



**REPORT TO HARBOROUGH DISTRICT COUNCIL COMMUNITY SCRUTINY  
PANEL**

**26<sup>TH</sup> SEPTEMBER 2019**

**Purpose of report**

1. East Leicestershire and Rutland Clinical Commissioning Group through its delegated responsibility of Commissioning General Medical Services has an obligation to consider and feed into local developments that potentially may have an impact on how GP Practices deliver care to their local population.
2. The purpose of this report is to provide the Communities Scrutiny Panel with information on how the CCG is working to manage impact of growth in patient population resulting from housing developments within the Harborough area.

**Background**

3. Under s106 of the Town and County Planning Act 1990 contributions can be sought from developers towards the costs of providing community and social infrastructure, the need for which has arisen as a result of new development taking place. This funding is commonly known as “s106”.
4. Regulations require any s106 contributions to be necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind.
5. Historically the process for securing healthcare contributions and managing s106 funding within Leicestershire was managed by one individual dedicated to premises management via the Primary Care Trust (PCT), the Clinical Commissioning Group’s (CCG) predecessor organisation.
6. With effect from 1<sup>st</sup> April 2015, East Leicestershire and Rutland CCG (ELRCCG) took on delegated commissioning of primary care services. The function of managing s106 funding transferred over from NHS England to the Primary Care Contracting teams within CCGs.
7. The CCG has been engaging with local councils to develop knowledge and understanding of council processes in relation to s106 funding. This has resulted in the establishment of a robust process for handling, managing and responding to notifications of planning applications from local Councils to ensure practices

within the CCG receive the necessary funding to manage the impact of growth resulting from new housing developments.

### CCG Process

8. Upon notification of planning applications from the Council, the CCG has 21 days to submit an application for s106 funding. Within this timescale the Primary Care team seeks comments/input from those practices that are closest to the development and likely to have the biggest impact of proposed housing development. The amount of funding requested is calculated using an established formula.
9. Subject to approval of planning applications by the Council, a s106 agreement is developed which is a legal document that sets out the amount of funding secured for healthcare, the trigger for when the developers have to transfer funds to the Council and what the funding must be used for.
10. Once the funding is transferred over to the Council, it must be spent within 5 years from the date funding was received by the Council.
11. When the Council notifies the CCG of funding received from developers, the CCG notifies the practice eligible to receive funding together with a copy of the relevant s106 agreement which specifies what the funding may be used for. The practice is also advised of the deadline by which the funding needs to be spent.
12. Upon receiving practice proposal the CCG will seek approval from HDC to ensure practice proposal is in line with criteria specified in s106 agreement specific for the development.
13. Following confirmation from Harborough District Council (HDC) that proposed spend is in accordance with the required criteria the CCG finance team will invoice HDC for the full amount of s106 funding available for a particular development and advise practice to progress purchase. Upon purchase the practice will be required to send copies of purchase invoices to the CCG in order to claim the s106 funding.
14. The process for securing s106 funding can take a number of years and during this time changes occur at either or both the practice and CCG level. Since the function of premises management moved to the CCG from NHSE as part of co-commissioning, the Primary Care Team has met with all the Councils covering the CCG area to understand systems and processes and have developed a good working relationship. As a result a number of improvements have been made since April 2018. These include:

- Development of a user-friendly filing structure for premises management ensuring all planning applications are saved using the council generated unique reference number
- Development of a master spreadsheet where all activity relating to s106 funding is logged and kept up to date
- Established links with Harborough District Council, Charnwood Borough Council, Melton Borough Council and Blaby District Council
- Provided advice and guidance to Practice Managers at the Practice Manager’s forum
- Streamlined the process of submitting applications for s106 funding to councils on behalf of practices

15. Practice needs can change over time and current requirements for spending s106 funding is not always in line with what is stipulated in the original s106 agreement. For example, funding has been secured for the Syston practices for “extending the waiting area”. However, the building is no longer owned by the Partners and so any changes to the building would require cooperation with the landlord.

16. Another challenge for the CCG is the need to adapt CCG approach to the different processes in place at all the different Councils. Some Councils adopt a firm process whereas others are more flexible. However by meeting with all the councils it has helped the CCG to ensure applications are in line with the regulations, developer’s specification and s106 funding drawn down in line with the council process.

17. The CCG also has an important role to play in production of Local Plans. Engagement at the policy making stage is essential to ensure a robust evidence base needed to supporting requiring s106 contribution for health.

**Risks of s106**

18. The main risks with regard to s106 funding are listed in table below:

**Table 1: Risks/Mitigation**

Risk	Mitigation
Practice unable to spend allocated funding due to limitation imposed by the specified use stated in the s106 agreement.	It is possible for a practice to request a “deed of variation” to amend content of s106 agreement. However, the legal costs associated with this would have to be met by the practice.

Risk	Mitigation
Practice do not submit proposal to access s106 funding within the 5 year timeframe and the money is clawed back by the developers	The primary care team closely monitor deadlines for practices to spend funding received by the council and alert practices to avoid this situation. To date (since April 2016) no funding has been clawed back by the developers.
Funding received from developers is insufficient for specified use in the s106 agreement.	Ensure applications for s106 funding are not too prescriptive with as much flexibility built in as possible.
Practice spends s106 funding on something that is not included in the s106 agreement. As a result money is clawed back by developers.	Primary care team has developed a process to ensure funding cannot be spent by practice prior to approval by the Council/CCG.
Practices apply for funding for an extension or improvement and the cost of the project they have in mind could cost more than the allocated s106 figure based on the time it takes to receive the money from the developers.	Ensure the practices have realistic expectations and bear in mind things will cost more when the money finally comes through the system.

### S106 for Harborough District Council

19. Based on information gathered by the CCG from historic files and by accessing the Harborough District Council planning portal, there are currently a total of 67 applications in the system whereby the CCG/PCT have submitted an application for s106 funding on behalf of practices within ELRCCG. These are detailed in Table 3 on page 5.
20. The funding provides an opportunity for practices to build/extend or improve premises to meet future needs based on anticipated population growth.
21. Within the last few years s106 funding has been used to fund one large scale project in Harborough as well as a number of smaller projects.

### Large Scale Project

22. Historically the Husbands Bosworth Surgery operated from a converted bungalow leased from Ryder Property Company Ltd since 1976 with an area approximately

142msq. The surgery was identified as urgently requiring redevelopment as far back as 2009 in the Leicestershire County PCT Primary Care Strategy and Implementation Plan

23. Market Harborough and Bosworth Partnership were providing GMS services for 3500 patients out of these premises.

24. An application from Davidsons Developments limited for the erection of up to 41 dwellings and a doctor's surgery was approved by Harborough District Council in December 2015. The building was completed in December 2018 covering 487msq gross internal area – see picture below.



25. The cost of the building was shared between developer contributions (s106 funding) and practice contribution as shown below.

**Table 2: Cost of Husband Bosworth Surgery new build**

Developer contributions via s106	£888,365.00
GP contribution	£634,667.49
Total cost of building	£1,523,032.49

Table 3: Number and Status of s106 applications submitted on behalf of ELRCCG practices

Date	Submitted	Status*	Funding Secured (s106 agreement)	Received by HDC	Spent by practices
2011	5	4 Approved 1 NHS Not funded	£150,787.72	£150,787.72	£66,397.04
2012	1	1 Approved	£14,666.00	£14,666.00	0
2013	4	2 Approved 2 NHS not funded	£19,713.52	£19,713.52	£5,351.85
2014	2	2 Approved	£30,018.86	£19,284.00	0
2015	6	4 Approved 1 Withdrawn 1 Pending	£144,512.14	£108,256.92	0
2016	14	10 Approved 1 Withdrawn 3 Refused	£620,215.31	£47,999.03	0
2017	11	8 Approved 2 Refused 1 Pending	£130,497.16	0	0
2018	14	10 Approved 3 Refused 1 Withdrawn	0	0	0
2019	10	9 Pending 1 Withdrawn	0	0	0
<b>Total</b>	<b>67</b>		<b>1,11,041.11</b>	<b>360,707.20</b>	<b>71,748.89</b>

### Other Small Projects

26. Practices in the Harborough area have been able to increase capacity and improve services in a variety of ways as listed below:

- Telephone upgrade at MHMC – this has enabled the practice to provide an improved service to patients increasing the efficiency and volume of calls that may be handled by the practice
- Mobile shelving unit at MHMC – this has provided additional storage space for practice to accommodate patient records
- A range of medical equipment has been purchased for the benefit of patients at Bushby surgery.
- New flooring installation has commenced to meet with current NHSE standards.
- An increased capacity waiting area with new seating and flooring at Lutterworth Health Centre has commenced to improve patient access and health & safety.
- New telephone systems at Lutterworth Health Centre to improve patient access and engagement.
- Increased front of house space for staff at Lutterworth Health Centre to allow more support for patients at the reception desk.
- New patient call in technology at Lutterworth Health Centre improves patient services.
- New vaccine fridges have been purchased for both practices in LHC to house an increased number of vaccines to meet the new population.
- The first stage of a voice recognition dictation system has been purchased for LHC to enable enhanced accuracy of patient notes.
- New ECG machines have been purchased so that patients can be tested locally rather than having to go offsite.
- Ear irrigation equipment for Wycliffe MP which can be utilised for integrated working for both practices in LHC.

27. The status of applications where funding has been approved by HDC is given in Appendix A and Appendix B provides a full list of practice expenditure.

### Future Planning

28. Harborough District Council has made the CCG aware of two large housing developments due to be completed by 2031. These include:

- Lutterworth Strategic Development Area (2750 homes) and the
- Scraftoft Strategic Development Area (1200 homes)

29. Lutterworth SDA will have a significant impact on two practices within the CCG area namely Wycliffe Medical Practice and the Masharani Medical Practice. Upon receiving notification of planning application from the Council, the CCG has submitted an application for s106 funding to the value of £1,099,963.69. The CCG envisage that the funding will be used to reconfigure and extend the current primary healthcare premises situated on Gilmorton Road (Lutterworth health Centre). This will enable the continuation of centralised healthcare delivery within Lutterworth by both practices.
30. The CCG is aware that there is allocated space within the Lutterworth SDA for a community facility and understands that this will be reserved for community, health and minor retail use. In terms of health delivery the CCG is committed to delivery of healthcare from the Gilmorton Road site but is also working with colleagues and partners to identify appropriate health and wellbeing and health promotion related activities that can be delivered out of this facility for the benefit of Lutterworth residents.
31. The majority of practices that will be impacted by the Scraftoft SDA will be within the boundary of Leicester City CCG. Billesdon Surgery is the only practice within ELRCCG that will be impacted by the Scraftoft SDA.

### Summary

32. Within the last few years the CCG has made good progress on engagement with all Councils that cover the CCG area. As a result there is greater awareness and knowledge of systems and processes linked to securing s106 funding on behalf of member practices.
33. The CCG acts as the broker between the Councils and practices with regard to submission of planning applications and accessing s106 funding. Practices that have been directly impacted by growth resulting from housing developments have benefited by using s106 funding to improve/extend premises to increase clinical capacity.
34. The main challenge for the CCG is the length of time it takes to secure s106 funding and the risks of changes at both the CCG and practices.
35. Systems and processes have been established to ensure risks are minimised and practices receive the necessary support from initial application to accessing s106 funding paid by developers to Councils.

### Next Steps

36. The CCG will continue to engage with local councils and practices to:



- Facilitate access to s106 funding within the 5 year timeframe and avoid clawback from developers.
- Hold regular meetings with the Councils and maintain an up to date log of all planning applications submitted
- Submit applications for s106 funding in response to notification from Councils of all new housing developments
- Monitor progress of planning applications via the Council website portal
- Offer advice/support and guidance to practices on s106 funding
- Respond to plans for large scale housing developments to manage impact on primary healthcare provision
- Work in partnership with Council colleagues for the benefit of patients and GP practices
- Engage in the preparation of Local Plans to ensure they include policies requiring s106 contributions for health

37. Members of the Community Scrutiny Panel are asked to:

- **RECEIVE** the CCG summary of s106 funding in Harborough

**STATUS OF APPROVED S106 FUNDING RECEIVED BY HARBOROUGH DISTRICT COUNCIL FROM DEVELOPERS AS AT JULY 2019**

<b>Practice</b>	<b>Development</b>	<b>Total amount received by council (index linked figure)</b>	<b>Specified Use (as per s106 agreement)</b>	<b>Amount Spent by practice</b>	<b>Balance</b>
MHMC	Tungstone Batteries Ltd, Sovereign Park Ind Estate, MH	£47,000.00	For the specified use (Healthcare) only and for no other purpose	£26,131.84	£1098.32
Two Shires Surgery (now formerly merged with Kibworth Health Centre as South Leicestershire Medical Group)		£27,230.16 (MHMC) £19,769.84 (TSS)		£0.00	£19,769.84
Lutterworth Health Centre	Bill Crane Way	£98,071.22	Enhancement of medical facilities serving the development at the Gilmortan road practice	£34,548.70	£63,522.52
Billesdon	Land east of Beeby Road, Scraftoft	£5,716.50	Medical Equipment	£5716.50	£0.00
MHMC	Land off Northampton Road MH (Blackberry Grange)	£14,666	For the purpose of improving extending altering or providing medical and healthcare facilities that would serve the Development subject to the ongoing obligations	£0.00	£14,666
Two Shires Surgery (now formerly merged with Kibworth Health Centre as South Leicestershire Medical Group)	9 Wier Road Kibworth	£9,201.20 £5,798.95 (TSS) £3402.25 (KHC)	To meet the needs of new patients arising as a result of the Development	£5,351.85	£447.10

APPENDIX A

Practice	Development	Total amount received by council (index linked figure)	Specified Use (as per s106 agreement)	Amount Spent by practice	Balance
Kibworth Health Centre (now formerly merged with Two Shires Surgery as South Leicestershire Medical Group)				£0.00	£3402.25
MHMC	Land off Waterfield Place, Market Harborough	£10,510.32	Towards the extension and improvements to the built facilities at the Coventry Road surgery in Market Harborough	£0.00	£10,510.32
MHMC	Overstone House, MH	£19,284.00	Provision of healthcare facilities	£0.00	£19,284.00
Two Shires Surgery (now formerly merged with Kibworth Health Centre as South Leicestershire Medical Group)	Land off Wistow Road, Kibworth	43,676.12	Provision of new healthcare facilities replacing the Kibworth Health Centre and The Old School surgery	0	43,676.12
Lutterworth HC	Land at Coventry Road, Lutterworth	108,256.92	To be used by the NHS towards an extension of Lutterworth Medical Centre located at Gilmorton Road, Lutterworth LE17 4EB to account for the additional patients generated by the Development	£0.00	£108,256.92
Two Shires Surgery (now formerly merged with Kibworth Health Centre as South	Welham Road, Great Bowden	£4,322.91	Towards an extension of The Two Shires Medical Centre on Northampton Road to account for the additional patients generated	£0.00	£4,322.91

## APPENDIX A

Practice	Development	Total amount received by council (index linked figure)	Specified Use (as per s106 agreement)	Amount Spent by practice	Balance
Leicestershire Medical Group)			by the Development.		
		<b>£360,705.20</b>		<b>£71,748.89</b>	<b>£288,956.30</b>

## USE OF S106 FUNDING – PRACTICE PROJECTS

Practice	Funding Received by HDC	Practice Purchase	Cost	Balance remaining	Plans for spending balance remaining
MHMC	£27,230.16	Telephone Upgrade mobile shelving	£13,929.04 £12,202.80	£1098	Vinyl Flooring
MHMC	£14,666			£14,666.00	
MHMC	£10,512.32			£10,510.32	
MHMC	£19,284.00			£19,284.00	To be confirmed by practice
Lutterworth HC	£98,071.22	Flooring throughout practice started. Ear Irrigator. Vaccine Fridge. 24hr ABP. Label Trace Printers. Dictation System (Part 1) Industrial Shredder. New Thermometers. New telephone handsets.	£34,548.70	£63,522.52	To be confirmed by practice
Lutterworth Health Centre	£108,256.92			£108,256.92	Expansion of waiting area and front of house admin area including new seating, flooring, patient call screen for both practices. New adjustable clinical couches, flooring for clinical rooms. New telephone systems. New seating in clinical rooms for patients and staff. Self-check BP & BMI machines,

**APPENDIX B**

<b>Practice</b>	<b>Funding Received by HDC</b>	<b>Practice Purchase</b>	<b>Cost</b>	<b>Balance remaining</b>	<b>Plans for spending balance remaining</b>
					ECG machine, Voice recognition dictation system (part 2) for GP's.
Billesdon	£5716.50	Medical equipment including: <ul style="list-style-type: none"> <li>• Refrigerator</li> <li>• Plinth Couches</li> <li>• Couch roll holder</li> <li>• Universal lead</li> <li>• Spirometry software</li> <li>• Armchair</li> </ul>	£5716.50	£0.00	N/A
Two Shires Surgery (now merged with Kibworth Health Centre as South Leicestershire Medical Group)	£19,769.84	£0.00		£19,769.84	To be confirmed by practice
Two Shires Surgery (now merged with Kibworth Health Centre as South Leicestershire Medical Group)	£43,676.12	£0.00		£43,676.12	To be confirmed by practice
Two Shires Surgery (now merged with Kibworth Health Centre as South Leicestershire Medical Group)	£4,322.91	£0.00		£4,322.91	To be confirmed by practice
Two Shires Surgery (now merged with Kibworth Health Centre as South Leicestershire	£5,798.95	Additional clinical rooms created by making consulting rooms at Kibworth multi-functional	£5,351.85	£447.10	To be confirmed by practice

**APPENDIX B**

<b>Practice</b>	<b>Funding Received by HDC</b>	<b>Practice Purchase</b>	<b>Cost</b>	<b>Balance remaining</b>	<b>Plans for spending balance remaining</b>
Medical Group)					
Kibworth Health Centre (now merged with Two Shires Surgery as South Leicestershire Medical Group)	£3402.25	.		£3,402.25	To be confirmed by practice
			<b>£71,748.89</b>	<b>£288,956.30</b>	