



Democratic Services

Location: Phase II

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

c.c. All Members of the Corporate Resources &
Infrastructure Select Committee

c.c. Nicola Wyatt / Julia Johnson Place Directorate

c.c. Karrie Whelan, Corporate Director of Place

c.c. All Ward Councillors

Date: 17 January 2025

Non-Key Decision request

Form D

NEW ALLOCATION OF S106 CONTRIBUTIONS 2024/25: HILLINGDON AIR QUALITY ACTION PLAN and S106 CARBON OFFSET 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 Monday 27 January 2025** 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 2024/25: HILLINGDON AIR QUALITY ACTION PLAN and S106 CARBON OFFSET 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 & Transformation

NEW ALLOCATION OF S106 CONTRIBUTIONS 2024/25: HILLINGDON AIR QUALITY ACTION PLAN and S106 CARBON OFFSET FUND

Cabinet Member & Portfolio	Councillor Martin Goddard - Cabinet Member for Finance & Transformation
Responsible Officer	Karrie Whelan Corporate Director of Place
Report Author & Directorate	Nicola Wyatt / Julia Johnson Place Directorate
Papers with report	None

HEADLINES

Summary	To seek approval to allocate funds from the s106 contributions currently held at s106 case references EA/001/327H and EO/014/567C towards the implementation of the Council's Air Quality Action Plan and management of the Councils S106 Carbon Offset Fund.
Putting our Residents First Delivering on the Council Strategy 2022-2026	<p>This report supports our ambition for residents / the Council of: Live in a sustainable borough that is carbon neutral</p> <p>This report supports our commitments to residents of: A Green and Sustainable Borough</p>
Financial Cost	This report seeks to allocate £360,000 from identified s106 contributions held by the Council towards the implementation of the Council's Air Quality Action Plan and management and delivery of the Council's Carbon Offset Fund, as outlined in the report. The proposal is in accordance with MTFP proposals.
Select Committee	Resident Services Select Committee
Ward(s)	All

RECOMMENDATIONS

That the Cabinet Member for Finance & Transformation:

- 1. Approves that a total of £210,000 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. This is in accordance with MTFF proposals.

- 2. Approve that a total of £150,000 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. This is in accordance with MTFF proposals.**

Reasons for recommendation(s)

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 & Transformation 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 / previous authority

The Cabinet Member for Finance & Transformation has the delegated authority to allocate funds from S106 planning obligation monies.

Both the Cabinet Member for Community & Environment and the Cabinet Member for Planning, Housing & Growth have been consulted and endorse 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.

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) is in the process of being updated for the next five-year period 2024-2029. The Plan includes the concept of air quality focus areas as those requiring the greatest interventions to mitigate and improve local air quality. This ensures resources are focused 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 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*. Specialist technical input is also required to develop and implement projects that mitigate the impacts of air pollution. This proposed allocation is sufficient to secure technical support for the implementation of the AQAP for three financial years ensuring continuity of expert oversight. The total cost is £210,000

8. Officers are therefore requesting that a total of £210,000 from the S106 air quality contribution detailed in the table below is therefore allocated to secure technical support for the implementation of the AQAP for three financial years from 2024/25 to 2026/27. This allocation will also support the delivery of the council's MTF savings.

Table 1 - Details of S106 contributions to be allocated

S106 reference	Planning reference	Amount to be allocated	comments
EA/001/327H	Land at Phase 3 Stockley Park, Stockley Road, West Drayton 37977/APP/2018/4339	210,000.00	£416,000 received to be used by the Council towards mitigation measures aimed at improving air quality within the Council's administrative area. No time limit for spend. £116k allocated towards Hillingdon School Pollution Screening Programme (Cabinet Member Decision 18/11/2022).
	TOTAL	210,000.00	

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 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 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 (2024/25 - 2026/27)

11. In July 2021, the Council adopted a Strategic Climate Action Plan and is committed to becoming carbon neutral by 2030. A review of the strategy was recently undertaken and will be subject to public consultation before its adoption in 2025. The council's S106 carbon offset fund is supporting activities that will reduce the council's carbon footprint. 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 the decarbonisation of the Civic Centre which is currently in progress.

12. The Council currently holds S106 carbon offset contributions totalling £8,138,025. Officers are requesting that £150,000 from this funding is allocated and spent to cover the cost of managing the delivery of the Council's S106 Carbon Offset Fund for three financial years from 2024/25 to 2026/27. 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 £150,000 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. This allocation will also support the delivery of the council's MTFF savings.

Table 2 - Details of S106 contribution to be allocated

S106 reference	Planning reference	Amount to be allocated	comments
EO/014/567C	West London Film Studios, Springfield Road, Hayes 46378/APP/2019/2970	150,000.00	£156,431 received as the Carbon Fund Contribution towards the Council's Carbon offset fund. Spend within 7 years of receipt (Jan 2030).
	TOTAL	150,000.00	

Financial Implications

The report requests the allocation of £360k from the two S106 contributions detailed in the table below:-

S106 Funding Reference	Scheme	Amount	Time Limit to Spend
EA/001/327H	Land at Phase 3 Stockley Park, Stockley Road, West Drayton	210,000	N/A
EO/014/567C	West London Film Studios, Springfield Road, Hayes	150,000	Jan 2030
Total S106		£360,000	

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

The contribution held at EA/001/327H is to be used towards funding the continued specialist technical support for the implementation of Air Quality Action Plan (AQAP) for a further three financial years namely, 2024/25, 2025/26 and 2026/27 at £70k per annum.

The contribution held at EO/014/567C is to be used towards project management costs to support the delivery of the Council's S106 carbon offset fund for three years (financial years 2024/25, 2025/26 and 2026/27) at £50k per annum.

Both S106 contributions will be accounted for under the relevant revenue service areas and if approved 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 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 & Engagement carried out (or required)

Not required.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance concurs with the financial implications above, noting that the above Section 106 Contributions, in accordance with planning obligation agreements, will support the delivery of the air quality plan and carbon offset measures for the financial years 2024/25 to 2026/27, with no impact on Council resources.

Legal

Legal Services have considered the content of the Section 106 agreements referred to in this report, including the officer's report setting out the outcome from the Energy Statement and the Carbon Offset contribution required in respect of the planning application reference 46378/APP/2019/2970, and concludes that the recommendations presented are consistent with the terms of the respective agreements.

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