

**Democratic Services****Location:** Phase II**Ext:** 0185**DDI:** 01895 250185**CMD No:** 1612

**To: COUNCILLOR EDDIE LAVERY
CABINET MEMBER FOR FINANCE &
TRANSFORMATION**

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

c.c. Dan Kennedy – Corporate Director of Residents Services

c.c. Sam Robins/ Nicola Wyatt – Residents Services

Date: 23 January 2026

Non-Key Decision request**Form D****New Allocation of S106 Contribution 2025/26: Construction and Employment Training Coordination and Delivery**

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 02 February 2026** 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.

Liz Penny
Democratic Services

Title of Report: New Allocation of S106 Contribution 2025/26: Construction and Employment Training Coordination and Delivery

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 Contribution 2025/26: Construction and Employment Training Coordination and Delivery

Cabinet Member & Portfolio	Cllr Eddie Lavery – Cabinet Member for Finance & Transformation
Responsible Officer	Daniel Kennedy, Corporate Director for Residents Services
Report Author & Directorate	Sam Robins/ Nicola Wyatt, Residents Services Directorate
Papers with report	None

HEADLINES

Summary	<p>To seek approval to allocate and spend relevant S106 contributions received and held by the Council pursuant to agreements under s.106 Town and Country Planning Act 1990 (“s.106”) for the following purposes:</p> <ul style="list-style-type: none">• A maximum of £80,848 for funding a temporary extension to the Council’s existing contract with its construction training and employment provider (Qualify Me) to cover the period until a proposed break in contract.• A maximum of £247,500 for the Regeneration and Economic Development Team to cover the costs of coordinating, delivering and reporting on construction and employment training over a 24-month period.
Putting our Residents First	<p>This report supports our ambition for residents / the Council of: Have opportunities to earn an income that supports their families</p>
Delivering on the Council Strategy 2022-2026	<p>This report supports our commitments to residents of: A Thriving Economy</p>
Financial Cost	<p>This report seeks to allocate and spend £328,348 from identified S106 contributions held by the Council for the reasons outlined in this report.</p>
Select Committee	Residents’ Services
Ward(s)	All

RECOMMENDATIONS

That the Cabinet Member for Finance and Transformation, agrees the allocation and spend of S106 construction training contributions listed in Appendix A as follows:

- 1) A maximum of £80,848 for funding a temporary extension to the Council's existing provider (Qualify Me) to cover the period until the break in contract. This is required to maintain the co-ordination, monitoring and reporting of construction training in line with existing S106 planning agreements up until the proposed break in contract. If the full amount is not spent, it be agreed that any remaining balance will be allocated and spent on delivery of construction training schemes.
- 2) A maximum of £247,500 for the Regeneration and Economic Development Team for directly coordinating, delivering and reporting on construction and employment training over a 24-month period commencing FY26/27.

Reasons for recommendations

In accordance with the Council Constitution, the allocation of contributions received under Section 106 of the Town and Country Planning Act 1990 (S106) is required to be formally approved by the Cabinet Member for Finance on a case-by-case basis.

This report recommends that the Council take a new approach to delivering the construction and employment training and skills committed to via S106 legal agreements on new development. At present, part of the co-ordination, monitoring and reporting of construction training is provided by an external consultant employed by the Council. The new approach is to have this fully brought within the Council with the aim of delivering better value for money, greater control and improved delivery. This approach aligns with expanding the service in collaboration with key local partners, including developers and large employers. The amount required for the Regeneration and Economic Development Team to directly coordinate, deliver and report on construction and employment training has been estimated at £247,500 for a 24-month period (£123,750 annually).

It is necessary however to maintain the co-ordination, monitoring and reporting of construction training in line with existing S106 legal agreements, noting that this relates to some schemes that are currently ongoing and providing training to individuals. Therefore, a request for £80,848 for funding a temporary extension to the Council's existing provider (Qualify Me) is made to cover the period until the proposed break in contract. The contractual break clause in the contract with Qualify Me will be utilised, subject to this Cabinet Member decision being approved to allow construction training to be delivered directly by the Council's Regeneration and Economic Development Team.

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 contributions are not allocated to an appropriate scheme, the unspent funds will eventually need to be refunded in accordance with the terms of the s.106 legal agreements.

The main alternative option at this stage would be to simply continue the Qualify Me contract for an extended period and not bring the service in-house. However, this option would mean the Council missing out on a significant opportunity to create an in-house service which is more targeted to Council priorities, cost-effective and flexible. The new proposed approach will be able to take a more strategic approach to building relationships and delivery partnerships with local

organisations than is currently happening under the outsourced approach, delivering a more bespoke service and opening up the possibility of leveraging additional external funding.

Democratic compliance / previous authority

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

A previous Cabinet Member report submitted March 2025 (Ref 1356) allocated £114,000 (£57,000 per annum for 24/25 and 25/26) S106 funding to the Regeneration and Economic Development Team core budget for Officers to support the coordination only of construction training work placements in the Borough. The new proposed funding is for the period after this (commencing FY26/27) rather than in addition to it. The proposed uplift reflects the fact the work undertaken by the existing provider (Qualify Me) will be brought within the Regeneration and Economic Development Team and this expenditure ended.

Both the Cabinet Member for Children, Families and Education and the Cabinet Member for Planning, Housing & Economic Growth have been consulted and endorse the proposal.

Select Committee comments

None at this stage.

SUPPORTING INFORMATION

What are S106 legal agreements and Planning obligations

Planning obligations are an established statutory mechanism for mitigating planning effects arising from development proposals. Planning obligations can either be made by a unilateral undertaking or by agreement. 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 contributions must be spent on their intended purpose (as set out in the relevant planning) and contribute to the sustainability of the area by mitigating the impacts of the development proposals. As a result, expenditure of S106 contributions 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.

Why we are proposing ending the current approach

The Council has historically utilised an external provider (Qualify Me) to assist in discharging the construction training element of S106 legal agreements. The last decision to approve this was taken via Cabinet Member Decision on 15 February 2022 (Ref 365) and allocated £241,645. This approach has facilitated construction training coordination on large sites within the Borough during a period where there was limited staff capacity and expertise to deliver this in house. It should be noted that initial developer liaison, regular meetings with the developer, reporting and other contract management functions are still being undertaken by Council officers as part of this approach.

However, Officers believe that ending this contract and bringing all elements of this process within the team would amount to better value for money, allow greater control over training and improve delivery of training to the benefit of residents. As noted above, the existing approach is not without resource implications for internal officers already, which amounts to £57,000 per annum in addition to the money directed to the external provider. The team are confident they could utilise this funding better to further resource the team and deliver better outcomes.

What are the benefits of new approach and how is it calculated.

One benefit of the new approach is removing the administrative burden of contract managing the external provider, who currently does not cover all the functions involved with delivering the requirements of the S106 planning obligations. The other benefit is taking greater control over how the money is delivered and ensuring it is aligned to the other work of the team and the opportunities these are creating.

The funding would ensure coordination, delivery and reporting on construction and employment training planning obligations. This would include the following functions:

- Where employment strategies are secured on suitably large construction sites, monitoring and reporting on these directly to ensure agreed performance targets are being met.
- Assisting with relevant enforcement activity where necessary due to a disqualifying event taking place, which triggers rectification.
- Where necessary, providing the construction work placement co-ordinator function on-site.
- Where financial contributions in lieu are required, ensuring delivery and coordination of the alternative training provision by a suitable provider or directly via an in-house S106 Skills and Employment Service. This will include coordinating with major employers to ensure local residents access training and employment opportunities and engage with local partners (e.g. Job Centre Plus and colleges) to support residents with barriers to employment.
- Negotiate and agree any variations to the construction and training element of development schemes with developers in line with the Council's latest policy position.
- Provide the necessary data to facilitate regular reporting on progress and outcomes, including information necessary to assist in the discharge of relevant obligations.
- Support the Heathrow Labour Strategy, including job brokerage and employment/skills initiative, including through Heathrow Academy. Align training provision with Heathrow's current and future skills needs by working with local colleges and universities.
- Ensure standardised delivery of construction and employment training across West London, bringing Hillingdon in line with neighbouring boroughs to facilitate development growth and remove unnecessary barriers.

Officers have calculated that the cost in delivering the above will approximately be £247,500 for a 24-month period (£123,750 annually). Part of this will be utilised to fund the necessary time afforded by the Regeneration & Economic Development Manager and the Economic Development Team Leader over the 24-month period. It should be noted that, at present, the existing approach already estimates this time equate to be £57,000 per annum.

However, to fully bring this function in-house, the other part of the £123,750 will be directed to new staff within the team. It is envisaged that this will take the form of a 23-month FTE role at grade POB, with the recruitment process to this post taking place immediately, to coincide with the termination of the external contract. Whilst this is the preferred approach, Officers are mindful of the need for necessary flexibility in the recruitment process to obtaining this new capacity, based on the job market and available candidates.

The requested amount is reflective of the high number of significant developments that are forecast to commence over the next two years, including a pipeline of residential schemes and several large employment schemes (incl. significant data centres) that have permission, in addition to the Council's growth agenda and the desire to improve productivity amongst jobs created in Hillingdon.

Ending Current Approach

It is necessary in the immediate term to maintain the co-ordination, monitoring and reporting of construction training in line with existing S106 legal agreements, noting that this relates to some schemes that are currently ongoing and providing training to individuals. Therefore, a request for £80,848 for funding a temporary extension to the Council's existing provider (Qualify Me) is made to cover the period until the proposed break in contract. The contractual break clause in the contract with Qualify Me will be utilised, subject to this Cabinet Member decision being approved to allow construction training to be delivered directly by the Regeneration and Economic Development Team.

Developer obligations taken towards construction training and workplace co-ordinator

The contributions outlined in Appendix A were taken in relation to planning applications which were expected to generate significant employment opportunities during the construction phase of the development. Planning permission was therefore approved for each development subject to the developer providing a financial contribution towards the cost of providing construction training courses and the provision of a workplace coordinator to coordinate "on site" training and employment opportunities arising from construction schemes in the borough. The level of contribution was calculated in proportion to the size of the development and the build costs of the scheme, in accordance with the Council's Supplementary Planning Document on Planning Obligations as amended 2014.

Details of the S106 contribution held at case ref PPR/49/174C (Appendix A)

In accordance with a S106 planning agreement signed 29 June 2007 ("the 2007 Agreement") relating to the replacement of passenger terminal 2 building at Heathrow Airport (planning reference 62360/APP/2006/2942), the Council currently holds a remaining balance of £60,102.02 towards the implementation of the Heathrow Local Labour Strategy in Hillingdon. Under the terms of the S106 agreement, Heathrow Airport Ltd (HAL) was required to invest £150,000 per annum for a period of 10 years (until 2018) in activities that were consistent with the Strategy, with one third of that investment (£50,000) being spent within Hillingdon's administrative area.

In later years, to meet this commitment in Hillingdon, rather than spending the funds directly towards eligible schemes in the Borough, HAL made monetary contributions to the Council towards delivering the Heathrow Labour Strategy in Hillingdon. There is no time limit for spending these funds.

Proposed allocation

Since the 2007 Agreement, Hillingdon's approach to economic development has continued to evolve to reflect the changing economic circumstances in the Borough. The Heathrow Local Labour Strategy objectives, that sought to ensure that local people have access to training and employment opportunities at Heathrow, have now been incorporated in the Council's Strategy 2022-2026. In which one of the Council's 5 commitments is to deliver a thriving economy by working in partnership with local employers (such as HAL) and other stakeholders to provide opportunities for residents to learn new skills, find local jobs and progress into better quality jobs.

Officers are therefore requesting that the remaining balance from this contribution is allocated towards the Regeneration and Economic Development Team to continue to deliver employment training in the borough. This work will include working closely with Heathrow colleagues to support them in local job brokerage and delivering employment and skills initiatives for local people through opportunities at Heathrow and the Heathrow Academy.

Financial Implications

The report requests the allocation of £328,348 from sixteen S106 contributions as detailed in Appendix A towards two schemes.

Recommendation one requests the allocation of £80,848 to fund construction training by the temporary extension of the Council's current provider Qualify Me.

Recommendation two requests the allocation of £247,500 to fund continued support for officers within the Economic and Regeneration team for a further two years (financial years 2026/27 & 2027/28) at £123,750 per annum.

All of the sixteen S106 contributions meet the conditions stipulated in the S106 agreements and if approved, will reduce the call on Council resources.

If the S106 funds held at PPR/155/445A is not spent on the intended purpose by the stipulated deadline of December 2026, the funds may need to be returned to the developer with interest as per the S106 agreement.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities

The recommendations in this report will enable S106 contributions to be spent to maximum effect, with greater value for money and impact than is currently being achieved, to provide an improvement in the local skills and employment benefits that are offered to residents.

Consultation & Engagement carried out (or required)

No formal consultation is required.

Officers have engaged with major developers involved in the delivery of construction and employment training and skills in determining the effectiveness of the existing and proposed approach.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance have reviewed this report and concur with the Financial Implications set out above, noting the recommendations to allocate S106 Contributions totalling £328k, comprising of £81k to fund the construction training and £248k to fund the Economic and Regeneration team for directly co-ordinating, delivering and reporting on construction and employment training for a further two-years covering the financial years 2026/27 and 2027/28, with these allocations being in accordance with planning obligation agreements.

Legal

Legal Services have considered the content of the Section 106 agreements referred to in this report and conclude that the recommendations presented to approve the allocation of £328,000 from identified Section 106 contributions held by the Council are consistent with the terms of the respective agreements.

BACKGROUND PAPERS

Nil.

APPENDIX A

Details of S106 Construction and Employment Training contributions to be allocated towards Construction and Employment Training Coordination and Delivery.

	S106 Reference	Development	Amount to be allocated	Comments
1	PPR/155/445A	St Johns School, Potter Street Hill, Northwood 10795/APP/2018/149	4,257.00	Funds received towards providing construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's area. Funds to be spent within 7 years of receipt (December 2026). Remaining balance to be reallocated.
2	PPR/157/443A	Stonefield Close, Production Facility, Stonefield Close & Stonefield Way 1660/APP/2019/1018	4,742.52	Funds received towards providing construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's area. Funds to be spent within 7 years of receipt (March 2027). Remaining balance to be reallocated.
3	PPR/162/575C	Gethcelyn House, Dawley Road, Hayes 71737/APP/2019/1979	18,881.08	Funds received towards providing construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's area. Funds to be spent within 7 years of receipt (April 2029).
4	PPR/163/567B	West London Film Studios, Springfield Road, Hayes 46378/APP/2019/2970	3,947.82	Funds received as the Construction training contribution to be used by the Council towards construction training courses delivered by recognised providers and the provision of a construction work place coordinator within the Authority's Area. Spend within 7 years of receipt July 2029.
5	PPR/164/558B	Bulls Bridge Industrial Estate (Union Park), North Hyde Gardens, Hayes 75111/APP/2020/1955	13,783.78	Funds received as the Construction Training contribution. Funds to be used towards construction training courses delivered by recognised providers & provision of a work place coordinator within the Authority's area. Funds to be spent within 7 years of receipt (Aug 2029)
6	PPR/165/590	Harefield Academy, Northwood Way, Harefield 17709/APP/2022/1387	2,506.55	Funds received as the construction training coordinator costs assosciated with the scheme. Funds to be spent within 7 years of receipt (October 2030).
7	PPR/166/591	Meadow High School, Royal Lane, Hillingdon 3348/APP/2023/138	1,817.38	Funds received as the construction training coordinator costs associated with the scheme. Funds to be spent within 7 years of receipt (October 2030).
8	PPR/167/582D	Land to the east side of Newport Road, Hayes 73298/APP/2020/1194	26,107.45	Funds received as the Construction Training Contribution to be used towards the cost of providing construction training courses delivered by a recognised provider and the provision of a construction workplace co-ordinator within the authority's area. Funds to be spent within 7 years (March 2031).
9	PPR/168/581E	Land at Tudor Works, Beaconsfield Road, Hayes 38421/APP/2021/4045	11,185.84	Funds received as the coordinator costs to be used for the purposes of employing the Co-ordinator to coordinate the Employment Strategy and Construction Training Scheme. Funds to be spent within 7 years (March 2031).
10	PPR/170/560B	Land at Ainscough Cranes, Unit 84 Hyes Industrial Park, Swallowfield Way, Hayes 63099/APP/2023/1608	2,022.68	£2,022.68 received as the "co-ordinator costs associated with the provision of an onsite Construction Training Scheme. Funds to be spent/committed within 7 years of receipt (October 2031)
11	PPR/171/604C	Northwood & Pinner Cottage Hosp & Northwood Health Centre, Pinner Road, Northwood 23658/APP/2021/1296	58,350.37	Funds received as the Construction Training Contribution to be used by the Council towards construction training courses delivered by recognised providers and the provision of a construction workplace coordinator in the Authority's area. Funds to be spent within 7 years of receipt (Jan 2032).
12	PPR/119/385A	Frank Welch Court, High Meadow Close, Pinner. 196/APP/2013/2958	23,150.20	Funds received towards the cost of providing construction training courses delivered by recognised providers and/or the provision of a construction work place co-ordinator within the Authority's area. No time limits for spend. Contribution allocated towards BUILD training NVQ scheme (Cabinet Member Decision 06/09/2023. Scheme completed. Balance available to be reallocated.
13	PPR/152/429E	Fmr Nestle Factory, Nestles Avenue, Hayes (Residential) 1331/APP/2017/1883	31,029.67	Contribution received as the "Residential land employment & training contribution" to be used towards employment & training measures within the Authority's area. See agreement for Employment & Training Strategy. Funds to be spent within 10 years of receipt.
14	PPR/169/432A	33-37 Belmont Road, Uxbridge 45222/APP/2015/4692	27,151.20	Funds received towards the cost of providing construction training courses delivered by a recognised provider and the provision of a construction work place co-ordinator within the authority's area. Funds to be spent within 7 years of receipt (March 2031).
15	PPR/173/607B	South Ruislip Library, Plot B, Victoria Road, Ruislip 67080/APP/2012/2973	39,312.26	Funds received as the Construction Training Contribution to be used by the Council towards construction training courses delivered by recognised providers and the provision of a construction workplace coordinator within the Authority's Area. No time limit for spend.
16	PPR/49/174C	Terminal 2, Heathrow Airport. 62360/APP/2006/2942	60,102.20	Contribution received to be used towards purposes consistant with the Heathrow Local Labour Strategy in Hillingdon. No time limits for spend.
		TOTALS	328,348.00	