

HEALTH AND WELLBEING BOARD: 17 JULY 2014

**REPORT OF NHS ENGLAND (LEICESTERSHIRE AND
LINCOLNSHIRE AREA)**

S106 CONTRIBUTIONS FOR HEALTHCARE

PLANS FOR EXPENDITURE

Purpose of Report

1. The purpose of this report is to update the Health and Wellbeing Board on the proposed expenditure of secured and available S106 contributions for healthcare within Leicestershire and Rutland

Background

2. The Area Team (AT) and its predecessor organisations have been working with local authorities for many years to secure financial contributions through S106 from housing developers to mitigate the impact of new residents on healthcare capacity.
3. Until approximately 2010, the process for securing healthcare contributions was based on a simple formula applied to the number of dwellings proposed in each planning application. Consequently there are a number S106 funds for healthcare being held by local authorities which do not have a specific purpose (other than for healthcare) or recipient (other than PCT and now NHS England) stated in the legal agreement.
4. The legal S106 agreement itself for a particular development will state where the funds should be spent and on the specific project to reflect the initial S106 request. The Area Team works closely with the local authorities in Leicestershire and Rutland in securing and spending s106 funds.
5. There have been a number of successful projects undertaken using S106 funds which have increased healthcare capacity. With few exceptions, the projects have been focused on general practice. They range from the purchase of medical equipment to premises extensions to provide additional consulting rooms.
6. Local authorities are currently holding S106 funds for healthcare. The funds would not be drawn down by the Area Team until expenditure against a project is due. The majority of proposed projects are in the planning and development stages. This paper provides an outline of the planned projects using s106 funds held by local authorities.

7. The following tables show the most recent known position as notified by each local authority. There will be continued additions/reductions to the lists as S106 contributions are paid in/spent. The values may also change as the contributions are index linked.

8. The process of securing funds in Melton, Oadby and Wigston areas is not as well developed although consultation responses on the impact of growth on healthcare are always given to core strategy proposals. In Harborough District Council area, funds have been secured but are not yet available to spend.

Blaby District Council

Location	Amount Available	Proposed expenditure
Countesthorpe	£178,661.55	The Countesthorpe GP practice has already built an extension to provide additional clinic rooms. These funds will be drawn down asap
Littlethorpe	£16,338	Bids are to be requested from the Narborough practices
Stoney Stanton	£195,792.21	The Stoney Stanton GP practice is proposing to use the funds to build an extension to the existing surgery. Awaiting full plans for approval
Glenfield	£119,751.41	The Glenfield GP practice is proposing to use the funds to bring into use and connect an adjoining building for clinical use. Awaiting full plans for approval
Leicester Forest East	£6,709.40	These funds have already been spent on a new telephone system to provide increased access for patients. The funds will be drawn down asap.
Whetstone Blaby	£2,339.84 £10,781.10	These funds will be used in conjunction with other contributions when received.

Hinckley and Bosworth Borough Council

Location	Amount Available	Proposed expenditure
Hinckley	£220,530.51	Bids have been received from Hinckley GP practices and approved by the Area Team. Awaiting approval by HBBC
Barwell	£15,219.48	These funds will be used towards the new GP surgery in Barwell

		which is under discussion.
Desford	£22,173.00	Funds to be used by Desford GP practice to bring into use garage as admin space which will release other space for clinical use. Awaiting planning permission
Ratby	£44,334.00	Funds to be used by Ratby GP practice to build an extension. Awaiting approval by HBBC

North West Leicestershire District Council

Location	Amount Available	Proposed expenditure
Ashby	£221,457.59	The funds will be used towards the new GP surgery in Ashby or to support the CCG in the reconfiguration of services following the community hospital review. Bid awaited from CCG.
Coalville Ellistown	£205,184.99 £48,858.52	A project is being worked up to potentially relocate two Coalville GP practices into MRC building. The proposal is subject to approval by the Area Team and consultation with patients.
Hugglescote	£10,408.85	The Hugglescote practice is putting together a bid to spend the funds on equipment
Measham	£39,063.65	The Measham practice is currently upgrading current clinical rooms to increase capacity. The funds will be drawn down asap
Ibstock	£144,142.00	The Ibstock GP practice has plans to extend the Ibstock surgery and is working on this currently.
Kegworth	£82,937.64	NWLDC has said that the funds must be spent in Kegworth so this has been raised with the neighbouring Area Team who hold the contract with the local GP surgery in Kegworth

Charnwood Borough Council

Location	Amount Available	Proposed expenditure
Anstey	£61,404.70	The Anstey practice has been made aware of this and proposals

		are awaited.
Barrow upon Soar	£49,903.83	The Barrow Health Centre practice has submitted proposals to increase capacity through bringing into use an unused storage space and create an additional clinic room. This is currently going through approval processes.
Hathern	£135,137.26	The Hathern practice has been made aware of this and proposals are awaited.
Loughborough	£424,802.40	Allocated to Pinfold Gate HC GP practice in Loughborough to fund the expansion of their surgery. Awaiting approval through NHS Property Services process.
Mountsorrel	£6,301.91	These funds have already been used to increase capacity at Linkfield Road GP surgery, Mountsorrel. The funds will be drawn down asap.
Quorn	£91,930.15	The Quorn practice has been made aware of this and proposals are awaited.
Rothley	£200,454.65	Approx £6000 has been used to carry out a feasibility study on the expansion of the Alpine House surgery in Mountsorrel which is the main recipient of Rothley patients (funds to be drawn down asap). The remainder of the funds will be used to carry out the extension. Full plans awaited
Shepshed	£34,518.59	The funds have been spent on internal works to Forest House GP surgery Shepshed to provide additional clinic rooms. Funds to be drawn down asap
Sileby	£224,186.12	The two Sileby GP practices have been made aware of the availability of the funds and are working up proposals for its expenditure. The Highgate surgery has already put in a proposal for the use of some of the funds (equipment) which is going through the approval processes
Woodhouse Eaves	£11,000	These funds can only be spent at

		the Woodhouse Eaves GP surgery. The practice has been made aware of this and proposals are awaited.
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Future Arrangements for negotiating developer contributions

There has been ongoing debate amongst planning officers across Leicester and Leicestershire (and nationally) as to the approach that should be taken to assess requests from infrastructure providers for developer contributions.

The legal and policy framework relating to planning obligations has changed significantly in recent years with the advent of the Community Infrastructure Levy (CIL) Regulations (which also govern the use of S106) in 2010 and the publication of the National Planning Policy Framework (NPPF) in 2012 which had the effect of cancelling the previous Government Guidance on Planning Obligations (Circular 05/2005).

The effect of these changes is that all requests for Planning Obligations must now be judged against the three tests set out in the NPPF and the CIL regulations. The tests are as follows:

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and
- (c) fairly and reasonably related in scale and kind to the development.

Whilst these tests are not new it is worthy of note that the status of the tests has changed and some of the other presumptions relating to planning obligations no longer exist. The effect of the change has been to place increased pressure on planning authorities to rigorously assess obligation requests on the basis of the three tests; inevitably such assessments can be subjective and involve a large degree of planning judgment.

Application of the CIL (S106) Tests

“CIL Test” Regulation 122 Community Infrastructure Regulations 2010	Definition and Explanation	Evidence Required
1. Necessary to make the development acceptable in planning terms	<ul style="list-style-type: none"> a. Needed to mitigate an unacceptable impact of development. b. Needed following an assessment of existing and planned infrastructure capacity. c. Needed to mitigate an impact up to a minimum standard. 	<ul style="list-style-type: none"> I. Clear demonstration of the “minimum standard” of service provision, II. Clear demonstration of how existing minimum service provision is funded and whether said funding streams include allowance for population growth. III. The extent of current and

	<ul style="list-style-type: none"> d. Needed to mitigate an impact that should not normally be provided by general taxation or any other public means. e. Supported by local planning policy. 	<ul style="list-style-type: none"> IV. predicted demand for said infrastructure. An assessment of existing and planned capacity.
2. Directly related to the development	<ul style="list-style-type: none"> a. Geographically linked in terms of the infrastructure provider's operational geography. b. Infrastructure that might reasonably be impacted by the type and use of development. c. A type of obligation recognised in local planning policy. 	<ul style="list-style-type: none"> I. Clear demonstration of the operational structure and model of infrastructure delivery broken down into functional units where applicable.
3. Fairly and reasonably related in scale and kind to the development	<ul style="list-style-type: none"> a. Proportional to the scale and impact of the development. b. Proportional to the financial viability of the development 	<ul style="list-style-type: none"> I. An assessment of the increase in demand created by the development taking account of relevant social, economic and demographic trends and population displacement.

The 7 District Councils as Local Planning authorities are working with Leicester City Council to develop a sub-regional approach to negotiating S106 contributions from developers so that there is strategic approach to the infrastructure requirements to support housing growth. Consultation with infrastructure providers, including the Local Area Team will be carried out during August and September with a view to each Council adopting the protocol .

Recommendation

9. That the proposed expenditure of secured and available S106 contributions for healthcare be noted. A regular update will be provided to the HWWB

Officer to Contact

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