

**Cabinet Decision**  
20<sup>th</sup> March 2018

**IDB / MAB - 6<sup>th</sup> March 2018**



**Report of:** Directorate of Place

**Classification:**  
Unrestricted

**The Infrastructure Delivery Framework: Report to Cabinet recommending the approval of the allocation of CIL & S106 funding and approval for the adoption of a capital budget in respect of the following projects:**

- **Goodman's Fields Health Centre PID**
- **Whitechapel Public Realm Improvements PID**

<p><b>Lead Member(s)</b></p>	<p><u>Covering Cabinet Report</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Goodman's Fields Health Centre Project Initiation Document</u> Councillor Denise Jones, Cabinet Member for Health and Adult Services</p> <p><u>Whitechapel Public Realm Improvements Project Initiation Document</u> Councillor Amina Ali, Cabinet Member for the Environment</p>
<p><b>Originating Officer(s)</b></p>	<p><u>Covering Cabinet Report</u> Owen Whalley, Divisional Director, Planning and Building Control, Place Directorate</p> <p><u>Goodman's Fields Health Centre Project Initiation Document</u> Matthew Phelan, Programme lead for Healthy Environments</p> <p><u>Whitechapel Public Realm Improvements Project Initiation Document</u> Mahbub Anam, Interim Strategic Project Manager, Whitechapel Vision Delivery Team, Place Directorate</p>
<p><b>Wards affected</b></p>	<p>All wards;</p>
<p><b>Key Decision?</b></p>	<p>Yes</p>
<p><b>Community Plan Theme</b></p>	<p>A great place to live; A fair and prosperous community; A safe and cohesive community; A healthy and supportive community.</p>

## 1. **EXECUTIVE SUMMARY**

1.1 This document has been formed in order to seek approval from the Mayor in Cabinet for:

1. The allocation of £1,329,483 in Section 106 (S106) funding and £3,494,991 in Community Infrastructure Levy (CIL) to the proposals set out in the “*Goodman’s Fields Health Centre*” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix A.
2. The allocation of £727,450 in Section 106 (S106) funding to the proposals set out in the “*Whitechapel Public Realm Improvements*” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B.

1.2 The projects to which this document relates can be summarised as follows:

a) **Goodman’s Fields Health Centre Project:**

The Goodman’s Fields Health Centre Project requires a total of £4,824,474 of CIL and S106 funding for the relocation of the Whitechapel and City Wellbeing GP practices from their existing under-sized premises to a new health centre within the Goodman’s Fields development at Aldgate. The aim of the project is to increase clinical capacity, access and service provision in primary care and maintain continuity of GP services in the south west locality.

b) **Whitechapel Public Realm Improvements:**

The Whitechapel Public Realm Improvements Projects seeks approval for £727,450 of (s106) funding to deliver seven open realm and public space improvements identified in the Whitechapel Vision Masterplan.

1.3 Table 1 below sets out the amount requested for the named project highlighted in 1.2, including the source of requested funding related to CIL and S106. Table 2 sets out the project costs and the amounts that require a capital budget to be adopted.

1.4 It should be noted that the figures in this report have been rounded to the nearest pound. For exact figures please refer to the attached PID.

### **Table 1: Source of Funding and Overall Amount Requested for Allocation**

Project Title	Amounts			Funding (Capital/ Revenue)
	Overall Request	S.106	CIL	
Goodman's Fields	£4,824,474	£1,329,483	£3,494,991	Capital
Whitechapel Public Realm Improvements	£727,450	£627,450		Capital
		£100,000		Revenue
<b>Total</b>	<b>£5,551,924</b>	<b>£2,056,933</b>	<b>£3,494,991</b>	

**Table 2: Adoption of Capital Budget > Requested Amount**

Project Title	Amounts	
	Overall Request	Adoption of Capital Budget > Request Amount
Goodman's Fields Project	£4,824,474	£4,824,474
Whitechapel Public Realm Improvements	£727,450	£627,450
<b>Total</b>	<b>£5,551,924</b>	<b>£5,451,924</b>

## **RECOMMENDATIONS**

1.5 The Mayor in Cabinet is recommended to:

1. The allocation of £1,329,483 in Section 106 (S106) funding and £3,494,991 in Community Infrastructure Levy (CIL) to the proposals set out in the "*Goodman's Fields Health Centre*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix A.
2. The allocation of £727,450 in Section 106 (S106) funding to the proposals set out in the "*Whitechapel Public Realm Improvements*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B.
3. Adopt a Capital Budget for the "*Goodman's Fields Health Centre*" and "*Whitechapel Public Realm Improvements*" Project Initiation Documents (PID) as set out in Table 1.

## **2. REASONS FOR THE DECISIONS**

- 2.1 Approval is sought to deliver these projects for the following reasons:
1. They help contribute to the delivery of positive improvements to people's lives that will underpin the Community Plan themes of:
    - A Great Place to Live;
    - A Fair and Prosperous Community;
    - A Safe and Cohesive Community;
    - A Healthy and Supportive Community.
  2. The Infrastructure Delivery Framework states that "planning policy seeks to deliver healthy and liveable neighbourhoods that promote active and" healthy lifestyles and enhances people's wider health and well-being. This will be achieved through the delivery of high quality, public realm and publicly accessible open spaces.
  3. The Whitechapel Public Realm Improvements Projects is consistent with the aims of a number of key Council Strategies, including the Green Grid Strategy, which aims to "create an interlink network of accessible green open space", as well as the Open Space Strategy (which is currently being revised) and aims to "improve the overall quality and accessibility of current open space provision".
  4. The Goodman's Fields Health Centre project is consistent with the planning policy on health and medical facilities which seeks to maintain an adequate supply and range of health facilities across the borough to serve the local needs and support the creation of more liveable and sustainable places.

2.2 Please refer to the following associated documents/appendices for more information about the projects:

- Appendix A: Goodman's Fields Health Centre PID;
- Appendix B: Whitechapel Public Realm Improvements PID.

### **3. ALTERNATIVE OPTIONS**

- 3.1 The projects within the attached PIDs can be individually or collectively approved. The only alternative option is to not allocate the funding to some or any of these projects.
- 3.2 It should be noted that the use of S106 funding proposed for allocation in this report is restricted, as it must be spent in accordance with the terms and conditions of its expenditure pertaining to a specific S106 agreement related to the development from which it originates. Further details of the specific restrictions attached to each S106 agreement can be found in the attached PIDs. Any alternative spend of this funding would have to be on projects that would meet the requirements of the relevant S106 agreement.

## 4. **BACKGROUND**

### S106

- 4.1 S106 of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning obligations/S106 Agreements are legal agreements, negotiated between a LPA and a developer, with the intention of making development acceptable which would otherwise be unacceptable in planning terms.
- 4.2 S106 contributions must be spent in accordance with the agreement to which they relate. The contributions secured in S106 Agreements are usually tied to the need to provide a certain type of project in a defined location.

### CIL

- 4.3 CIL is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 CIL is a £ per square metre charge on most new development.
- 4.4 In accordance with the Regulation 123 of the CIL Regulations 2010 (as amended), the Council has prepared a list of infrastructure items that the Council intends, will be, or may or partially funded by CIL. This project is covered under the 'health and social care facilities' in the Council's Regulation 123.

### PIDs

- 4.5 The backgrounds to the projects are provided below. For further information on the projects described in this report it is necessary to consult the PIDs attached at Appendix A and Appendix B.

### **Goodman's Fields Health Centre Project (PID attached at Appendix A)**

- 4.6 This PID seeks approval for the expenditure of £4,824,474 of S106/CIL funding for investment in health care facilities.
- 4.7 Tower Hamlets Council along with NHS Tower Hamlets Clinical Commissioning Group have identified an urgent need to improve the healthcare infrastructure in the South West locality of the borough to mitigate the impact of current and future increases in population growth. The Whitechapel and City Wellbeing GP Practices have insufficient 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.

- 4.8 The proposed one – off capital investment in a new health facility at the Goodman’s Fields development will enable re-provision of the Whitechapel and City Wellbeing GP Practices with modern facilities and clinical capacity needed to enable both practices to grow both their combined patient list to £25,000.
- 4.9 Additional infrastructure for GP services will provide additional resource for the Council’s Public Health service (through commissioning) and local health partners to tackle health inequalities and improve outcomes for local residents. The Whitechapel region is particularly in need of health infrastructure and extending healthcare provision in this ward will benefit several groups who are often disadvantaged in terms of access to healthcare.
- 4.10 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 1,630m<sup>2</sup>. The building is expected to be completed and handed over to the NHS in March 2019. The fit out works are expected to take approximately 11 months, with the health centre becoming fully operational in October 2020.
- 4.11 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.

**The Whitechapel Public Realm Improvements (PID attached at Appendix B)**

- 4.12 This project involves the approval of S106 money towards a total project cost of £727,450 for public realm improvements and open space improvements across the Whitechapel Masterplan Area.
- 4.13 The proposed projects will deliver part of the priority public realm interventions identified under the public realm and open space studies for Whitechapel. The open space studies completed for Whitechapel which builds on the objectives set out in the Masterplan provide the basis and justification for setting up and implementing the current

Whitechapel Public Realm Improvement Projects. A Project Manager and Specialist Project Officer roles are proposed to support steer the design, delivery and day to day management of the initiatives within the programme.

- 4.14 Continued investment in this project will help improve the perception and image of Whitechapel. An upfront investment in the public realm will secure future investments and, most importantly the confidence of the Borough's residents and commercial market that regeneration in Whitechapel is progressing. The projects will support the use of existing and newly improved public realm and open spaces for the local community to come together promoting civic pride and encouraging community cohesion.

## **5. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 5.1 In accordance with the Council's Infrastructure Delivery Framework, this report seeks the approval of the Mayor in Cabinet to allocate Section 106 resources of £1,329,483 and Community Infrastructure Levy funding of £3,494,991 towards the costs of relocation of the Whitechapel and City Wellbeing GP practices to a new health centre within the Goodman's Fields development. It also seeks agreement to the allocation of Community Infrastructure Levy resources of £727,450 to the Whitechapel Public Realm Improvements project.
- 5.2 The funding for the Goodman's Fields Health Centre is fully included within the Health, Adults and Communities capital programme that was approved by full Council on 21<sup>st</sup> February 2018. This report seeks approval for the formal adoption of the capital estimate for this scheme.
- 5.3 In order that spending decisions can be made during the financial year by the Infrastructure Delivery Board and the Mayor in Cabinet, budgetary provision for infrastructure delivery is included within the capital programme with uncommitted resources carried forward into future years as necessary. The approved capital programme includes an uncommitted provision of £6.415 million for 2017-18, of which the application of £1.487 million to finance capital works at London Square has subsequently been approved (Cabinet – 28<sup>th</sup> February 2018). This leaves a currently uncommitted balance of £4.928 million of which £627,450 will be applied to finance the capital element of the Whitechapel Public Realm Improvements scheme. In addition to the capital element the report seeks approval for an allocation of £100,000 to fund revenue costs associated with the project.
- 5.4 The approved capital budget also incorporates a separate provision of £15 million for future additions to the capital programme including schemes to be funded from Section 106 and CIL resources.
- 5.5 Commitments to fund schemes can only be made following the receipt of the relevant developer contributions - in the case of the projects

proposed in this report, the required resources have been received by the Council. The specific planning contributions associated with the Section 106 funding elements of the projects are detailed in section 2 of the Project Initiation Documents that are included as appendices to this report.

- 5.6 A significant element of the Section 106 resources that are held by the Council relates to capital projects, with CIL funding also being available to finance both revenue and capital schemes. The proposed allocation of these funds is undertaken by the Infrastructure Delivery Board and should take place in accordance with the priorities within the Council's capital strategy, although certain resources are specific to particular initiatives. In order to undertake Section 106 or CIL funded capital schemes, projects must be incorporated into the capital programme and appropriate capital budgets adopted. The approval of capital estimates totalling £5,451,924 is sought in this report.
- 5.7 Due to the risk that funding will have to be repaid to developers, with interest, if the time period specified in the Section 106 agreement expires, it is important to ensure that projects continue to be closely monitored and that actions are taken to mitigate any risk that resources will be lost. The possibility of applying funds to alternative projects should be considered if schemes are unlikely to drawdown the funding before the time limited resources expire, although this must be done in accordance with the specific use conditions that are detailed in each Section 106 agreement.
- 5.8 Payments of Section 106 or CIL resources to external bodies can potentially be determined to be grants which require the approval of the Grants Determination Sub-Committee in accordance with the Council's decision making framework. This will apply in the case of the surgery location to Goodman Fields which will require funds to be transferred to the NHS Tower Hamlets Clinical Commissioning Group, and must also be considered if any of the funding for the Whitechapel Public Realm Improvements Programme is allocated to external organisations.
- 5.9 Provision for the funding of any on-going revenue costs associated with the Whitechapel Public Realm Improvements Programme will be met from within existing budgets.
- 5.10 In cases where project approvals contain a contingency item this will only be utilised if officers are fully satisfied with the evidence provided to support the claim. Any unused contingency sums will be available for reallocation to other projects.

## **6. LEGAL COMMENTS**



- 6.1 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. They are focused on site-specific mitigation of the impact of development. They can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land.
- 6.2 As a contract the Council are required to spend any monies received in accordance with the terms of the s.106 agreement. It is therefore important to consider the provisions of each agreement when allocating monies to a particular project. Whilst some agreements allow for a particular contribution to be spent on a type of infrastructure or project across the borough as a whole, other agreements are more specific in requiring that a contribution be linked more closely to the locality of the development. Under most agreements the Council will have a limited period of time to allocate or spend the contribution (normally 5-10 years from receipt) and if the contribution is not allocated or spent within this period, the monies will have to be returned to the person who paid the monies with interest.
- 6.3 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.
- 6.4 This report is asking the Mayor in Cabinet to approve the allocation of section 106 to the 2 projects identified in the report and CIL funding to 1 of the projects. The allocation of the section 106 funding is considered to be in accordance with the relevant section 106 agreements and therefore lawful. Likewise project in respect of the CIL funding is covered under the 'health and social care facilities' in the Council's Regulation 123 and therefore lawful.
- 6.5 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.

## **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 This report proposes to allocate funding to help deliver infrastructure at a local level. In scoping these infrastructure projects the objectives of One Tower Hamlets and those of the Community Plan have been considered.
- 7.2 It is anticipated that these infrastructure projects will contribute to the reduction of inequality and will foster cohesion in the borough.

## **8. BEST VALUE (BV) IMPLICATIONS**

- 8.1 If approved, the project referred to in this document is required to be delivered in consideration of best value implications and the Council's Best Value Strategy and Action Plan (2015).

## **9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 9.1 Sustainability considerations will be applied as far as possible to the use of building materials and fixtures.
- 9.2 The proposed improvements will contribute towards the measures of increased use and satisfaction with green spaces and increased quality and function of open space.

## **10. RISK MANAGEMENT IMPLICATIONS**

- 10.1 The risks relating to the delivery of these projects as well as mitigating measures are set out in detail in the attached PIDs at Appendix A and Appendix B.

## **11. CRIME AND DISORDER REDUCTION IMPLICATIONS**

11.1 It is hoped that these projects will improve places and help design out crime in the borough, making them less susceptible to crime or disorder and increasing natural surveillance.

## **12. SAFEGUARDING IMPLICATIONS**

12.1 The Goodman's Fields Health Centre Improvement project and Public Realm Improvements Project proposes seek to deliver infrastructure in the south west locality of the borough. The rights of all end users will be safe guarded and further information can be found in the attached PID.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Goodman's Fields Health Centre PID – Appendix A;
- Whitechapel Public Realm Improvements PID – Appendix B.

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

- None

#### **Officer contact details for documents:**

Matthew Pullen, Infrastructure Planning Manager

Tel: 020 7364 6363