

S106 HEALTH CONTRIBUTIONS

Relevant Board Member(s)	Councillor Ray Puddifoot
Organisation	London Borough of Hillingdon
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Papers with report	Appendices 1 and 2

1. HEADLINE INFORMATION

Summary	Given the new responsibilities and new structures in place to deliver healthcare in the Borough, it is important that the Council, the Clinical Commissioning Group and NHS Property Services work together to ensure that health contributions that are secured through planning obligations (otherwise known as s106 agreements) are spent in good time towards priority schemes for the benefit of our residents. This paper informs the Board of the s106 health contributions currently held by the Council and the progress that has been made so far in allocating and spending contributions towards the provision of healthcare facilities in the Borough.
Contribution to plans and strategies	Joint Health & Wellbeing Strategy
Financial Cost	None.
Relevant Policy Overview & Scrutiny Committee	Social Services, Housing and Public Health, Residents and Environmental Services and External Services
Ward(s) affected	N/A

2. RECOMMENDATION

That the Board note the progress and approach taken towards the allocation and spend of s106 healthcare facilities contributions within the Borough.

3. INFORMATION

Supporting Information

1. S106 health contributions are secured by the Council in accordance with the Council's Supplementary Planning Guidance Document for Planning Obligations (SPD) adopted July 2008. Contributions are required from developers to improve the provision or expand

the Borough's healthcare facilities, in order to increase their capacity or ability to cope with additional users as a result of new development. Consequently, contributions must be spent towards an eligible scheme and within the terms specified in the corresponding legal agreement. The precise terms for spending each contribution varies from agreement to agreement (see attached Appendices). However, in general terms, most agreements allow the following improvements to health facilities in the Borough:

- The expansion of health premises to provide additional facilities and services to meet increased patient or user numbers; or
 - New health premises or services at the local level; or
 - Any new facility required to compensate for the loss of a health facility caused by the development.
2. Most s106 agreements also include a time limit for spending the contribution, usually 5 years from when it has been received. If a contribution is not used for the intended purpose or not spent within the time specified in the agreement, the funds are required to be returned to the developer.

S106 health contributions held by the Council

3. The Council currently holds 31 separate s106 contributions towards health facilities totalling £1,161,371 as shown in the tables attached as Appendices 1 and 2. Since 2009, the Council has been working with Hillingdon Primary Care Trust (PCT) to spend these contributions towards the provision of healthcare facilities in the Borough. In October 2012, the Council signed a Service Level Agreement with the PCT to enable the allocation and transfer of primary healthcare contributions to be spent towards agreed schemes.
4. Appendix 1 lists the 10 contributions (totalling £801,152) that relate directly to primary healthcare facilities. Of these, only 3 have been allocated to specific schemes, i.e.:
- One contribution formerly held at H/17/214C (£74,385), has been allocated and recently transferred to the PCT towards the new Oaklands Medical Centre, Park Way, Hillingdon (Cabinet Member Decision 6/4/2011).
 - Two contributions held at H/4/140H and H/7/149D (totalling £234,291) are formally allocated towards the expansion of the Hesa Health Centre in Hayes (Cabinet Member Decision 6/4/2011).
5. The remaining 7 of the 10 contributions in Appendix 1 (totalling £492,473) are yet to be allocated. Of these 7 contributions, two must be spent before the end of next year or risk being returned to the developer, i.e.:
- £11,440 held at H/12/197B must be spent before February 2014.
 - £184,653 held at H/15/205F must be spent before September 2014.
6. Appendix 2 lists the 21 contributions (totalling £434,607) that are held more generally towards healthcare facilities. Of these only one contribution has been allocated to specific a scheme, i.e.:
- £30,527 held at H/6/170C is formally allocated towards the expansion of the Hesa Health Centre in Hayes (Cabinet Member Decision 6/4/2011).
7. The remaining 20 of the 21 contributions in Appendix 2 (totalling £696,237) are yet to be allocated. Of these, 3 must be spent before the end of next year, i.e.:
- Contribution held at H/1/152C (£8,903) must be spent before July 2014.
 - Contribution held at H/5/161C (£51,117) must be spent before March 2014.

- Contribution held at H/14/206C (£10,651) must be spent before February 2014.

Provision of health facilities within new developments

8. In addition to the above financial contributions, there are also potentially two on-site health facilities that are required to be built by developers in the Borough, i.e., at West Drayton Garden Village (former NATS site) and St Andrews Park (former RAF Uxbridge).
9. Under the terms of the s106 agreement relating to the redevelopment of the West Drayton Garden Village site, the developer is obligated to confirm with NHS Property Services (Propco) that a new primary healthcare facility is required as part of the development. If a facility is not required, the developer is then bound to make a financial contribution to the Council towards the provision of off site primary healthcare facilities to serve the development. The CCG has now confirmed that an on-site facility is not required and it has requested that, in accordance with the legal agreement, the financial contribution of £337,574 is to be used towards the provision of healthcare facilities in the locality of the site. There is potential for this funding to contribute to the Yiewsley Pool scheme.
10. The developers for the St Andrews Park site (VSM) are required to deliver a healthcare facility of not more than 225 sqm for use as a GP surgery as part of the development. The CCG has recently confirmed support for a health facility on the site. Negotiations between the developer and the NHS Property Services with regard to the size and type of facility required for the site is ongoing.

The process for allocating s106 contributions

11. In terms of allocating the s106 contributions for primary care facilities as listed in Appendix 1, which are strictly defined to be used towards the provision of 'primary healthcare facilities', it is crucial that NHS Property Services submits to the Council appropriate specific schemes for which it is committed to deliver, with timescales for their implementation. It should be noted that the Council cannot release s106 contributions to enable the NHS Property Services to carry out feasibility work without the appropriate business case and information.
12. The s106 contributions that are listed in Appendix 2 are less strictly defined to be used towards the provision of 'healthcare facilities'. There may therefore be scope for some or all of these contributions to be applied towards eligible projects that fall within the Council's new responsibilities for public health. In order to ensure that contributions are put towards priority schemes for the benefit of local residents, it is proposed that all potential schemes from the Council and the CCG are to be assessed according to the priorities for healthcare in the Borough before any formal allocation is agreed by the Council. They will then be submitted to the Council's S106 Monitoring Officer for informal discussion with the Cabinet Member for Social Services, Heath and Housing and the Cabinet Member for Planning, Transportation and Recycling. Requests will then be formally submitted to the Leader and Cabinet Member for Finance, Property and Business Services for approval via the Council's Cabinet reporting process. It should be noted that details of all the financial planning obligations (including health contributions) that are held by the Council and the progress being made in their allocation and implementation are reported to Cabinet on a quarterly basis via the 'Planning Obligations Financial Monitoring Report'.

13. The allocation and spend of some s106 healthcare facilities contributions towards eligible health schemes is now becoming urgent, with 5 separate contributions (totalling £266,766) required to be allocated and spent before the end of 2014. These must be given urgent consideration by the CCG to avoid funds being returned to the developer. Of particular note are:

- Two contributions totalling £61,769 (held at H/5/161C and H/14/206C) which are currently earmarked towards the proposed new health centre on the former Yiewsley pool site (contributions to be spent by February/March 2014). To date no application for planning permission has been submitted for this scheme, and funds cannot be released until there is a firm commitment for the construction of the health centre.
- A contribution of £184,653 (held at H/15/205F). This contribution was received from the redevelopment of the former RAF Eastcote, Lime Grove, Ruislip and must be spent towards the cost of providing primary healthcare facilities within the Eastcote and East Ruislip Ward boundary. A scheme to spend this contribution is yet to be identified and funds must be spent by September 2014.

14. In line with Government guidance, the Council is in the process of introducing a Community Infrastructure Levy (CIL) which will replace the majority of s106 contributions for the provision of infrastructure. The funds raised through CIL will be able to be spent more flexibly to fund a wide range of infrastructure including health and social care facilities, as well as road safety schemes, green spaces and leisure centres which may be needed as a result of new development.

FINANCIAL IMPLICATIONS

As set out in the body of the report.

LEGAL IMPLICATIONS

The monies referred to in this report are held by the Council for the purposes specified in each of the relevant legal agreements. Such monies should only be spent in accordance with the terms of those agreements. Where monies are not spent within the time limits prescribed in those agreements, such monies should be returned to the payee. Where officers are unsure whether monies held pursuant to particular agreements can be used for particular purposes, Legal Services should be consulted for advice on a case by case basis.

BACKGROUND PAPERS

NIL.