

UPDATE: ALLOCATION OF S106 HEALTH FACILITIES CONTRIBUTIONS

Relevant Board Member(s)	Councillor Ray Puddifoot
Organisation	London Borough of Hillingdon
Report author	Jales Tippell, Residents Services
Papers with report	Appendix 1

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 & Wellbeing Strategy
Financial Cost	None.
Relevant Policy Overview & Scrutiny Committee	Social Services, Housing and Public Health Residents' and Environmental Services 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 February 2014, there has been good progress in moving identified schemes forward.

GP expansion schemes

King Edwards Medical Centre – Additional GP consulting room

2. A total of £20,000 from two s106 health facilities contributions was formally allocated to this scheme (Cabinet Member Decision 06/12/2013). NHS Property Services has advised that the scheme, to carry out internal alterations to provide an additional GP

consulting room, has been satisfactorily completed and the funds have been transferred towards the scheme.

Southcote Medical Centre – Extension to existing premises

3. The proposed scheme involves an extension to the current premises to provide an additional GP consulting room, clinical training room and increased waiting area. A Cabinet Member report to formally request the allocation and release of funds from the s106 health facilities contribution held at H/15/205F (£184,653) towards this scheme was approved by the Leader and the Cabinet Member for Finance, Property and Business Services on 9 January 2014. Following a formal request from NHS Property Services, the funds have been transferred towards the cost of implementing the scheme which is expected to be completed by September 2014, in line with the Service Level Agreement.

Wallasey Medical Centre – Extension to existing premises

4. This scheme to extend the existing GP surgery to provide two GP consulting rooms and a clinical training room has been completed and, following the approval of a Cabinet Member report in January 2014 for formal allocation and release of the funds held at H/19/231G (£193,305) towards the scheme, the funds were released to NHS Property Services in February.

Pine Medical Centre – Additional GP consulting room

5. This scheme involves the conversion of an existing meeting room into a GP consulting room. Following some delay, the practice has now provided further details of the scheme in order to allow NHS Property Services to make a formal request for the allocation of s106 funds. A Cabinet Member report to request release of £1,800 from the contribution held at H/18/219C towards the scheme will therefore be formally submitted to the Leader and the Cabinet Member for Finance, Property and Business Services in July.

Hesa Health Centre expansion

6. Following the transfer of three s106 contributions totalling £264,818 to NHS Property Services, work on site is progressing well with the first phase (post office conversion) completed in June 2014. Phase 2 of the scheme is now on site and due for completion in August 2014. NHS Property Services has confirmed that they have invested over and above the s106 allocation towards developing the HESA scheme, which has a budget in excess of £1 million.

Proposed new Yiewsley Health Centre (former Yiewsley Pool site)

7. A planning application to redevelop the former Yiewsley Pool site to provide a new health centre, gym and 12 supported housing units (planning reference 18344/APP/2013/3564) was approved at the Council's Major Application's Committee on 6 March 2014 subject to the satisfactory completion of a s106 agreement.
8. All parties have now agreed the terms of the required s106 agreement which was signed on 5 June 2014 and planning permission has now been issued. Subject to satisfactory completion of the Council's tender process, the scheme is expected to begin on site in September 2014 and complete by February 2016.

9. The funding required to meet the fitting out costs associated with the scheme are not likely to be needed until 2015/2016. As this would be too late to spend three of the s106 contributions which were earmarked towards these costs, NHS Property Services agreed to the Council utilising the contributions (totalling £70,672) towards the costs associated with the submission of the planning application. This was formally agreed by the Leader and Cabinet Member for Finance, Property and Business Services on 3 March 2014. All three contributions have now been fully spent towards the scheme.

Unallocated s106 health contributions

10. Appendix 1 attached to this report details all of the s106 health facilities contributions currently held by the Council (figs as at 31 March 2014).
11. NHS Property Services has reaffirmed that they will be requesting that any unallocated health contributions received from developments in the south of the Borough are allocated towards either the Hesa extension or the new Yiewsley health centre where s106 agreements allow. In the north of the Borough, in line with the process that was agreed with the London wide Medical Committee (LMC) in August 2013, GP practices in the area will be asked to express an interest in spending these contributions towards eligible expansion schemes. NHS Property Services are due to meet with the NHS/Clinical Commissioning Group (CCG) to begin this process in early July.

St Andrews Park

12. The developer has provided evidence to show that, in accordance with Schedule 6 of the s106 agreement, they have genuinely been trying to reach agreement with the NHS/Clinical Commissioning Group (CCG) over the provision of a GP Surgery on the site at St Andrews Park, which was approved as part of the outline planning permission. In these circumstances, the legal agreement provides that the developer should be released from the requirement to provide an onsite health care facility and instead pay the healthcare contribution (£624,507.94). The developer has advised that they are currently obtaining the requisite internal approvals to make this payment.
13. The CCG is in the process of preparing a strategic case for the provision of a health hub in Uxbridge and developing an outline business case for submission to NHS England. An outline business case for the Uxbridge Hub is being developed and a full non-financial options appraisal is being undertaken. The CCG would like to include the St Andrews Park development site as an option but, due to the current position of the developer, other property searches are being conducted.

FINANCIAL IMPLICATIONS

As at 31 March 2014, there is £1,192k of Social Services, Health and Housing s106 contributions available, of which £262k has been identified as a contribution for affordable housing and £50k towards a social services scheme. The remaining £880k is available to be utilised towards the provision of facilities for health. It is worth noting that £476k of the health contributions have no time limits attached to them.

Transfers of contributions to NHS Property Services since the previous report include the following:

Allocated to expansion at Southcote Clinic - Funds transferred to NHS PS Feb 14

S106 Funding Reference	Development	Amount	Time Limit to Spend
H/15/205F	RAF Eastcote, Ruislip	£186,499	Sept 2014
Total		£186,499	

A total of £186,499 including interest was transferred to NHS Property Services in February 2014 for the above project.

Allocated to King Edwards Medical Centre - Funds transferred to NHS PS Feb 14

S106 Funding Reference	Development	Amount	Time Limit to Spend
H/12/197B	Windmill P.H, Ruislip	£11,473	Feb 2014
H/9/184C	31-46 Pembroke Road, Ruislip	£8,584	Jul 2015
Total		£20,057	

A total of £20,057 including interest was transferred to NHS Property Services in February 2014 for the above project. There is still a remaining balance of £13,115 which must be spent by 1 July 2015 or be returned to the developer.

Allocated towards expansion of GP Practice in Wallasey Road - Funds transferred to NHS PS Feb 14

S106 Funding Reference	Development	Amount	Time Limit to Spend
H/19/231G	RAF West Ruislip, Ickenham	£193,857	Nov 2017
Total		£193,857	

A total of £193,857 including interest was transferred to NHS Property Services in February 2014 for the above project.

Allocated to new Yiewsley Health Centre – Fund fully spent

S106 Funding Reference	Development	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	Aug 2014
H/1/152C	Fmr Middlesex Lodge, Hillingdon	£8,903	Jul 2014
Total		£70,672	

The full amount of the above S106 contributions totalling £70,672 was spent on the Yiewsley Health Centre development project at 31 March 2014.

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 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 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. Where monies are not spent within the time limits prescribed in those agreements, such monies should be returned to the payee.

When the Council receives formal bids to release funds, each proposed scheme will need to be assessed and reported to the Leader and 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 will review the proposal and the section 106 agreement that secures the funding, to ensure that the Council is permitted to spend the section 106 monies on each proposed scheme. The content of the section 106 agreements in relation to King Edwards Medical Centre, Southcote Medical Centre, Wallasey Medical Centre and Pine Medical Centre referred to in this report have been assessed and approved in line with those procedures prior to release of the capital monies for the schemes.

The use of section 106 monies for future schemes mentioned in the report will need to be assessed against their respective agreements when these are finalised on a case by case basis.

BACKGROUND PAPERS

None.