

EXTRAORDINARY

GRANTS DETERMINATION (CABINET) SUB-COMMITTEE

MAYOR

Mayor John Biggs

MEMBERS

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)
Councillor Rachael Saunders	(Deputy Mayor and Cabinet Member for Education & Children's Services)
Councillor Asma Begum	(Cabinet Member for Culture)

Deputies:

Councillor David Edgar

[The quorum for the meeting is 3 Members]

MEETING DETAILS

Tuesday, 14 March 2017 at 4.00 p.m.
Room C1, 1st Floor, Town Hall, Mulberry Place, London, E14 2BG

The meeting is open to the public to attend.

Further Information

The public are welcome to attend meetings of the Grants Determination Sub-Committee.

Contact for further enquiries:

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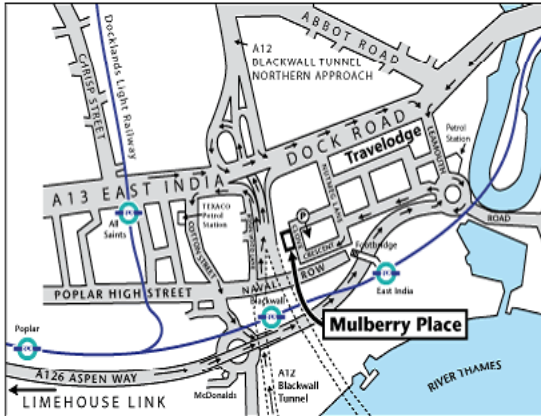
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1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTERESTS

3. CONSIDERATION OF PUBLIC SUBMISSIONS

Consideration of any written comments received from members of the public in relation to any of the reports on the agenda.

[Any submissions should be sent to the clerk listed on the agenda front page by 5pm the day before the meeting]

4. REPORTS FOR CONSIDERATION

4 .1 Hackney Wick Station Improvements Project (Pages 5 - 14)

4 .2 Maximising Health Infrastructure Project (Pages 15 - 26)

The next meeting will be held at Tuesday, 28 March 2017 and Room C1, 1st Floor, Town Hall, Mulberry Place, London, E14 2BG

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Agenda Item 2.

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

- Graham White, Acting Corporate Director of Governance and Interim Monitoring Officer
020 7364 4800

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

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<p align="center">Grants Determination Sub-Committee</p> <p align="center">14th March 2017</p>	 <p align="center">TOWER HAMLETS</p>
<p>Report of: Aman Dalvi, Corporate Director of Place</p>	<p>Classification: Unrestricted</p>
<p>Hackney Wick Station Improvement Project</p>	

Originating Officer(s)	Hannah Murphy
Wards affected	Bow East
Key Decision?	No
Community Plan Theme	A Great Place to Live

Executive Summary

This report relates to the requirement to release £1,000,000 of Section 106 resources to London Legacy Development Corporation (LLDC) to enable the delivery of the Hackney Wick Station Improvements Project as part of a wider funding package of £27.5m.

On 6th December 2016, £1 million of S106 funding was approved at Cabinet for London Legacy Development Corporation (LLDC) to deliver improvements to Hackney Wick Station.

Legal Services (in liaison with the Commissioners) have advised that payments to the LLDC constitutes a grant payment and as such requires approval from the Grants determination Sub Sub-Committee. This decision was taken as the S106 planning obligation funding this project provides discretion regarding who the Council passports the funds to.

The London Thames Gateway Development Corporation (LTGDC) was established in 2004 with a ten year remit to regenerate two key growth areas of the Thames Gateway, including the Lower Lea Valley and London Riverside.

Project funding for the Hackney Wick Station Improvements Project has been secured through a Section 106 contribution associated with the Leamouth Peninsula North (City Island) development (ref PA/10/01864). The proposal complies with the requirement for the funding to be *'applied towards the provision of infrastructure in accordance with the Corporate Infrastructure Delivery Plan'*.

LTGDC ceased to exist on 1st October 2012 and LBTH, as the successor body, has assumed responsibility for S106 agreements previously under the remit of LTGDC. However, the London Legacy Development Corporation (LLDC) are now the Local Planning Authority for the area.

The station improvements include a new ticket office and gate line relocated from the platform to ground level on the southern side (LBTH side), to provide a high quality public realm approach and station entrance facilities and the construction of an underpass for pedestrians and cyclists, creating a link from White Post Lane (south) to Wallis Road (north).

Recommendations:

The Commissioners are recommended to:

1. Approve the grant funding of £1,000,000 to London Legacy Development Corporation to assist in the delivery of the Hackney Wick Station Improvement Project.

1. REASONS FOR THE DECISIONS

- 1.1 The station improvements include a new ticket office and gate line relocated from the platform to ground level on the southern side (LBTH side), to provide a high quality public realm approach and station entrance facilities and the construction of an underpass for pedestrians and cyclists, creating a link from White Post Lane (south) to Wallis Road (north).
- 1.2 On 6th December 2016, £1 million of S106 funding was approved at Cabinet for London Legacy Development Corporation (LLDC) to deliver improvements to Hackney Wick Station.
- 1.3 Legal Services (in liaison with the Commissioners) have advised that payments to the LLDC constitutes a grant payment and as such requires approval from the Grants determination Sub Sub-Committee. This decision was taken as the S106 planning obligation funding this project provides discretion regarding who the Council passports the funds to.
- 1.4 The LLDC Infrastructure Delivery Plan (IDP) identifies projects both within and beyond the LLDC boundary, which are required to support proposed development within the LLDC area. The improvements to Hackney Wick Station are identified within the IDP and meet the specific requirements of the S106 agreement.
- 1.5 Improving connectivity within the Hackney Wick Sub-Area is identified as an Area priority within the LLDC's Local Plan, and is seen as necessary to help deliver part of the Hackney Wick Neighbourhood Centre.
- 1.6 The communities which will be served by the new Hackney Wick Station are currently fragmented by rail, roads, waterways and a lack of safe and legible local pedestrian and cycle networks. Central to the regeneration and economic growth of this area is a new 'spine' route created by the major new north-south connection integrating the upgraded Hackney Wick Station to proposed new and upgraded bridges and public realm. This new pedestrian and cycle connection will substantially improve connectivity between the large

development parcels of land currently served by the railway, and it will reduce approach distances to the station for the majority of local residents and businesses within Hackney Wick and on the western side of Queen Elizabeth Olympic Park.

- 1.7 A wide range of economic benefits to the region are expected as a result of Hackney Wick's redevelopment. Alongside the delivery of new jobs and houses, the infrastructure investment is anticipated to have a positive impact on property values and incentivise development activity in the area. This will, in turn, be reflected in increased CIL capture which can be re-invested in the area. This direct infrastructure investment will therefore have a long term impact in enabling further development in jobs and homes in the surrounding areas.

2. ALTERNATIVE OPTIONS

- 2.1 The £1 million that has been identified for this project was secured specifically for infrastructure purposes identified within the LTGDC Infrastructure Delivery Plan and located within the former LTGDC boundary. This limits the scope of how the money can be spent.
- 2.2 The proposal to allocate £1 million of funding to the Hackney Wick Station Improvements Project represents good value for money because it forms part of a larger contribution that has been collected to deliver nearly £27.5 million worth of improvements to the station.

3. DETAILS OF REPORT

- 3.1 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the development at the site at Leamouth Peninsula North (City Island). London PA/10/01864 dated 28 November 2011. The London Thames Gateway Development Corporation (LTGDC) were, as the then LPA, signatory to the S106.
- 3.2 The LTGDC was established in 2004 with a ten year remit to regenerate two key growth areas of the Thames Gateway, including the Lower Lea Valley and London Riverside. In accordance with the LTGDC Planning Obligations Community Benefit Strategy (2008), a 'standard charge' tariff per dwelling was applied to developments in these areas, based on the estimated cost of infrastructure needed to support the level of development coming forward.
- 3.3 LTGDC ceased to exist on 1st October 2012 and LBTH, as the successor body, has assumed responsibility for existing S106 agreements in place of LTGDC. However, the London Legacy Development Corporation (LLDC) are now the Local Planning Authority for the area and are responsible for the delivery of legacy LTGDC infrastructure to support development in the area.

- 3.4 This payment is to be '*applied towards the provision of infrastructure in accordance with the Corporate Infrastructure Delivery Plan*'. There is no expiry date for this contribution. It is proposed to use £1,000,000 of this contribution.
- 3.5 The station improvements include a new ticket office and gate line relocated from the platform to ground level on the southern side (LBTH side), to provide a high quality public realm approach and station entrance facilities and the construction of an underpass for pedestrians and cyclists, creating a link from White Post Lane (south) to Wallis Road (north).
- 3.6 Construction works were started in September 2016 and are scheduled to be completed by February 2018.
- 3.7 The £1 million will form part of a wider funding package of £27.5 million. The sources of funding can be found in Table 1 below.

Funding Source	Amount
London Borough of Tower Hamlets	£1,000,000
London Borough of Hackney	£1,000,000
Greater London Authority	£8,500,000
London Legacy Development Corporation	£10,345,000
Lower Lea Valley	£400,000
OPTEMS	£2,895,000
London Thames Gateway Development Corporation	£3,399,000
TOTAL	£27,539,000

Table 1: Funding sources

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks the approval of the Grants Determination Sub-Committee to the release of funding of £1,000,000 of specific Section 106 resources to the London Legacy Corporation as a contribution towards the financing of improvement works to Hackney Wick station.
- 4.2 The allocation of funding was approved by the council's Infrastructure Delivery Board, and ratified by the Mayor in Cabinet on 6th December 2016. As a Section 106 payment in respect of a capital project, Cabinet also approved the inclusion of the scheme within the capital programme in accordance with the requirements of the council's Financial Regulations.
- 4.3 The London Thames Gateway Development Corporation (LTGDC) entered into planning obligations and undertakings for the development of the site at Leamouth Peninsula North (City Island) (PA/10/0864). The council has now inherited the responsibility for these Section 106 agreements following the winding up of the LTGDC in October 2012, and the developer is obliged to pay the council £10,558,556 in stage payments as the development scheme progresses - the contribution being 'applied towards the provision of

Infrastructure in accordance with the Corporate Infrastructure Delivery Plan'. To date the council has received £1,008,735 of the stage payments, with this report seeking approval to release £1,000,000 of this sum as a contribution towards the improvement of Hackney Wick Station.

5. LEGAL COMMENTS

- 5.1. Section 106 Planning Obligations are secured pursuant to section 106 of the Town and Country Planning Act 1990. They are a mechanism whereby development proposals which would otherwise not be acceptable can be made acceptable in planning terms. They can impose financial and non-financial obligations on a person or persons with an interest in the land, and become binding on that interest.
- 5.2. As a contract, the Council is required to spend any monies received under a section 106 agreement in accordance with the terms of the agreement. It is therefore important to assess those provisions when allocating monies to a particular project. The Legal department has carried out this exercise in respect of this project and considers that the proposed use of the monies complies with the relevant agreement.
- 5.3. This report concerns the approval of grant funding of £1,000,000 to be provided to the London Legacy Development Corporation ("the LLDC") towards the delivery of the Hackney Wick Station Improvements Project. The project itself will be undertaken by Network Rail on behalf of the LLDC because it is their railway asset.
- 5.4. The relevant section 106 agreement required the funding to be applied towards the provision of infrastructure in accordance with the Corporate Infrastructure Delivery Plan. As this agreement does not specify a particular project which the contribution must be used for, or set out an organisation to which the contribution is to be paid, the Council is not under a legal duty to provide the payment to the LLDC. As such, this payment is considered discretionary and to be a grant. Accordingly the Secretary of State's directions made under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions) on the 16th of January 2017 apply. These Directions provide that until the 31st of March 2017 any functions exercised by the Council in respect of grants shall be under the direction and to satisfaction of the Commissioners.
- 5.5. From the information provided it appears that the grants are capable of being supported under the Council's powers, specifically under section 1 of the Localism Act 2011 whereby the Council has the general power of competence. This means that the Council has the power to do anything that an ordinary human being could do, unless statute specifically restricts the Council from acting in the way it wishes. Therefore, in the absence of specific legislation to the contrary it would appear to be within the Council's power to issue this grant, subject to the oversight of the Commissioners.

- 5.6. The Council has a duty under Section 3 of the Local Government Act 1999 to ensure that it makes arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This project is considered to achieve best value. It is noted that the residents of this borough (existing and future) will benefit from the delivery of the project and the grant being provided by the Council is a small proportion of the overall cost of the works. A project board (which includes the London Borough of Tower Hamlets) has been set up to meet monthly, and this will allow for appropriate reporting and monitoring. Further information relevant to Best Value implications is contained in paragraph 7 of this report.
- 5.8 The Treaty on the Functioning of the European Union (TFEU) provides that certain government activities may be prohibited because they give an advantage in a selective way to certain entities (broadly speaking organisations that put goods or services on a market), which might affect competition within between Member States. Such activities may amount to prohibited state aid, or may be state aid which is either expressly allowed by the Treaty, or which may be allowed, dependent on the circumstances. Payments to a public body can amount to state aid where the organisation is engaged in economic activity (putting goods or services on the market). This is not considered to be the case here, and the assistance is not considered to distort (or have the potential to distort) competition because the LLDC/Network Rail are uniquely placed to deliver these works so are not in competition with other organisations. As such it is not considered that the payment will strengthen them as recipient relative to competitors. Accordingly, we do not consider that this grant gives rise to any state aid issues.
- 5.9 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in section 6 of the report (One Tower Hamlets Considerations).

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The station improvements will create inclusive access by replacing the poor quality access ramps with stairs and lifts on both sides of the station. The improvements will deliver more direct and safer connectivity through the previously inaccessible rail embankment and will link the development areas of the proposed Hackney Wick Neighbourhood Centre.
- 6.2 The proposals will enhance the current facility for the entire community thereby ensuring stronger community cohesion and higher levels of accessibility

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The delivery of this project ensures the Council meets its S106 obligations and spends funds in accordance with the agreement.
- 7.2 The project is seen as an integral part of the development of Hackney Wick as a Neighbourhood centre. Alongside the delivery of new jobs and homes, this infrastructure investment is anticipated to have an upwards impact on property values and incentivise development activity in the area. This will in turn, be reflected in increased CIL capture which can be re-invested into the area.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The project will improve access to and encourage sustainable modes of transport, including both public and active modes of transport. The new subway will provide direct and safer pedestrian and cycle connectivity through the previously inaccessible rail embankment, linking the development areas of the proposed Hackney Wick neighbourhood centre.
- 8.2 The project will increase the Public Transport Accessibility Level (PTAL) for the surrounding area meaning that the project will improve people's access to public transport.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The £1 million of funding forms part of a wider funding package of £27.5 million. Without this funding there will be a shortfall of £1 million and there is a risk that the project will not be able to progress and the other funding sources will be lost.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The station improvement project will play a vital role in the upgrade and transformation of the Hackney Wick Station and it is envisaged that the proposal will result in a reduction in crime and disorder in the vicinity of the station.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no safeguarding implications associated with this S106 Contribution; however the station improvements will provide more direct and safer connectivity through the previously inaccessible rail embankment.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- None

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012


- Hackney Wick Station Improvement PID

Officer contact details for documents:

Hannah Murphy – Growth & Infrastructure Planner

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T: 02073641150

<p>Grants Determination Sub-Committee</p> <p>14th March 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Denise Radley Corporate Director, Adult Services</p>	<p>Classification: Unrestricted</p>
<p>Maximising Health Infrastructure Project</p>	

Originating Officer(s)	Tim Madelin
Wards affected	Lansbury, Canary Wharf, Weavers, St Dunstan's, Blackwall and Cubitt Town, Shadwell, Limehouse, St Peter's, Spitalfields and Banglatown, St Katharine's and Wapping, Whitechapel
Key Decision?	No
Community Plan Theme	A healthy and supportive community

Executive Summary

This report relates to the release of up to £2,603,358 of section 106 resources to NHS Tower Hamlets Clinical Commissioning Group (CCG) to deliver increased capacity, access and service provision via a number of premises improvements across primary care to enhance local GP services.

Project funding for the delivery of this project has been secured through a number of Section 106 contributions as approved via the Planning Contributions Overview Panel in May 2015 with the capital estimate for the project subsequently adopted by cabinet in January 2016.

Primary care has been tasked with the role to help reduce the funding gap across the NHS by providing more personalised, accessible community based services that will reduce avoidable pressures on hospital resources. An investment in primary care premises is necessary in order to respond to this requirement and to allow an increase in consultations with primary healthcare professionals.

Within the context of increasing financial challenges it is becoming ever more difficult for health services to fund new facilities and alternative funding sources are being pursued to cross-subsidise. The NHS in Tower Hamlets has a successful record in delivering health infrastructure initiatives aided by S106 contributions in partnership with the Council and a one off capital investment to improve primary care facilities and increase access to primary care is therefore appropriate through this route.

Recommendations:

The Grants Determination Sub-Committee is recommended to:

1. Approve the grant funding of £2,603,358 to NHS Tower Hamlets CCG to deliver increased capacity, access and service provision in primary care and maintain continuity of local GP services.

1. REASONS FOR THE DECISIONS

- 1.1 Tower Hamlets is one of the most deprived boroughs in the country and the population is expected to reach nearly 315,000 by 2020¹ NHS Tower Hamlets Commissioning Strategic Plan 2012 – 2015, underpinned by the Improving Health and Wellbeing Strategy, highlight the development of health premises and the refurbishment of facilities as key to supporting both the integration and localisation of services linked with local area partnerships. The Commissioning Strategic plan describes the course of action to improve health outcomes for the local population and has a commitment to improve the quality of life for everyone in the borough by working in partnership with key stakeholders including the London Borough of Tower Hamlets.
- 1.2 The 11 Practices that have been identified for premises improvements have indicated that due to space constraints, they are limited in any future expansion.
- 1.3 A capital investment will allow Practices to redesign their internal areas to create existing clinical space and provide a greater level of service within primary care.
- 1.4 The project will allow a greater level of service being offered to patients, including 0800 – 2000 access to Primary Care Services
- 1.5 The investment also includes upgrades to technology and medical equipment to create more patient centric care to allow patients to be more involved in their care whilst maintaining services in the community.
- 1.6 Given the difficulties in obtaining new premises and the space and financial constraints on primary care services, the capital investment will enable GP Practices to increase their appointments and clinical capacity
- 1.7 It will ensure that the finances are spent in accordance with the s106 obligation and will deliver projects identified and agreed with the contributors in compliance with the s106 agreement.
- 1.8 The Planning Contribution and Overview Panel approved the funding of the Project in May 2015 and a capital estimate for the project was subsequently adopted by cabinet in January 2016.

¹ GLA Population Project, 2014 round , Short Term Trend

2. ALTERNATIVE OPTIONS

- 2.1 Do nothing, this would not achieve the objective to increase capacity, access and service provision in primary healthcare and additionally lead to the impact of development across the Borough upon health services to be unmitigated.

3. DETAILS OF REPORT

- 3.1 NHS Tower Hamlets CCG undertook an exercise to identify any additional capacity that could be provided in existing premises, primarily by converting non clinical space to clinical space. 11 GP Practices have been identified that could make improvements to their premises in order to increase capacity and access to provide more clinical appointments to the local population. A one off capital investment is sought to allow these Practices to undertake the necessary improvement works.
- 3.2 Primary care premises are a key enabler to improving access to primary care services and the Tower Hamlets Commissioning Strategy Plan and Improving Health and Well Being Strategy, owned by various partners including NHS Tower Hamlets CCG and Tower Hamlets Council, have given a commitment to support the development and refurbishment of facilities to enable services to be integrated and localised, reducing the need for hospital visits.
- 3.3 On 1st April 2013, Tower Hamlets Clinical Commissioning Group (CCG) was formed taking over the commissioning functions for a range of health services with a continued focus to deliver the aims of the 'Improving Health and Well Being Strategy' (IHWB).
- 3.4 The Improving Health and Well Being (IHWB) strategy document was adopted by Tower Hamlets partnership in 2006, and was refreshed in 2010 and 2012, after discussion with the community and staff of a wide range of organisations including: health service, local authority, community groups, business and others.
- 3.5 The IHWB strategy set out an ambitious programme to improve and develop local services and it underpins the Tower Hamlets' Commissioning Strategic Plan 2012 – 2015 that lays out the Borough's vision to 'improve the quality of life for everyone who grows up, lives and works in Tower Hamlets'.
- 3.6 The project will provide additional clinical space including consulting rooms and treatment rooms in 11 GP Practices. This will result in an increase of approximately 840 consultations per day across primary care, details of the works are contained in appendix 1.
- 3.7 Upgrade of technology and medical equipment to allow patients to take more control of their care and to allow more patient monitoring to be undertaken within primary care.
- 3.8 The resources for the project are from a number of s106 agreements broadly

secured to mitigate the impact on medical/healthcare facilities from development. The s106 contributions funding the project are outlined in the attached PID and are set out below.

PA Reference	Address	Amount Allocated
PA/06/01439	22 Marsh Wall	£784,522.22
PA/08/01763	Caspian Wharf	£232,850
PA/11/03587	Former Goodmans Fields	£218,300.26
PA/06/01787	21 Wapping Lane	£89,395.30
PA/09/02657	Land Bounded By Cordelia St, Carron Close And Chrisp St	£65,486.50
PA/11/03765	New Festival Quarter / Former Blessed John Roach	£292,251.40
PA/06/02068	Former London Arena	£731,410.24
PA/10/02501	Land At North West Corner Of Chrisp Street And Carmen Street	£34,172.50
PA/10/01466	57-59 Whitechapel Road & 85 Whitechapel Road	£77,985.03
PA/12/00051	136-140 Wapping High Street	£76,984.55
Total		£2,603,358

- 3.9 Currently the CCG are undertaking a tender process for contractors to carry out the required works. The expected timelines are as below;

Tender Award	End March 2017
Construction start	June 2017
Construction End	September 2017
Practical Completion	End September 2017
Final sign off of project	November 2017

- 3.10 Most of the sites for these proposals have their head leases held by NHS Property Services (NHS PS). Where this is the case even if the particular practice withdrew from providing NHS primary care services, Tower Hamlets CCG (TH CCG), NHS PS and NHS England would work together to secure an alternative provider for that site. However there are some sites that are owned by the individual practices, where this is the case they will have signed an agreement with the same provision to reclaim the money if they cease to offer NHS services for a period of 7 years as would be the case under general NHS procedures relating to NHS premises improvement grants.
- 3.11 The funding is released to TH CCG only once confirmation that the works have been satisfactorily completed is received. The oversight for the delivery of this project and and genral monitoring of heathcare capacity is undertaken by the Tower Hamlets Together Capital and Estates group, which has representatives from the council, TH CCG, Barts Health and the East London

Foundation trust.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks the approval of the Grants Determination Sub-Committee to the release of Section 106 funding totalling £2,603,358 to NHS Tower Hamlets CCG to deliver increased capacity, access and service provision in primary care and to maintain continuity of local GP services.
- 4.2 The allocation of funding was initially approved under the officer Planning Contributions Overview Panel process which preceded the current Infrastructure Development Framework arrangements that came into effect in April 2016. The Mayor in Cabinet and subsequently the full Council budget meeting in February 2016 approved the inclusion of the scheme within the Adults' Services capital programme in accordance with the requirements of the council's Financial Regulations.
- 4.3 This proposal will utilise elements of various Section 106 resources that have been secured and received in relation to healthcare provision from a number of developments within the borough. The specific planning application numbers are listed in paragraph 3.8.

5. LEGAL COMMENTS

- 5.1. Section 106 Planning Obligations are secured pursuant to section 106 of the Town and Country Planning Act 1990. They are a mechanism whereby development proposals which would otherwise not be acceptable can be made acceptable in planning terms. They can impose financial and non-financial obligations on a person or persons with an interest in the land, and become binding on that interest.
- 5.2. As a contract, the Council is required to spend any monies received under a section 106 agreement in accordance with the terms of the agreement. It is therefore important to assess those provisions when allocating monies to a particular project. The Legal department has carried out this exercise in respect of this project and considers that the proposed use of the monies is in accordance with the purpose for which the monies were taken under the relevant agreements.
- 5.3. This report concerns the approval of grant funding of £2,603,358 to be provided to the NHS Tower Hamlets Clinical Commissioning Group ("the CCG") to deliver increased capacity, access and service provision via a number of premises improvements.
- 5.4. The grant is to be provided out of contributions received by the Council pursuant to ten section 106 agreements, which were required to be used towards medical and health facilities within the borough. As the agreements do not specify a particular project which the contributions must be used for, or

set out an organisation to which the contribution is to be paid, the Council is not under a legal duty to provide the payment to the CCG. It is however noted that, given the responsibilities and functions of the CCG, the Council will almost always need to pass section 106 contributions which are to be used towards health facilities to them. Even so, this payment is considered discretionary and to be a grant. Accordingly the Secretary of State's directions made under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions) on the 16th of January 2017 apply. These Directions provide that until the 31st of March 2017 any functions exercised by the Council in respect of grants shall be under the direction and to satisfaction of the Commissioners.

- 5.5. From the information provided it appears that the grants are capable of being supported under the Council's powers, specifically under section 76 of the NHS Act 2006 whereby the Council has the power to make payments to a clinical commissioning group towards expenditure (either capital or revenue) incurred by them in connection with their prescribed functions (including medical services). It is noted that in respect of premises that are owned by individual practices to which works will be commissioned, appropriate clawback provisions exist within NHS agreements to reclaim monies in the event those practices cease to provide services. Therefore, in the event that monies should be reclaimed in these circumstances, NHS ought to be able to recover such sums and thereafter, reimburse the Council accordingly. In addition, it is noted that funds are only released on completion of commissioned works which therefore enhances the robustness of the process.
- 5.6. The Council has a duty under Section 3 of the Local Government Act 1999 to ensure that it makes arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This project follows work undertaken by the CCG to identify any additional capacity that could be provided in existing premises. Through this work 11 GP practices were identified that could make improvements in order to increase capacity and provide more clinical appointments. The project will be managed in accordance with the Department for Health guidance and up to date health building note, and progress reporting will be to the CCG led Tower Hamlets – Capital and Estates Strategic development meeting. The project is considered to achieve best value.
- 5.7. The Treaty on the Functioning of the European Union (TFEU) provides that certain government activities may be prohibited because they give an advantage in a selective way to certain entities (broadly speaking organisations that put goods or services on a market), which might affect competition within between Member States. Such activities may amount to prohibited state aid, or may be state aid which is either expressly allowed by the Treaty, or which may be allowed, dependent on the circumstances. Payments to a public body can amount to state aid where the organisation is engaged in economic activity (putting goods or services on the market). This is not considered to be the case here, and the assistance is not considered to

distort (or have the potential to distort) competition because the CCG are exercising a statutory function in respect of the provision of medical services which does not bring them into competition with other organisations. As such the payment will not strengthen them as recipient relative to competitors and accordingly, we do not consider that this grant gives rise to any state aid issues.

- 5.8 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in section 6 of the report (One Tower Hamlets Considerations).

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The premises improvements across the 11 primary care facilities will increase capacity and access to provide more clinical appointments to all service users in the local population. These enhancements will benefit service users, in particular those who are more reliant upon health services including families with children, older people and those with complex health issues (including the disabled).
- 6.2. The project will result in an increase of approximately 840 consultations per day across primary care and not adversely affect people with protected characteristics

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The delivery of this project ensures the Council meets its s106 obligations and spends funds in accordance with the agreement.
- 7.2 The project directly supports the IHWB strategy to improve and develop local services; it also supports the Tower Hamlets' Commissioning Strategic Plan 2012 – 2015.
- 7.3 Additionally, through investing in primary care services, preventative steps are being taken to reduce demand upon hospital services which can often be more costly, thus supporting best value.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no sustainable action for a greener environment implications.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There is a risk that if the project is not approved, the benefits identified for the project relating to increased and improved access to local services, improved patient experience, increased GP registrations in the area will not be realised.
- 9.2 In addition if this is not approved then as it is proposing the delivery of works in accordance with S106 requirements then there is a risk of non-fulfilment of S106 requirements. Particularly since two contributions programmed into the project (PA/06/01439 & PA/06/2068), totalling £1,515,932.46, are at risk of developer claw back if the project is further delayed and the monies have not been expended upon the request of the developer.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no crime or disorder implications.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no safeguarding implications

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix1 - Details of proposed works

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- PID Maximising existing health infrastructure

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Maximising Health Infrastructure Project

Appendix 1 – Details of proposed works

Practice	Proposed Works	Proposed equipment	Benefit	Estimated Cost £
Aberfeldy Practice	<p>-Conversion of office space into clinical space</p> <p>-creation of an enclosed section in the waiting area to house a patient pod to allow patients to record medical data including BP, BMI etc that will save appointment time.</p>	-Patient pod	<p>-clinical appointments to be increased by up to 40 per day</p> <p>-Patient pod will free up consultation time for clinicians to focus on specific health areas</p>	<p>Construction: £124,850</p> <p>Furniture & Fixings: £100,000</p> <p>Patient pod: £8,000</p> <p>Total estimate: £232,850</p>
Barkantine Health Centre	-Creation of 5 new consulting/treatment rooms		<p>-Provision of all services on one site</p> <p>-clinical appointments to be increased by up to 200 per day</p>	<p>Construction: £121 2000</p> <p>Furniture & Fixings: £50 000</p> <p>Total estimate: £171 200</p>
Blithehale Health Centre	-Conversion of available space into clinical consulting room		<p>-clinical appointments to be increased by up to 40 per day</p> <p>-increase in space to accommodate GP trainee</p>	<p>Construction: £14,600</p> <p>Furniture & Fixings: £8 000</p> <p>Total estimate:£22,600</p>
Hartford Health Centre	<p>-Conversion of group room into minor surgery compliant suite with recovery room</p> <p>-Conversion of general office into two rooms</p>		<p>-clinical appointments to be increased by up to 40 per day</p> <p>-in house minor surgery which will reduce the need for onward referral for patients</p> <p>-Creation of meeting room to allow clinical discussions and multi-disciplinary meetings to take place</p>	<p>Construction: £80,000</p> <p>Furniture & Fixings: £30,000</p> <p>Total estimate: £110,000</p>

Maximising Health Infrastructure Project

Appendix 1 – Details of proposed works

Practice	Proposed Works	Proposed equipment	Benefit	Estimated Cost £
Island Health	<ul style="list-style-type: none"> -Creation of better functioning clinical rooms -Conversion of coffee room into counselling room -Creation of meeting room space to facilitate clinical discussions and multidisciplinary meetings 		<ul style="list-style-type: none"> -clinical appointments to be increased by up to 120 per day -dedicated area for counselling services -dedicated area for team meetings and clinical discussions -services will be provide on one floor which will improve communication, morale and impact positively on patient care 	<p>Construction: £166,200</p> <p>Furniture & Fixings: £80,000</p> <p>Total estimate: £246,200</p>
Jubilee Street Practice	<ul style="list-style-type: none"> -Conversion of large community room into clinical area to undertake telephone triage and / or face to face consultations 		<ul style="list-style-type: none"> -consultations to be increased by up to 160 per day to include both face to face and telephone consultations -Practice will have the ability to expand to expand their list by up to 5,000 patients 	<p>Construction: £90,600</p> <p>Furniture & Fixings: £30,000</p> <p>Total estimate: £120,600</p>
Limehouse Practice	<ul style="list-style-type: none"> -Restructure of current premises to create additional clinical space -rehouse teams within the Practice to increase efficiency and economies of scale -create a more welcoming environment for patients 	Fit out of clinical space	<ul style="list-style-type: none"> -Increase in consultations by up to 40 additional appointments per day -Increased capacity to accommodate surgery needs -Improved staff moral which will impact positively on patient care 	<p>Construction: £100,000</p> <p>Furniture & Fixings: £70,000</p> <p>Total estimate: £170,000</p>

Maximising Health Infrastructure Project

Appendix 1 – Details of proposed works

Practice	Proposed Works	Proposed equipment	Benefit	Estimated Cost £
Mission Practice	<ul style="list-style-type: none"> -Creation of new consulting room by relocating communication room - Installation of multimedia equipment 	-multimedia equipment	<ul style="list-style-type: none"> -clinical appointments to be increased by up to 40 per day -dedicated area for educational sessions, clinical discussions and multidisciplinary meetings 	<p>Construction: £87,600</p> <p>Furniture & Fixings: £40,000</p> <p>Multimedia equipment: £3,000</p> <p>Total estimate: £130,600</p>
Spitalfields Practice	<ul style="list-style-type: none"> -Conversion of a large room into two clinical rooms -Conversion of a store room into a therapy room 	<ul style="list-style-type: none"> -Digital recording equipment to assist in training of doctors -Health assessment machine to measure height, weight and BP 	<ul style="list-style-type: none"> -clinical appointments to be increased by up to 80 per day -Provision of additional services eg. Diagnostics -improved health and wellbeing with dedicated onsite therapy room -health assessment machine will free up consultations for clinicians to spend time on other specific areas -Less waiting times for patients 	<p>Construction: £149,000</p> <p>Furniture & Fixings: £50,000</p> <p>Digital recording equipment: £3,500</p> <p>Health assessment machine: £4,500</p> <p>Total estimate cost: £207,000</p>

Maximising Health Infrastructure Project

Appendix 1 – Details of proposed works

Practice	Proposed Works	Proposed equipment	Benefit	Estimated Cost £
Wapping Group Practice	-Extension of a room to undertake minor surgery, warfarin clinics and patients BMI	-health assessment machine	-clinical appointments to be increased by up to 40 per day -extension of services to patients to reduce onward referrals to hospital -health assessment machine will free up consultations for clinicians to spend time on other specific areas	Construction: £78,000 Furniture & Fixings: £30,000 Health assessment machine: £4,500 Total estimate: £137,315
Whitechapel Health	-Conversion of office to a clinical room -ground floor baby changing facility	-Health assessment machine	-clinical appointments to be increased by up to 40 per day -dedicated area for educational sessions, clinical discussions and multidisciplinary meetings which will impact positively on patient care -health assessment machine will free up consultations for clinicians to spend time on other specific areas	Construction: £84,000 Furniture & Fixings: £60,000 Health assessment machine: £4,500 Total estimate: £148,500