



Democratic Services

Location: Phase II

Ext: 0636

DDI: 01895 277655

CMD No: 1447

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

c.c. All Members of the Residents' Services Select Committee

c.c. Nikki Wyatt & Ian Thynne, Place Directorate

c.c. Karrie Whelan, Place Directorate

Date: 4 June 2025

Non-Key Decision request

Form D

NEW ALLOCATION OF S106 CONTRIBUTIONS 2025/26: Carbon offset Fund - West London Alliance Energy Planning Partnership (Year 2)

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 12 June** 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 2025/26: Carbon offset Fund - West London Alliance Energy Planning Partnership (Year 2)

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 2025/26: Carbon offset Fund - West London Alliance Energy Planning Partnership (Year 2)

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

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 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 £25,000 from the identified s106 carbon offset contribution held by the Council to fund Hillingdon's contribution towards Year 2 of The West London Alliance Energy Planning Partnership Net Zero work programme as outlined in the report
Select Committee	Resident Services Select Committee
Ward(s)	All

RECOMMENDATIONS

That the Cabinet Member for Finance and Transformation, approves that a total of £25,000 from the s106 carbon offset contributions held by the Council at EO/017/582C, EO/014/567C & EO/015/579C is allocated and used to fund Hillingdon's contribution towards Year 2 of The West London Alliance Energy Planning Partnership Net Zero work programme.

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 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 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 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.

6. The WLA Zero Carbon Programme (as detailed below) meets the requirements of a 'soft carbon 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.

Proposed allocation

7. A total of £50,800 from the Council's S106 Carbon Fund, has already been allocated towards the West London Alliance Energy Planning Partnership Zero Carbon Programme (Cabinet Member Decision 24/06/2024). This comprises a contribution of £25,800 towards the employment of a Net Zero Officer for a period of 2 years, and £25,000 towards the first year of the Zero Carbon Work Programme as outlined in paragraphs 9-14 below.

8. Officers are now requesting that a further £25,000 from the S106 carbon offset contributions detailed in table 1, is allocated and used to fund Hillingdon's contribution towards year 2 of the Work Programme. This allocation will conclude Hillingdon's contribution to the project.

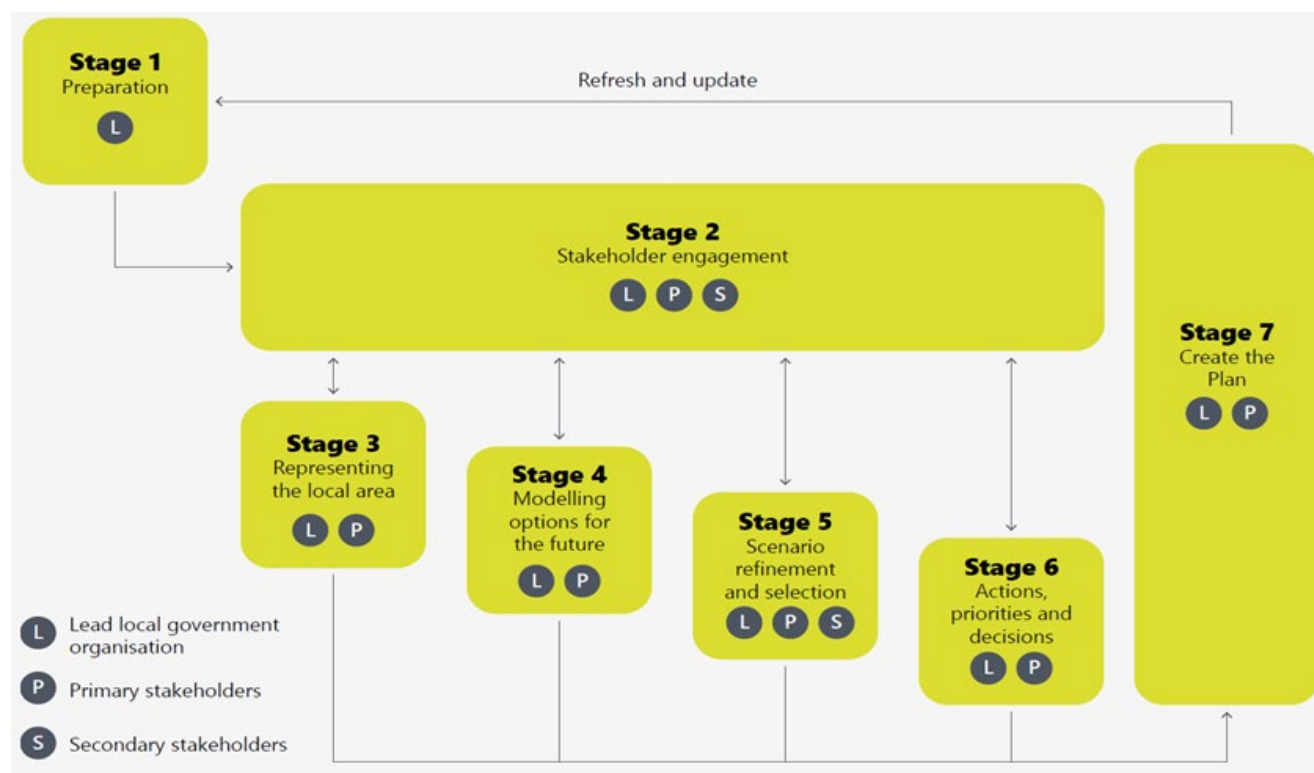
Table 1 – Details of the s106 contribution to be allocated

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	8,237.88	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).
EO/014/576C	West London Film Studios, Springfield Road, Hayes 46378/APP/2019/2970	6,431.36	Funds received as the Carbon Fund Contribution towards the Council's Carbon offset fund. Spend within 7 years of receipt (Jan 2030).
EO/015/579C	Fmr Star PH, Corner of Star Road & Uxbridge Road. 8057/APP/2019/3861	10,330.76	Funds received as the carbon fund contribution towards the Council's Offset Fund. Spend within 7 years of receipt (May 2030).
	TOTAL	25,000.00	

Project : The West London Alliance Energy Planning Partnership – Net Zero Work

9. 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 Year 2 (£25k)

10. Phase 1 of the process (stages 1-4 above) 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 £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

11. So far, work in year 1 has focused on energy flexibility and multi-borough solar PV opportunities. A study due to be completed in June 2025, will provide guidance for Boroughs on opportunities for flexible energy solutions for buildings focused on their own estate and identify potential areas of opportunity for multi-Borough PV projects that could be taken forward.

12. Year 2 is expected to build on the work done so far and look at other priorities in the programme such as decarbonisation, building on the strategic heat network planning work recently carried out by the GLA, and looking at neighbourhood-level approaches to the roll out of heat pumps. The focus for further work streams will be finalised later in 2025, once the results of current work has been assessed and initial insights developed.

13. Work will also focus on continuing to look for opportunities to further engage with Major Energy users to provide data for future work streams and create more on-going engagement/collaboration amongst the private and public sector.

14. In order to complete the Council's financial commitment to the Programme, officers are requesting the allocation of £25,000 from S106 Carbon Offset contributions as Hillingdon's share of the costs of year 2 of the Work Programme. This allocation will conclude Hillingdon's contribution to the project.

Financial Implications

The report seeks the allocation of £25k from the three S106 contribution as detailed in Table 2 below:-

Table 2: S016 Contributions

S106 Funding Reference	Scheme	Amount	Time Limit to Spend
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EO/014/576C	West London Film Studios, Springfield Road, Hayes	6,431	N/A
EO/015/579C	Fmr Star PH, Corner of Star Rd & Uxbridge Rd	10,331	N/A
EO/017/582C	Land to the East Side of Newport Road, Hayes	8,238	Jul 2030
Total Contribution		£25,000	

The S106 funds are to be used towards The West London Alliance Energy Planning Partnership Net Zero work programme Year 2. The £25k will be Hillingdon Council's share of the contribution towards the programme.

Allocating the S106 contributions meet the conditions stipulated in the S106 agreements. The scheme will be accounted for under the S106 funded revenue projects

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 has reviewed this report and concurs with the financial implications above, noting that the allocation of £25k 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.

Furthermore, it is noted that although this contribution does not 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.

Legal

Legal Services have considered the content of the Section 106 agreements referred to in this report together with the relevant discharge notices and concludes that the recommendation presented is 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 2015.

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