



Cabinet
20 April 2020

**Report from the Strategic Director
Regeneration and Environment**

**Capital (CIL) Contribution Towards the Provision of Three
Medical Centres**

Wards Affected:	Alperton, Kilburn & Tokynton
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Alice Lester, Operational Director Regeneration, Growth and Employment Email: Alice.Lester@brent.gov.uk Tel: 020 8937 6441

1.0 Purpose of the Report

- 1.1 To seek Cabinet agreement for up to £3.472m as a capital contribution towards the fit out of three medical centres, proposed as part of regeneration schemes in growth areas – namely Wembley Park, South Kilburn and Alperton, subject to confirmation from the CCG that it is committed to the ongoing revenue funding of the proposed new South Kilburn centre.
- 1.2 The report sets out the background to the provision of the health centres and the reasons that capital funds are being sought.

2.0 Recommendations

That Cabinet approves:

That, subject to confirmation from the CCG that it is committed to the ongoing revenue funding of the proposed new South Kilburn centre, a capital contribution from Strategic Community Infrastructure Levy funds of up to

£3.472m is agreed for use towards the fit out costs of three new medical centres, in Wembley Park, South Kilburn and Alperton.

3. Detail

- 3.1 Planning permission has been granted for three medical centres in the growth areas, as part of major developments, in Wembley Park, Alperton and South Kilburn. The expansion of health care facilities will help to meet the needs of the Borough's growing population, as set out in the Infrastructure Delivery Plan, and in the relevant planning policies in the draft Local Plan (2018).

Although the CCG were involved in the initial discussions and supportive of the proposals when planning permissions for the developments were granted, the CCG has since stated that due to its financial situation it is unable to finance the fit out costs for the medical centres. The CCG also states that they are unable to finance any increase in the day to day running costs of the practices in Alperton and South Kilburn, over and above their existing revenue annual liabilities. They have, though, indicated their agreement to funding the revenue costs in the Wembley Park scheme (this remains subject to their Board's agreement).

- 3.3 The CCG has estimated that the additional revenue costs from the three new centres would amount to over £900,000 a year. The Council has not seen a breakdown or detail to explain this amount.

- 3.4 The CCG has requested that strategic CIL is used to contribute towards the capital and revenue costs of delivering the medical centres. Officers believe that a contribution towards revenue costs would not be compatible with CIL regulations, but would be for some of the capital costs.

- 3.5 The CIL contribution, subject to agreement on Heads of Terms, would be allocated to the provision of furniture rather than the building fabric, fixtures and fittings. These costs are being borne by Quintain in Wembley, estimated to be around £2m. It is envisaged that Nexus, on behalf of Primary Health Properties (PHP) would take the long lease of the new health centre in South Kilburn. The facility at Grand Union (Alperton) is not expected to be delivered until 2026 and the finance arrangements for provision beyond shell and core (which St George will do) are unknown.

- 3.6 Agreeing CIL funds does not guarantee that the facilities will be provided, it demonstrates that the Council is doing what it can to support the CCG in improving the primary care offer in the growth areas. The funds would not be drawn down, however, until the centres are being provided and there is certainty that the ongoing revenue costs will be funded.

- 3.7 The requested costs, based on information supplied by the CCG are:

Capital Investment Required				
Project Task	2021-22	2022-23	2024-25	Total
	£000	£000	£000	£000
Construction	–	–	–	–
Acquisition	–	–	–	–
Equipment	750	600	600	1,950
ICT	150	150	150	450
Consultancy	–	–	–	–
Fees	70	70	70	210
Other	84	100	100	284
SUBTOTAL	1,054	920	920	2,894
VAT	210	184	184	578
Total Investment	1,264	1,104	1,104	3,472

Wembley Park

- 3.8 This is part of the masterplan consent (reference 15/5550) and is located in plots NW09/10 (the other side of Elvin Gardens). The proposed area is approximately 1016sqm, for two existing local GP practices, with capacity for an expanded patient list to accommodate population growth in Wembley Park. This centre is the closest to delivery as the scheme is already on site, with ground works currently underway. Completion is expected around 2022. Quintain are financing the fixtures and fittings (the fixed bits). The District Valuer set the rent, plus car park rent, at £257,570 per annum (subject to final review). The CCG has stated it can finance the revenue costs for this new centre, although this is subject to Board sign off.

As a consequence of the regeneration programme an additional 14,000 new households are expected to live in the Wembley Growth Area, with an estimated population growth of 35,000. The increasing population is placing pressure on existing primary care services many of whom do not have the capacity to take on additional patients. Much of the existing estate is ageing and in converted residential homes. The new Wembley facility will offer additional capacity as well as modern, fit for purpose premises to deliver both core and enhanced services.

South Kilburn

- 3.9 This facility is part of the masterplan for the area and is included in the Peel development (phase 2), being delivered by Countryside. It is an important part of the 'place-making' offer to the existing and new residents in South Kilburn.
- 3.10 The net internal area is approximately 800sqm and was originally proposed to accommodate three existing medical practices. However one of these surgeries is currently not operating, and one (Blessing) has merged with a nearby

practice. Discussions are ongoing with the CCG about the actual need, however the layout of the proposed redevelopment does not lend itself to reducing the size of the facility. In the event that all the space is not needed for relocated practices, other options will be explored e.g. for other health services such as physiotherapy.

- 3.11 The CCG estimate, based on floorspace, that the annual rent would be approximately £230,400.
- 3.12 The anticipated population growth over the 15 year regeneration programme in the South Kilburn growth area is 2,700, based on an additional 1,000 new homes (in addition to that already built). Many of the existing practices are in converted residential premises and cannot easily support patient population growth or additional services. The new development with Countryside and Nexus offers existing practices new fit for purpose premises to deliver increased capacity for patients in modern, fit for purpose, premises.
- 3.13 Due to the quality of the existing primary care premises available in South Kilburn, and the importance of the new centre from a place-making perspective in the whole South Kilburn Regeneration Programme, this new facility is considered to be the most important of the three proposed.
- 3.14 It is therefore recommended that a commitment needs to be secured from the governance of the CCG that they will fund the ongoing revenue costs for the South Kilburn practice, in order for the Council to agree to release CIL funds.

Grand Union (formerly Northfields), Alperton

- 3.15 This is the least advanced of the schemes and is scheduled for delivery around 2026. It is approximately 800sqm and is based on the relocation of at least one existing practice, with an expanded patient list to accommodate the homes being delivered as part of the outline consent for the Grand Union site (former Northfields Industrial Estate). The scheme forms part of the St George development, which will see the delivery of approximately 3,000 new homes. Around 5,000 new homes are expected in the Alperton Growth Area over the next 15 years with an estimated population growth of 13,000.
- 3.16 The estimated rent payable by the CCG is £230,400, however given that this will not be delivered until 2026 and the scheme has not been fully designed yet, this is very much an estimate. Alperton is another area of growth much of which is planned over the next 5-10 years. The St George Development offered a new fit for purpose healthcare space for existing practices in the area. Like many practices in Brent most operate from converted residential accommodation that is limited in adaptation. Practices now work as part of a Primary Care Network which this facility will benefit by delivering not just core GP and nurse patient appointments but offer other community services as needed or required by the PCN.

Use of Strategic CIL

- 3.17 Strategic CIL is able to fund capital projects such as medical facilities. Health facilities are on the Council's Reg 123 list as appropriate infrastructure for CIL to be spent on (however as of September 2019 Reg 123 lists were removed, to be replaced by an Infrastructure Funding Statement to be produced by December 2020). Both the Regeneration Board and the Capital Investment Panel have agreed that this is an appropriate use of strategic CIL.
- 3.18 If agreed, a funding agreement will need to be entered into with the CCG or nominated body to ensure payment timings and adequate scrutiny of spend. Discussions are ongoing with the CCG around resolving the ongoing revenue challenges. If these cannot be resolved and the South Kilburn and Alperton facilities are not progressed, there will be no draw down of CIL.
- 3.19 Whilst securing this CIL contribution is an important step in aiding the delivery of these facilities, unless the ongoing revenue costs can be funded then it does not guarantee the delivery of the medical centres.

4.0 Alternative Options Considered

- 4.1 Not contributing CIL funds towards the fit out of the practices. This would jeopardize the provision of all the facilities. The Wembley Park facility (the development of this is currently on site) would most likely become a private medical or health related unit.
- 4.2 Making the CIL contribution for the 3 centres conditional upon the CCG securing ongoing revenue funding for the South Kilburn facility, in order to achieve the place-making ambitions for the Council.
- 4.3 This option would jeopardize the provision of any of the centres if the CCG did not agree to this.

5.0 Financial Implications

- 5.1 This report is seeking agreement to the CCG's request for £3.472m funding from Strategic CIL to pay for the capital costs of the three medical centres at South Kilburn, Wembley Park and Grand Union, Alperton.
- 5.2 There will be some officer time required on the progress of the project and the funding agreement, to be met from 'business as usual' costs.
- 5.3 The Council has sufficient Strategic CIL funding to meet the costs and as per the Council's Regulation 123 it is appropriate for CIL to be spent on health facilities.

6.0 Legal Implications

- 6.1 The Planning Act 2008, and CIL Regulations 2010, provide for local authorities to apply the CIL to infrastructure to support development. It covers not just the

provision of infrastructure but also the improvement, replacement, operation or maintenance of infrastructure.

- 6.2 The Council will need to produce annual Infrastructure Funding Statements. These documents will provide information on the total amount of CIL demanded, collected and spent during the year. The purpose is to ensure transparency in terms of how the Council deals with CIL.

7.0 Equality Implications

- 7.1 The planning applications and relevant masterplans have all been subject to an equalities impact assessment. The provision of modern and accessible health centres is an important part of place-making and providing social infrastructure in growth areas to support development.

8.0 Any Other Implications (HR, Property, Environmental Sustainability - where necessary)

- 8.1 There are no HR, Property or Environmental Sustainability matters arising.

9.0 Proposed Consultation with Ward Members and Stakeholders

- 9.1 Ward Members were consulted on the planning applications; more detailed ward member briefings on the development proposals in the areas have also taken place.

Report sign off:

Amar Dave

Strategic Director Regeneration and Environment