


Cabinet Decision – Grants Determination Sub-Committee 13 March 2018	 TOWER HAMLETS
Report of: Denise Radley, Corporate Director, Health, Adults and Community	Classification: Unrestricted
Goodman’s field: Approval of the Allocation of S106 and CIL Funding, totalling £ 4,824,474.	

Originating Officer(s)	Matthew Phelan, Healthy Environment’s Programme Lead, Public Health
Wards affected	Goodman’s fields: Shadwell, Stepney Green and Whitechapel Wards
Key Decision?	Yes
Community Plan Theme	A healthy and supportive community

Executive Summary:

This report relates to the release of up to £4,824,474 of section 106 and CIL 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. This funding is divided into;

1. £3,494,990.79 of CIL
2. £1,329,483.21 of s106

Population growth in Tower Hamlets will increase demand for primary care services. Primary care has been tasked with helping to 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 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 £4,824,474 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. Both NHS Tower Hamlets Commissioning Strategic Plan 2012 – 2015 and the Tower Hamlets 2016 - 2020 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 Rapid population growth, stimulated by new residential development, is driving increased demand for healthcare provision in the affected localities. The proposed new health facilities and expansion will help build the extra clinical capacity that will be required to meet the increased demand for primary care.
- 1.3 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.
- 1.4 The project will allow a greater level of service to be offered to patients. The Goodman's field proposal will deliver a new, fully equipped modern health facility with 24 clinical rooms in the South West Locality, with capacity for up to 25,000 registered patients (an increase of 8k new patients), which will also provide up to 50,400 new patient appointments.
- 1.5 Finances will be spent in accordance with the s106 obligation and will deliver projects identified and agreed with the contributors in compliance with the s106 agreement.

2. ALTERNATIVE OPTIONS

- 2.1 Doing nothing, 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.

¹ GLA Population Project, 2014 round , Short Term Trend

- 2.2 Tower Hamlets has one of the lowest healthy life expectancies for both men and women in the country and health inequalities particularly for BME people are a significant challenge for our communities. Additional infrastructure for GP services will provide additional resource for the council's Public Health service (through commissioning) and local health partners to tackle these health inequalities and improve outcomes for local residents.
- 2.3 The Whitechapel region where the Goodman Fields proposal is located is particularly in need of additional health infrastructure, and extending healthcare provision in this ward will particularly affect several groups who are often disadvantaged with regards to access to healthcare. According to the 2011 census, 59% of the people living in this ward are BME, the proportion of socially rented households is almost double the London average and 13% of the population are classed as long term unemployed. Health inequalities research over the past decade has strongly indicated that low income and ethnic minority households are significantly more likely to experience poorer health outcomes. The Goodman's Fields Health Centre will therefore be increasing health service availability in a location of appropriate need.

3. DETAILS OF REPORT – Goodman's Field

- 3.1. The Goodman's Fields Health Centre premises will be constructed to shell and core specification by the site developer, Berkeley Homes (Capital) PLC, in fulfilment of a planning obligation under the terms of a Section 106 Agreement. The premises will comprise a gross internal area of 1,630m². The building is expected to be completed and handed over to the NHS in March 2019. The fit out works is expected to take approximately 11 months, with the health centre becoming fully operational in October 2020.
- 3.2. The fitted-out premises will provide 24 clinical rooms, a multi-purpose group room, counselling room and dedicated GP training rooms. The additional capacity provided in the new building will enable the GP practices to deliver an extended range of integrated primary and community health services to tackle health inequalities and improve health outcomes for their patients, in line with the objectives and goals set out in the Tower Hamlets Health and Wellbeing Strategy 2017-2020. The facility will also be equipped with the latest information technology to enable patients to access a wide range of primary care services online and to facilitate integrated working across health and social care.
- 3.3. The Whitechapel and City Wellbeing GP practices currently have a combined list size of 17,000 patients but neither of these existing practice premises have sufficient capacity to meet the expected demand for primary care services arising from planned population growth in the Shadwell, Stepney Green and Whitechapel Wards which are served by the two practices. The population in these wards is forecast to increase from 45,900 in 2018/19 to 54,360 in 2024/25.

3.4. The City Wellbeing Practice is now operating at full capacity and has closed its list to new patients. The Whitechapel Practice is also nearing full operational capacity, but is continuing to register new patients for the time being. Due to capacity constraints at its Whitechapel premises, the Whitechapel Practice also currently operates a branch surgery at Portsoken Health Centre in the City. The new facility at Goodman's Fields will enable the Whitechapel Practice to consolidate all of its services onto a single site.

3.5. The Goodman's Fields Health Centre will provide the modern facilities and clinical capacity needed to enable both the Whitechapel and City Wellbeing GP practices to grow their combined patient list to 25,000.

3.6. The s106 / CIL contributions funding the project are outlined below.

Description	Amount	Funding Source	Funding (Capital/ Revenue)
Construction cost including prelims	1,339,052	S106 / CIL	Capital
Construction cost including prelims	859,083	CIL	Capital
Professional fees	329,720	CIL	Capital
Equipment, IT, project and legal costs	828,805	CIL	Capital
Contingency and inflation	787,365	CIL	Capital
VAT (less estimate for VAT recovery)	680,449	CIL	
Total	4,824,474		

3.8 The expected timelines are as below;

Project Outputs/Milestone and Spend Profile		
Milestone Title	Baseline Spend	Baseline Delivery Date
NHS Business Case	75,000	September 2018
Contractor appointed	320,000	April 2019
Commencement on site	65,000	July 2019
Practical completion	2,400,000	March 2020
NHS commissioning	1,350,000	May 2020
Facilities open to public	300,000	June 2020
Publicity and comms	150,000	June 2020
Project final account	164,474	June 2021
Total	4,824,474	

3.9 The funding will only be released to TH CCG once confirmation is received that the works have been satisfactorily completed. The oversight for the delivery of this project and general monitoring of healthcare capacity will be 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. Public Health proposes to sponsor this programme of works.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 This report recommends the Grants Determination Sub-committee to approve Section 106 and Community Infrastructure Levy (CIL) grant funding totalling up to £4,824,474 for capital works to GP practice premises. The cost of these works will be covered within existing S106 and CIL funding.

5. LEGAL COMMENTS

- 5.1 Whilst there is no strict legal definition of grant, a grant is in the nature of a gift and is based in trust law. However, grants are often given for a purpose so it is sometimes unclear whether a grant has been made or the arrangement is a contract for services.
- 5.2 There will be many grants which are made by the Council for the purpose of discharging one of its statutory duties. However, as a grant is in the nature of a gift, it is considered there must be some element of discretion on the part of the Council as grantor as to whom a grant is made to and whether this is made. If the Council is under a legal duty to provide a payment to a specific individual or organisation, and cannot lawfully elect not to make such a payment, then that should not amount to a grant.
- 5.3 Section 106 Planning Obligations are obligations secured pursuant to section 106 of the Town and Country Planning Act 1990. Such Planning obligations, commonly known as s.106 agreements, are the mechanism whereby development proposals which would otherwise not be acceptable can be made acceptable in planning terms. As a contract the Council is required to spend any monies received in accordance with the terms of the s.106 agreement. However, most agreements are general in respect of projects upon which the section 106 monies are spent. Being general, the Council is not under a legal duty to pay the money to specific organisations/ projects. By definition, these payments are therefore grants.
- 5.4 Likewise, the Community Infrastructure Levy (CIL) is a £ per square metre planning charge introduced by the Planning Act 2008 as a tool to assist authorities to help deliver infrastructure to support the development of their area. In accordance with the Regulation 123 of the Community Infrastructure Levy Regulations 2010, the Council has prepared a list of infrastructure items that the Council intends, will be, or may or partially funded by CIL. However, CIL is not paid in respect of specific projects and as the Council is not under a legal duty to pay the money to specific organisations/ projects. By definition, these payments are also grants.
- 5.5 There is a need to ensure that the Council has the power to make the grants in question. In that regard, the proposed grants are supported by the

Council's general power of competence. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes.

- 5.6 The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (the Best Value Duty). This means that the Council will have to ensure that any grant is made under terms that enable monitoring to demonstrate that the money achieves the appropriate outcomes for which it was given.
- 5.7 When implementing the scheme, the Council must ensure that no part of the funds issued represents a profit element to any of the recipients. The inclusion of profit or the opportunity of making a profit from the grant or third parties indicates that the grant is really procurement activity and would otherwise be subject to the Council's Procurement Procedures and other appropriate domestic and European law. This would mean therefore, that the Council would have failed to abide by the appropriate internal procedures and external law applicable to such purchases.
- 5.8 When making grants 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 the One Tower Hamlets section of the report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The proposed buildings and improvements 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 not adversely affect people with protected characteristics.
- 6.3. Equalities Analysis have been completed on the proposal and can be found in the background documents.

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 HWB 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 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 those which are time sensitive.

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

- NONE

Background Documents

- Goodman's Fields Equalities Analysis

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