



Democratic Services

Location: Phase II

Ext: 0693

DDI: 01895 250693

Ref: CMD 384

**To: COUNCILLOR IAN EDWARDS
LEADER OF THE COUNCIL**

**COUNCILLOR MARTIN GODDARD
CABINET MEMBER FOR FINANCE**

**COUNCILLOR JANE PALMER
CABINET MEMBER FOR HEALTH AND SOCIAL
CARE**

c.c. All Members of Environment, Housing and
Regeneration Select Committee

c.c. Perry Scott, Corporate Director of Place

c.c. Nicola Wyatt, Place Directorate

c.c. Julia Johnson, Place Directorate

c.c. Ward Councillors for Botwell

c.c. Conservative and Labour Group Offices
(inspection copy)

Date: 10 February 2022

Non-Key Decision request

Form D

NEW ALLOCATION AND RELEASE OF S106 CONTRIBUTIONS 2021/22: Provision of a New Health Centre on the former Old Vinyl Factory site, Blyth Road, Hayes

Dear Cabinet Member

Attached is a report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

You should take a decision **on or after Friday 18 February 2022** in order to meet Constitutional requirements about publication of decisions that are to be made. You may wish to discuss the report with the Corporate Director before it is made. Please indicate your decision on the duplicate memo supplied, and return it to me when you have made your decision. I will then arrange for the formal notice of decision to be published.

Steve Clarke
Democratic Services Officer

Title of Report: NEW ALLOCATION AND RELEASE OF S106 CONTRIBUTIONS
2021/22: Provision of a New Health Centre on the former Old Vinyl Factory site,
Blyth Road, Hayes

Decision made:

Reasons for your decision: (e.g. as stated in report)

Alternatives considered and rejected: (e.g. as stated in report)

SignedDate.....

*Leader of the Council / Cabinet Member for Finance / Cabinet Member for Health
and Social Care*

NEW ALLOCATION AND RELEASE OF S106 CONTRIBUTIONS 2021/22: Provision of a New Health Centre on the former Old Vinyl Factory site, Blyth Road, Hayes

Cabinet Member(s)	Councillor Ian Edwards Councillor Martin Goddard Councillor Jane Palmer
Cabinet Portfolio(s)	Leader of the Council Cabinet Member for Finance Cabinet Member for Health and Social Care
Officer Contact(s)	Nicola Wyatt – Place Directorate Julia Johnson – Place Directorate
Papers with report	Appendix A – S106 Allocation and Release Request

HEADLINES

Summary	To seek approval to allocate funds from three s106 contributions currently held at H/30/276G, H/55/347D and H/60/259E towards the provision of a new health centre on the former Old Vinyl Factory site, Hayes, and transfer the funds to North West London Clinical Commissioning Group towards the delivery of the scheme.
Putting our Residents First	The report supports the Council objectives of <i>Strong Financial Management</i> .
Financial Cost	This report seeks to allocate, release and transfer £52,309 from identified s106 contributions held by the Council.
Relevant Select Committee	Environment, Housing and Regeneration Select Committee
Relevant Ward(s)	Botwell

RECOMMENDATIONS

- 1) That the Leader of the Council and the Cabinet Member for Finance agree to the request from North West London Clinical Commissioning Group (NW London CCG) to allocate a total of £52,309 from the following s106 contributions held at H/30/276G, H/59/356E and H/60/259E towards the provision of a new health centre on the former Old Vinyl Factory site; and,
- 2) That the Cabinet Member for Finance and Cabinet Member for Health and Social Care (subject to written confirmation from NHS Property Services), approve the

capital release (Appendix A) and transfer of the s106 funds held at H/30/276G, H/59/356E and H/60/259E to NW London CCG, to be spent within the terms of the Service Level Agreement (SLA) dated 26 June 2015 to ensure satisfactory delivery of the Scheme.

Reasons for recommendations

Following a Cabinet decision in March 2009, the allocation of Section 106 (S106) and Section 278 (S278) funds is required to be formally approved by the Leader of the Council and the Cabinet Member for Finance on a case-by-case basis. This report requests the approval for the S106 funds held at the case reference detailed in this report to be committed as outlined in this report.

Alternative options considered / risk management

The Cabinet Members may agree to fund the scheme and / or suggest alternative projects to which funds could be allocated within the terms of the relevant legal agreements. If the S106 funds are not allocated to an appropriate scheme, the unspent funds may need to be refunded.

Select Committee comments

None at this stage.

SUPPORTING INFORMATION

Purpose of Planning Obligations

1. Planning obligations, or S106 agreements, are an established mechanism for mitigating planning effects arising from development proposals. The agreements are usually negotiated within the context of planning applications, between Local Planning Authorities and persons with an interest in the piece of land (owners, leaseholders or developers). They are intended to make development acceptable, which would otherwise be unacceptable in planning terms.
2. Any S106 monies generated from planning agreements must be spent on their intended purpose and that the associated development contributes to the sustainability of the area by addressing the impacts of the development proposals. As a result, expenditure of S106 funds must relate to a specific development and must be in accordance with the corresponding legal agreement. If a contribution is not used for the intended purpose or not spent within the period allocated in the S106 agreement, the monies may need to be returned.

Proposed Allocation of S106 Health Contributions

3. The North West London Clinical Commissioning Group (NW London CCG), as commissioners of primary and community care services are responsible for ensuring service delivery to patients in the Hayes area of Hillingdon Borough. A key priority in NW London Estates Strategy is to identify an affordable, fit for purpose, long-term solution to meet the needs of patients in the Hayes Town area and North Hyde Road corridor of the Borough.

4. The CCG currently commissions a range of clinical services provided from Hesa Health Centre in Hayes; however, this site is coming to the end of its useful life and is no longer fit for purpose in the longer term. Consequently, NW London CCG has been exploring options for alternative premises and identified a combined scheme to deliver a new primary care facility at The Old Vinyl Factory along with a new health centre on the former Nestle Factory Site, to provide a solution that would enhance the health and services available to meet the needs of the existing local population and provide capacity to meet the residential growth in the Hayes area.
5. The proposed health centre on the Old Vinyl Factory site is to be provided as part of the development of the Machine Store and Pressing Plant (planning reference 59872/APP/2016/3454) and will provide 520sqm of lettable clinical space. The development is already well under way and the proposed health centre space has recently been completed to a shell and core finish. A schedule of accommodation has also been developed and an initial design for the internal layout of the building agreed with the developer. The CCG is currently in negotiations to determine an appropriate lease agreement for the building, before taking the scheme forward.
6. To ensure that available s106 funding can be fully utilised towards the scheme, NW London CCG are requesting that the contributions listed in table 1 below are allocated and released towards the preliminary costs associated with the scheme, to secure a lease agreement and to produce detailed internal design and accommodation schedules. These contributions now have short timescales for spend and this will ensure that they are utilised within their prescribed time limits. Further S106 funds will subsequently be requested as the scheme progresses towards the internal fit out of the building.

Table 1 - Details of health S106 contributions to be allocated

CASE REF.	DEVELOPMENT / PLANNING REFERENCE	PROPOSED ALLOCATION	COMMENTS
H/30/276G	Fmr Hayes FC, Church Road, Hayes 4327/APP/2009/2737	35,620.80	Funds received towards the cost of providing health facilities in the Authority's area including expansion of health premises to meet increased patient numbers, new health services at local level, any new facilities required to compensate for the loss of a health facility caused by the development. Funds to be spent within 7 years of receipt. Feb 2022
H/59/356E	Packet Boat House, Packet Boat Lane, Cowley 20545/APP/2012/2848	14,997.03	Funds received towards the cost of providing health facilities in the Authority's area including expansion of health premises to meet increased patient numbers, new health services at local level, any new facilities required to compensate for the loss of a health facility caused by the development. Funds to be spent within 5 years of completion. Jun 2022
H/60/259E	26-36 Horton Road, Yiewsley 3507/APP/2013/2327	1,691.16	Funds received towards the cost of providing health facilities in the Authority's area including expansion of health premises to meet increased patient numbers, new health services at local level, any new facilities required to compensate for the loss of a health facility caused by the development. Funds to be spent within 7 years of receipt. Jan 2023
	TOTAL CONTRIBUTIONS	52,308.99	

7. This proposal is supported by NHS Property Services (NHS PS) who, in line with the SLA, has indicated that they wish to nominate NW London CCG to receive the funds on their behalf. Subject to Cabinet Member approval and on receipt of a formal written request from NHS PS, the funds will be transferred to NW London CCG in accordance with the current Service Level Agreement. This document has been agreed with NHS PS to ensure that appropriate schemes are delivered within the terms of the relevant legal agreements. As the statutory recipient of these funds, they will therefore assume responsibility for the delivery of the scheme.

Scheme to provide a new health centre on the former Old Vinyl Factory site, Blyth Road, Hayes

8. Primary care provision at Hesa Medical Centre is currently delivered by the Hesa Medical Centre Practice and supports a registered patient list of circa 16,900. It is the CCG's intention to relocate the existing Hesa Medical Centre Practice into a new primary care facility at The Old Vinyl Factory development, located on Blyth Road Hayes. This will ensure continued primary care provision across the catchment area and meet the health requirements for the projected population growth in this locality from new developments such as The Old Vinyl Factory and the Nestle site.
9. A private developer is currently undertaking the construction of the health centre which will provide 11 clinical consultation rooms and two treatment rooms across four floors, as well as associated administrative and auxiliary space for the practice. The building will subsequently need to be finished to NHS specifications which will result in rentable costs to the NHS over a lease period of 25 years. Further costs will also be incurred by the CCG to equip the building to modern NHS standards. A provisional budget to cover fit out costs (including IT requirements) has been estimated at circa £250,000. Practical completion of the new facility is expected in April 2023.
10. It is anticipated that this scheme in conjunction with a proposed new health centre on the Nestle site will provide new, modern, compliant, fit-for-purpose premises to meet the health care needs of the local population. The provision of the new facilities across the two sites will also result in increased clinical space and capacity to enable additional community services, particularly mental health services, to be offered in the Hayes area.

Financial Implications

(S106 Budget 2021/22 £145k (from these allocations); Previously Released £93k; Capital Release Requested £52k) – Appendix A

The report seeks the allocation, release and transfer of £52k to North West London Clinical Commissioning Group (NW London CCG) towards the provision of a new health centre on the former Old Vinyl Factory site.

The report is seeking the allocation and capital release totalling £52k from S106 contributions received as detailed in the table overleaf.

Section 106 Contributions

S106 Funding Reference	S106 Details	Amount £'s	Time Limit to Spend
H/30/276G	Former Hayes FC, Church Road, Hayes	35,621	February 2022
H/59/356E	Packet Boat House, Packet Boat Lane, Cowley	14,997	January 2023
H/50/359E	26-36 Horton Road, Yiewsley	1,691	January 2023
	Total	£52,309	

The S106 contribution held at H/30/276G for £36k is at a high risk of being returned to the developer if it is not spent by February 2022, as there is no other viable scheme to apply this fund against before the time limit to use the S106 contribution by expires.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon residents, service users and communities

The recommendations will enable external funds to be spent to maximum effect to provide viable improvements for the benefit of local communities.

Consultation carried out or required

Consultation not required.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance concurs with the financial implications above, noting that the S106 contributions have been received for the provision of health facilities within the Borough.

Legal

Legal Services have considered the content of the section 106 agreements referred to in this report and concludes that the recommendations presented are consistent with the terms of the respective agreements.

Infrastructure / Asset Management

There are no Infrastructure /Asset Management implications arising from the recommendations in this report.

Comments from other relevant service areas

The scheme has been developed in consultation with relevant service groups as appropriate.

BACKGROUND PAPERS

Planning Obligations Supplementary Planning Document 2014

APPENDIX A – S106 Allocation and Release Request

S106 Allocation & Release Report 2021/22 – New Health Centre, Blyth Road, Hayes (TOVF)

Location	Project / Expenditure Title	Information	Funds Release Sought £000's	Approve	Hold	More Information Required
Blyth Road, Hayes	NW London CCG – New Health centre	Provision of a new Health Centre as part of the redevelopment of the Old Vinyl Factory site.	52			
Total seeking release			52			
Previously released			93			
Budget			145			
Remaining budget			0			