

UPDATE: ALLOCATION OF S106 HEALTH FACILITIES CONTRIBUTIONS

Relevant Board Member(s)	Councillor Ray Puddifoot MBE
Organisation	London Borough of Hillingdon
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Papers with report	Appendix 1

1. HEADLINE INFORMATION

Summary	This paper updates the Board on 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 Health and Wellbeing Board notes the progress being made towards the allocation and spend of s106 healthcare facilities contributions within the Borough.

3. UPDATE ON PROGRESS

1. There has been a relatively short time since the last report to the Health and Wellbeing Board in July 2015 and consequently there is little progress to report. Officers are, however, continuing to work to bring schemes forward and meetings between officers from the Council's Public Health Service, NHS Property Services (NHSPS) and the Council's S106 Monitoring and Implementation officer to discuss progress, are held on a quarterly basis. The next meeting is scheduled in the week beginning 28 September 2015.

Proposed new Yiewsley Health Centre (former Yiewsley Pool site)

2. This scheme received planning consent in March 2014; however, there are still outstanding challenges to finalise regarding the wider project. These include items such as Heads of Terms for the Agreement for Lease funding arrangements, and the possibility of having to re-tender the scheme.

3. Following a reassessment of the scheme by NHSPS, progress with the development of the site has come to a halt. The previously proposed 25 year lease with no breaks at a full OMR appears to no longer be acceptable to NHSPS and the Council is therefore considering the four new lease options proposed by NHSPS, but has so far been unable to agree the terms of a lease with NHSPS.
4. In response to an update request from local residents in the area, the local MP has also now written to the Secretary of State for Health to see if a way forward can be found for the development to progress.
5. The Council has recently spent a total of £70,672 received from three separate s106 health facilities contributions, towards the costs associated with the submission of the planning application for the development (Cabinet Member Decision 03/03/2014). NHSPS has also "earmarked" a total of £398,438 from s106 health contributions currently held by the Council towards the fitting out costs associated with the proposed new health centre. If no further progress can be made with this development, consideration will need to be given to alternative options for spending these contributions

Proposed new health hub for Uxbridge (St Andrews Park)

6. Hillingdon Clinical Commissioning Group (CCG), via its Out of Hospital Strategy and Strategic Service Delivery Plan, has identified a need to create a new Out of Hospital Hub in the Uxbridge and West Drayton area. The preferred option is for the new hub to be located within the town centre extension area of the St Andrews Park site.
7. The Council received a healthcare contribution (£624,507.94) from the developers of the St Andrews Park site (VSM) in August 2014 and, in accordance with Schedule 6 of the s106 agreement, VSM has therefore been released from their obligation to provide an on-site healthcare facility. Any agreement to provide a new health facility will therefore need to be a commercial arrangement between the two parties.
8. The CCG remains in contact with VSM, however little progress has been made. The CCG has reported that the St Modwen Board (part of VSM) is still to formally consider their request to provide a health facility on the site. This continues to be delayed due to other development priorities on the site. The onus, however, remains with NHSPS to bring forward a viable proposition for a health facility on the site, which VSM can consider.

Proposed capacity improvements at Uxbridge Health Centre

9. As a location for a new health hub in Uxbridge is yet to be determined, realistically it could be several years before a hub will be available. Hillingdon CCG has therefore proposed to provide increased clinical capacity at Uxbridge Health Centre. This will be an interim measure to help deal with the immediate pressures on primary health care and GP services, coming primarily from new developments in the area such as St Andrews Park.
10. The scheme, which is supported by NHSPS, will reconfigure the GP accommodation on the ground floor of the existing Health Centre in order to provide 3 additional consultation rooms and an interview room. Hillingdon CCG anticipates that this will provide adequate additional accommodation for the practice to service the immediate demand for GP services and further anticipated growth in population in the area in the short term.

11. A Cabinet Member report to request that funds totalling £273,000 from six separate s106 health facilities contributions are allocated and released towards the scheme, received Cabinet Member approval on 12 June 2015. These funds have now been transferred to the CCG to be spent towards implementing the scheme.
12. The project commenced on site in July and Phase 1 has now been completed. Phase 2 commenced on 21 August 2015 and Phase 3 is programmed to commence on 18 September 2015. The project is currently on schedule to be completed by November 2015.

S106 health contributions held by the Council

13. Appendix 1 attached to this report details all of the s106 health facilities contributions held by the Council as at 30 June 2015. New contributions received since the last report to the Board are highlighted in bold. As at 30 June 2015, the Council held a total of £1,368,022 towards the provision of health care facilities in the Borough, of which £675,340 is currently earmarked or allocated towards identified schemes. This leaves a balance of £692,682 which remains to be allocated towards eligible schemes. Officers will continue to explore options in consultation with NHSPS and the CCG to ensure that these are spent to maximum effect to provide viable improvements for the benefit of local communities.
14. The table below details the s106 health contributions which have spend deadlines in 2015/16. The contributions held at H/9/184, H/10/190D and H/21/237D towards the Uxbridge Health Centre scheme have now been transferred to Hillingdon CCG to be used towards the Uxbridge Health Centre scheme (see paragraphs 9-12).
15. The s106 health facilities contribution held at H/23/209K (£37,723) is currently earmarked by NHSPS towards the fitting out costs associated with the proposed new Yiewsley Health Centre (see paragraph 2 - 5). Officers are, however, aware that the time limit for spending this contribution is fast approaching (March 2016). At the last Health and Wellbeing Board, it was resolved that the HCCG would consider options for the alternative use of the funds for the next Board meeting. It was also noted that, if an alternative scheme could not be identified by the next meeting, the Board would need to consider other options to ensure that the contribution can be spent before the deadline.
16. The CCG has reported that the allocation of s106 contributions in Hillingdon (including the contribution held at H/23/209K) was discussed at their premises sub-committee held on 25 August 2015. At the meeting, it was agreed that a process would now be set up to identify eligible projects to receive s106 funding. All practices have recently been invited to submit requests to NHS England (NHSE) for Improvement Grant funding. The CCG will therefore work with NHSE to identify proposals which might be eligible to benefit from s106 funding, and, in particular, a scheme towards which the funds held at H/23/209K can be allocated and spent before the designated spend deadline of March 2016.

Contributions with spend deadlines in 2015/16

S106 Funding Reference	Development	Amount	Time Limit to Spend	Scheme
H/9/184C	31-34 Pembroke Road, Ruislip	£13,115	July 2015	Allocated and transferred towards Uxbridge health Centre scheme
H/10/190D	Armstrong House, Uxbridge	£43,395	July 2015	Allocated and transferred towards Uxbridge Health Centre scheme
H/21/237D	Bishop Ramsey School, Ruislip	£22,456	February 2016	Allocated and transferred towards Uxbridge Health Centre scheme
H/23/209K	Tesco, Trout Road, Yiewsley	£37,723	March 2016	Earmarked towards Yiewsley Health Centre Scheme
Total		£116,689		

FINANCIAL IMPLICATIONS

As at 30 June 2015, there are £2,410,996 of Social Services, Health and Housing s106 contributions available, of which £1,024,884 has been identified as a contribution for affordable housing and £18,089 towards a social services scheme. The remaining £1,368,023 is available to be utilised towards the provision of facilities for health. It is worth noting that £487,065 of the health contributions have no time limits attached to them whilst £624,508 has been received in respect of St Andrews Park.

S106 contributions which were approved towards the Uxbridge Health Centre scheme totalling £273,315 were transferred to NHS Property Services on 8 July 2015 as set out in the table below:

S106 Funding Reference	Development	Amount	Time Limit to Spend
H/9/184C	34-46 Pembroke Road, Ruislip	£13,115	July 2015
H/10/190D	Armstrong House, Uxbridge	£43,395	July 2015
H/21/237D	Bishop Ramsey School, Ruislip	£22,456	February 2016
H/40306D	Fmr Knights of Hillingdon, Uxbridge	£4,646	n/a
H/41/309D	Former Dagenham Motors, Uxbridge	£12,030	n/a
H/49/283B	Former RAF Uxbridge	£177,358	August 2024
	Interest	£315	
	Total	£273,315	

The Uxbridge Health Centre transfer included £177,358 from H/49/283B Former RAF Uxbridge (St Andrews Park), reducing the balance remaining for H/49/283B to £447,150.

The following table sets out the specific s106 contributions that are earmarked towards Yiewsley Health Centre development (subject to formal allocation):

S106 Funding Reference	Development	Amount	Time Limit to Spend
H/23/209K	Tesco, Trout Road, Yiewsley	37,723	March 2016
H/32/284C	Former Honeywell site, Yiewsley	5,280	No time limit
H/33/291C	Former Swan PH, West Drayton	5,417	No time limit
H/42/242G	West Drayton Garden Village	337,574	No time limit
H/50/333F	39 High Street ,Yiewsley	12,444	No time limit
Total		£398,438	

The Yiewsley Health Centre development project is currently on hold. The s106 contributions in the above table for £398,438 will not be utilised if the project does not proceed. Officers are working towards identifying schemes to utilise the s106 contribution held at H/23/209k for £37,723 as an alternative if it becomes clear that the contribution cannot be spent on the Yiewsley Health Centre Scheme by March 2016.

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 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.