

UPDATE: ALLOCATION OF S106 HEALTH FACILITIES CONTRIBUTIONS

Relevant Board Member(s)	Councillor Ray Puddifoot
Organisation	London Borough of Hillingdon
Report author	Jales Tippell
Papers with report	None

1. HEADLINE INFORMATION

Summary	This paper updates the Board of the progress being made in allocating and spending contributions towards the provision of healthcare facilities in the Borough.
Contribution to plans and strategies	Joint Health and 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 notes the progress being made towards the allocation and spend of s106 healthcare facilities contributions within the Borough.

3. UPDATE ON PROGRESS

1. Since the last report to the Health and Wellbeing Board in October, a further meeting has been held between officers from the Council's Public Health Service, NHS Property Services and the Council's S106 Monitoring officer to discuss progress and move identified schemes forward.

Proposed GP schemes

2. In line with the Service Level Agreement (SLA), NHS Property Services has recently submitted formal requests to the Council to allocate and release s106 funds towards the four GP schemes approved by the NHS Panel in August. The four schemes are as follows:

- Improvements at King Edward Medical Centre, King Edwards Road, Ruislip – H/12/197B (£11,440) and H/9/184C (£8,560) – This project proposes to divide an existing meeting room at the centre to create a secretarial office, enabling the existing office to be converted into an additional GP consulting room.
 - The expansion of the GP practice at 1 Wallasey Crescent, Ickenham - H/19/231G (£193,305) – This scheme involves an extension to the existing GP surgery to provide two additional GP consulting rooms and a clinical training room.
 - The expansion of the GP practice at Southcote Clinic, Southcote Rise, Ruislip - H/15/205F (£184,653) – This scheme involves an extension to the current practice premises to provide an additional GP consulting room, clinical training room and increased waiting area.
 - Additional clinical room at Pine Medical Centre, Fredora Avenue, Hayes – H/18/219C (£1,800) – This project involves the conversion of an existing meeting room into a GP consulting room.
3. Cabinet Member reports for each of the proposed schemes will be formally submitted to the Leader and the Cabinet Member for Finance, Property and Business Services by December, in order for a formal decision to be made to allow the monies to be released towards the schemes.

Proposed 'Health Zone' at Elers Road Clinic, Hayes

4. Following discussions between the Interim Director of Public Health and Deputy Director of Estates, NHS Property Services and the CCG, it has been concluded that the proposal to equip a room at the Elers Road Clinic in Hayes, as a "health zone" is not a viable option, as the HESA Centre is now to be the main focus for the Hayes area.
5. The idea of a "health zone" to provide health check assessments and health advice on issues such as diabetes, obesity, heart disease or smoking is, however, supported by all parties and discussions are ongoing as to whether a more suitable location can be found in the Hayes area.

HESA Health Centre expansion

6. NHS Property Services has advised that following the necessity to make further amendments to the works contracts, this project has slipped again and is not now due to begin on site until early in the New Year. The contracts are expected to be signed by the end of November and this will be followed by a four week mobilisation period, ready for works to start immediately after the Christmas break. A revised work programme has been provided to the Council.
7. Three s106 contributions totalling £264,818 have already been formally allocated towards this scheme (Cabinet Member Decision 06/04/11) and under the terms of the SLA are due to be transferred to NHS Property Services. Officers have therefore agreed that these funds will be transferred, once the contracts for the project have been signed and NHS Property Services is fully committed to providing the scheme.

8. NHS Property Services has advised that they have already invested over and above the s106 allocation towards developing the HESA scheme, which has a budget in excess of £1 million. They are therefore confident that the s106 funds will have been spent within the time periods stipulated in the relevant legal agreements. Under the terms of the SLA, once the funds have been transferred, NHS Property Services will be responsible for the delivery of the scheme and for ensuring that the funds are used in accordance with the relevant s106 agreements. They will also be required to repay the s106 allocation if for any reason the project does not proceed and return any funds that are not spent within the stipulated time periods.

Proposed new Yiewsley Health Centre (former Yiewsley Pool site)

9. Three of the s106 health contributions that have spend deadlines in 2014 are currently earmarked by NHS Property Services towards the fitting out costs associated with this scheme. This is subject to a request to the Council for formal allocation. These contributions total £70,672 and must be spent within the following deadlines:
- H/1/152C - Former Middlesex Lodge, Hillingdon (£8,903) to be spent by July 2014.
 - H/5/161C - Former Honeywell site, West Drayton (£51,118) to be spent by March 2014.
 - H/14/206C - 112-117 High Street, Yiewsley, (£10,651) to be spent by February 2014
10. It is now anticipated that the Yiewsley Health Centre scheme will not start on site before April 2014 and that the s106 funding required to meet the fitting out costs associated with the scheme are not likely to be needed until 2015/2016. This will be too late to spend these contributions. Officers are therefore looking at the following options to try to ensure that these contributions can be fully utilised towards an eligible scheme:
- The contributions held at H/1152C and H/14/20C (totalling £19,554) could be formally allocated towards the HESA scheme. This scheme is programmed to begin on site early in the New Year.
 - The contribution received from the Honeywell development (H/5/161C) cannot be switched to be used towards the HESA scheme, as it is not eligible within the terms of the corresponding legal agreement. The only option would therefore be for officers to request that the developer enters into a deed of Variation to extend the time limit for spending the contribution, and allow enough time for the Yiewsley Health Centre scheme to be completed.
11. NHS Property Services would prefer to submit a request to formally allocate the contributions towards the Yiewsley Health Centre scheme, to be used by the Council towards the costs associated with the submission of the planning application. NHS Property Services would then hope to claim these funds back from the Council towards the fitting out costs at a later date. With this option there is, however, a risk to the Council that if for any reason the scheme is not subsequently implemented, the contributions would be required to be repaid.

St Andrews Park

12. There is no further update for this scheme.

FINANCIAL IMPLICATIONS

As reported in the first quarterly report there is £1,262k of Social Services, Health and Housing s106 contributions available. Of which, £41k has been identified as a contribution for affordable housing and £49k towards a social services scheme. The remainder, £1,172k, is available to be utilised towards the provision of facilities for health - it is worth noting that £89k of the health contributions have no time limits attached to them.

The proposals for the allocation of contributions and their time limits can be summarised as follows:

Allocated to Hesa Health Centre Hayes

S106 Funding Reference	Scheme	Amount	Time Limit to Spend
H/4/140H	MOD Records Office, Hayes	£53,496	Jan 2014
H/6/170C	11-21 Clayton Rd, Hayes	£30,527	Aug 2014
H/7/149D	Hayes Goods Yard	£180,795	Nov 2014
Total		£264,818	

Earmarked to proposed new Yiewsley Health Centre

S106 Funding Reference	Scheme	Amount	Time Limit to Spend
H/5/161C	Fmr Honeywell Site, West Drayton	£51,118	Mar 2014
H/14/206C	111 – 117 High St, Yiewsley	£10,651	Feb 2014
H/1/152C	Fmr Middlesex Lodge, Hillingdon	£8,903	Jul 2014
Total		£70,672	

Earmarked to expansion at Southcote Clinic

S106 Funding Reference	Scheme	Amount	Time Limit to Spend
H/15/205F	RAF Eastcote, Ruislip	£185,968	Sept 2014
Total		£185,968	

Earmarked to King Edwards Medical Centre

S106 Funding Reference	Scheme	Amount	Time Limit to Spend
H/12/197B	Windmill P.H, Ruislip	£11,440	Feb 2014
H/9/184C	31-46 Pembroke Road, Ruislip	£8,560	Jul 2015
Total		£20,000	

Earmarked towards expansion of GP Practice in Wallasey Road

S106 Funding Reference	Scheme	Amount	Time Limit to Spend
H/19/231G	RAF West Ruislip, Ickenham	£193,305	Nov 2017
Total		£193,305	

The above s106 contributions are at risk of being returned to the developers if they are not utilised by the dates stipulated above, whilst the contribution held at H/4/140H for £53k needs to be utilised within the next two months.

LEGAL IMPLICATIONS

Under the provisions of section 111 of the Local Government Act 1972, a local authority has the power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions. The work intended to be carried out in accordance within this report would fall within the range of activities permitted by section 111.

Regulation 122 (2) of the Community Infrastructure Levy Regulations 2010/948 (the "Regulations") states that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:

1. necessary to make the development acceptable in planning terms;
2. directly related to the development; and
3. fairly and reasonably related in scale and kind to the development.

Circular 2005/05 goes further than Regulation 122 and suggests that a planning obligation must also be:

4. relevant to planning; and
5. reasonable in all other respects.

The monies must not be used for any other purpose other than the purposes provided in the relevant section 106 agreement. The monies must not be used for any ancillary purposes. 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.

When the Council receives formal bids to release funds, each proposed scheme will need to be assessed and reported to the Leader of the Council and the Cabinet Member for Finance, Property and Business Services in order for the monies to be released. As part of that process, the Council's Legal Services section will review the proposed scheme and the section 106 agreement that secures the funding, to ensure that the Council has legal authority to spend the section 106 monies on each proposed scheme.

Having considered the content of the section 106 agreements in relation to 111 – 117 High Street, Yiewsley (H/14/206C) and the Middlesex Lodge, 189 Harlington Road (H/1/152C) referred to in this report, it is concluded that the expenditure of these funds and the recommendations contained within this report are consistent with the terms of the agreements, the Regulations and planning policy.

The section 106 agreement in relation to the Former Honeywell Site, Trout Road (H/5/161C) prevents the contributions from being spent towards the HESA Health Centre new expansion as the agreement requires the monies to be spent towards the provision of new health care facilities within a radius of 2.5 kilometres of the development. The main purpose of this clause was highly likely to ensure the monies were spent towards facilities in the Yiewsley area. Therefore, one option the Council may undertake is to request a variation to the Former Honeywell section 106 agreement to extend the time period by which the monies must be

spent, which if agreed by the Developer will enable the monies to spend on towards the Yiewsley Health Centre.

In procuring any of the services required for the project, officers must ensure that they observe the Council's Contract and Procurement Standing Orders.

BACKGROUND PAPERS

None.