



Democratic Services

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

**COUNCILLOR EDDIE LAVERY
CABINET MEMBER FOR RESIDENTS' SERVICES**

c.c. All Members of the Residents' Services Select Committee
c.c. Nicola Wyatt – Central Services Directorate
c.c. Ian Thynne – Central Services Directorate
c.c. Dan Kennedy – Corporate Director of Central Services

Date: 11 June 2024

Non-Key Decision request

Form D

NEW ALLOCATION OF S106 CONTRIBUTIONS 2024/25: Carbon offset Fund - West London Alliance Energy Planning Partnership

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 Wednesday 19 June 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.

Ryan Dell
Democratic Services

Title of Report: New Allocation of S106 Contributions 2024/25: Carbon Offset Fund – West London Alliance Energy Planning Partnership

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 / Cabinet Member for Residents' Services /

NEW ALLOCATION OF S106 CONTRIBUTIONS 2024/25: Carbon offset Fund - West London Alliance Energy Planning Partnership

Cabinet Member(s)	Councillor Martin Goddard Councillor Eddie Lavery
Cabinet Portfolio(s)	Cabinet Member for Finance Cabinet Member for Residents' Services
Officer Contact(s)	Nicola Wyatt – Central Services Ian Thynne – Central Services
Papers with report	N/A

HEADLINES

Summary	To seek approval to allocate funds from the s106 Carbon Offset Fund to fund Hillingdon's contribution towards The West London Alliance Energy Planning Partnership Net Zero work programme.
Putting our Residents First	The report supports the Council objectives of strong financial management.
Financial Cost	This report seeks to allocate £50,800 from the identified s106 carbon offset contribution held by the Council to fund Hillingdon's contribution towards The West London Alliance Energy Planning Partnership Net Zero work programme as outlined in the report.
Relevant Select Committee	Residents' Services Select Committee.
Relevant Ward(s)	All.

RECOMMENDATION

That the Cabinet Member for Finance, in conjunction with the Cabinet Member for Residents' Services, approves that a total of £50,800 from the s106 carbon offset contribution held by the Council at EO/017/582C is allocated and used to fund Hillingdon's contribution towards The West London Alliance Energy Planning Partnership Net Zero work programme.

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. The Council collects Carbon Section 106 funds for projects for those identified in this proposal. Should S106 not be used for this, then firstly the Council would have to revert to the general fund and secondly, would still have to find similar carbon saving projects to ensure compliance with the legal obligations of the fund. If the s106 funds are not allocated to an appropriate scheme, the unspent funds may need to be refunded.

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 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.

Council's Carbon Offset Fund – Allocation of Carbon Offset Contributions

Background

3. All major developments in London are now required to be zero carbon. To meet this target an onsite 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 which 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.

4. Carbon offset contributions are collected from qualifying developments via a S106 agreement. The money can then be pooled to create a fund to be used by the Council towards a variety of projects that will contribute to the reduction in carbon emissions.

5. The GLA has provided guidance on how the Council should consider the use of the s106 funds collected. The Council's own guidance was informed by the approach recommended by the GLA. This encourages the prioritisation of the delivery of "hard measures" or projects that deliver

tangible carbon savings, such as reducing energy demand in existing buildings or generating renewable electricity. However, it also recognises the valuable contribution of “soft measures” such as behaviour change initiatives, feasibility studies, or programmes that have less tangible carbon savings but can demonstrably create the enabling environment for carbon reductions.

Proposed allocation

6. Officers are requesting that a total of £50,800 from the S106 carbon offset contribution held at EO/017/582C and detailed in table 1 is allocated and used to fund Hillingdon’s contribution towards The West London Alliance Energy Planning Partnership zero carbon work programme as outlined in paragraphs 7-12 below.

Table 1 – Details of the s106 contribution to be allocated

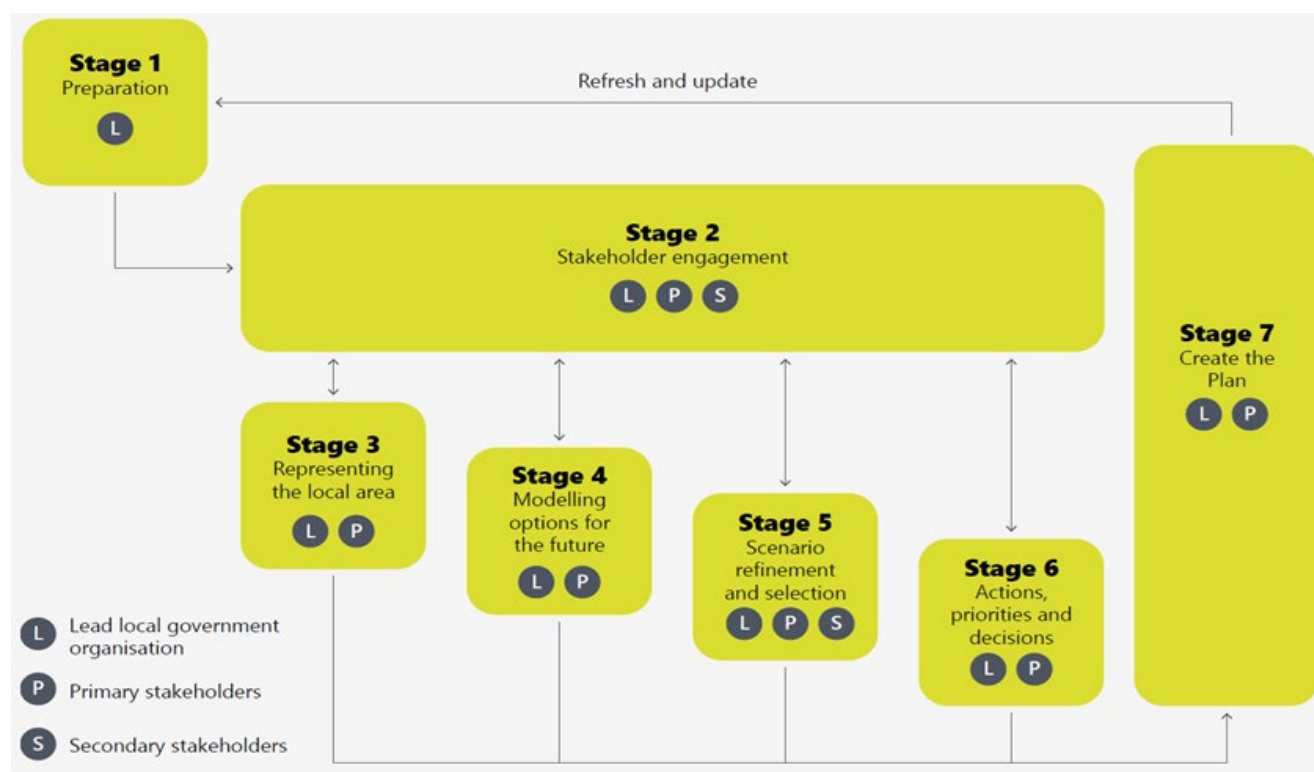
S106 reference	Planning reference	Amount to be allocated	comments
EO/017/582C	Land to the East Side of Newport Road, Hayes 73298/APP/2020/1194	50,800.00	Contribution received as the Carbon off set Contribution to be used by the Council towards the Council’s Carbon Offset Fund. Funds to be spent within 7 years (March 2030).
	TOTAL	50,800.00	

7 The programme meets the requirements of a ‘soft project’. Although it does not provide a direct carbon saving, it is a programme that is much needed to address a significant area of concern for West London. The current energy infrastructure is time limited, inefficient and poses a constraint for developing a low carbon future. The programme has the potential to result in a plan that will ultimately have significant carbon benefits across West London and put in place the building blocks to deliver higher levels of carbon savings. The programme is relatively inexpensive with regards to the Carbon Offset Fund given the collaboration and contribution across a number of boroughs. Consequently, there is a clear exceptional case to release funds for this ‘soft project’ to create an environment for positive change.

Project Proposal: Towards the West London Alliance Energy Planning Partnership – Net Zero Work

8 The West London Alliance (WLA) is a sub-regional partnership that brings together seven local authorities to collaborate and innovate to improve outcomes for economy and skills, social care, and housing across Borough boundaries. As part of its work, and in collaboration with the GLA, the Alliance is currently working to deliver Local Area Energy Planning (LAEP) across the West London area. This is a seven-stage process for optimising energy systems and built environments to achieve net zero.

Local Area Energy Planning Process



Continuation of sub regional Local Area Energy Planning with the GLA (£25k)

9. Phase 1 of the process (stages 1-4) have already been undertaken on a West London basis, funded by the GLA. The West London Leaders and Chief Executives have subsequently agreed to provide c£25k per Borough per annum for two years to deliver the LAEP Phase 2 on a sub-regional basis as part of the West London Energy Planning Partnership. The funding will secure implementation support from the GLA for the following seven work packages.

- Electricity network reinforcement
- Energy system flexibility and peak demand reduction
- Decarbonise heat
- Energy efficiency upgrades in buildings
- Maximise local energy generation
- Decarbonise transport
- Decarbonise major energy users

Employment of a West London Alliance Net zero officer for a two-year period (£25.8k)

10. In addition, and in response to a paper produced by the Environment Director's Chairs, the WLA has also produced a proposal for the employment of a Net Zero officer. The officer will be a dedicated and shared resource across the boroughs to help prepare and deliver strategic priorities and enable the integration of various groups such as economic prosperity, planners, transport, digital skills etc.

11. So far, West London's response to the climate emergency has been ambitious and well-coordinated but the harder challenges now need to be addressed especially regarding financing and funding. Part of the officer's role will be to help develop pre-prepared plans and projects to take advantage of funding when it becomes available.

12. The cost of providing a dedicated officer is estimated at £90k annually for a two-year period. This will be shared equally amongst the participating boroughs. Hillingdon's share would be £25,800 (£12,900 per annum).

Financial Implications

The report seeks the allocation of £51k from the S106 contribution held at EO/017/582C relating to Land to the East Side of Newport Road, Hayes towards The West London Alliance Energy Planning Partnership Net Zero work programme. The £51k will be Hillingdon Council's share of the contribution towards the programme.

Allocating the S106 contribution held at EO/017/582C meets the conditions stipulated in the S106 agreement. The scheme will be accounted for under the S106 funded revenue projects.

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 £51k S106 monies as carbon offset contribution is in accordance with Hillingdon's contribution towards The West London Alliance Energy Planning Partnership zero carbon work programme scheme. Although it doesn't provide a direct carbon saving, it is a programme that addresses a significant area of concern for West London. The programme has the potential to result in a plan that will ultimately have significant carbon benefits across West London and put in place the building blocks to deliver higher levels of carbon savings.

Furthermore, Corporate Finance notes, that this investment is in line with the Council's commitment to becoming carbon neutral by 2030 and investing in energy saving measures to reduce carbon across the property portfolio. The reduction in energy consumption will help mitigate cost pressures on energy budgets.

Legal

Legal Services have considered the content of the Section 106 agreement referred to in this report and concludes that the recommendation presented is consistent with the terms of the respective agreement.

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