to be worked up and will be subject to capital release. The approval of the £5,100k S106 contributions will contribute towards financing of delivery of the affordable housing scheme and will reduce the call on Council resources.

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

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon 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

None required.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance has reviewed the report and concurs with the financial implications set out above, noting that the allocation of £5,100k of the S106 Affordable Housing Fund contributions are in accordance with the planning agreements and will reduce the call on Council resources.

Furthermore, it is noted that this investment is in line with the Council's commitment to deliver 814 new dwellings over the period of 2024/25 to 2028/29.

Legal

Legal services confirm that the proposed allocations of section 106 monies comply with the provisions of the relevant agreements. Additional legal advice will be provided on a case-by-case basis as necessary to ensure continued compliance with each agreement.

BACKGROUND PAPERS

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

TITLE OF ANY APPENDICES

Details of funds from S106 Affordable Housing Contributions to be allocated towards the S106 Affordable Housing Fund