



## Community Infrastructure Levy - Preliminary Draft Charging Schedule

The Preliminary Draft Charging Schedule is subject to public consultation from Wednesday 21 May until Wednesday 2 July 2014. The Council invites comments on the details contained within the consultation document; those making representations are encouraged to do so by using this form.

### Contact Details:

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**Q1: Taking into account the viability evidence used to inform the Preliminary Draft Charging Schedule do you consider the proposed rates to be correct? If you disagree, please provide evidence to support your view.**

NHS England has no comment to make on this matter.

**Q2: Do the proposed rates based on viability and infrastructure evidence in the Preliminary Draft Charging Schedule strike the appropriate balance between the collecting of CIL and the potential effects of the imposition of CIL on economic viability across the district? If you disagree please provide evidence to support your view?**

NHS England has no comment to make on this matter.

**Q3: Do you have any comments on the boundaries identified for residential development across the district?**

NHS England has no comment to make on this matter.

**Q4: Do you have any comments on the site size thresholds identified and the different charges within the Preliminary Draft Charging Schedule?**

NHS England has no comment to make on this matter.

**Q5: Do you have any comments on the charges associated with retail developments?**

NHS England has no comment to make on this matter.

**Q6: Do you agree with the zero charge associated with Adastral Park?**

On the understanding that the healthcare infrastructure and funding required to meet the needs arising from the proposed development at Adastral Park (as set out in the NHS letter to Suffolk Coastal District Council, dated 19th October 2012), NHS England would have no objection to a zero charge associated with Adastral Park. A copy of the NHS letter is attached to the Evidence Base submitted together with this consultation form.

**Q7: Do you agree with the zero charge associated with all other uses?**

NHS England notes that Class C2 nursing, residential and care home developments would be exempt from paying a CIL charge. In order to comply with NPPF and development plan policy objectives for securing sustainable development, it would be 'necessary' for such Class C2 developments to demonstrate that their impacts can be reasonably mitigated through a financial contribution, otherwise a reason for refusal may arise. Such developments should, therefore, be included as being 'CIL liable'.

**Q8: Do you have any other comments on the Preliminary Draft Charging Schedule? If so please identify the paragraph your comments relate to?**

Please see the Evidence Base submitted together with this consultation form.

Thank you for your comments. Please return this form to Planning Policy and Delivery Team, Suffolk Coastal District Council, Melton Hill, Woodbridge, IP12 1AU or alternatively via email to [development.policy@suffolkcoastal.gov.uk](mailto:development.policy@suffolkcoastal.gov.uk) before the consultation closes on Wednesday 2 July at 17.00.

Data Protection Statement: The information you have supplied may be processed by computer or form the basis of manual records. Suffolk Coastal District Council will use the data for purposes relevant to the preparation of the Local Plan under The Town and Country Planning (Local Planning) (England) Regulations 2012 and for no other purpose.

## SUFFOLK COASTAL DISTRICT COUNCIL PROPOSED COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

### EVIDENCE BASE SUBMISSION ON BEHALF OF NHS ENGLAND IN RESPECT OF THE HEALTHCARE CHARGE TO BE INCLUDED IN THE DISTRICT COUNCIL'S CIL CHARGING SCHEDULE

#### Introduction

1. Lawson Planning Partnership Ltd has been instructed by the NHS England: East Anglia Local Area Team to engage in, and assist with, the development of Suffolk Coastal District Council's Community Infrastructure Levy (CIL) Charging Schedule.
2. The role of NHS England (NHSE) is to commission all healthcare services, incorporating the provision of primary healthcare facilities within its administrative area, including within Suffolk Coastal District.
3. The NHS is seeking to ensure that the plan making and development management processes take full account of existing healthcare capacity and the need for housing led growth to be supported by necessary healthcare infrastructure and funding.

#### Background

4. The CIL procedures, as outlined within The Community Infrastructure Levy Regulations 2010, as amended (CIL Regulations), enable local authorities to impose a standard charge on "*development*" to fund new or improved strategic area wide infrastructure required to support development, where this is not being specifically provided as part of the development.
5. Part 11 of The Planning Act 2008 sets out the legislative arrangements for CIL and Section 216 (2)(d) includes "*medical facilities*" within the definition of "*infrastructure*" to which CIL charges would apply.
6. The NHS submitted an Evidence Base to the Council in January 2014, identifying the likely healthcare infrastructure and funding requirements for inclusion within the Suffolk Coastal District Infrastructure Delivery Plan (IDP). A copy of the IDP Evidence Base is *attached* at **Appendix 1** to this document.
7. In summary, the IDP Evidence Base identified patient list size capacity for an additional 14,377 patients but a floorspace and funding deficit of -3,068.5 m<sup>2</sup> and **£7,399,000**, respectively, associated with the capital cost required to bring existing floorspace provision up to a standard suitable to manage natural population growth.
8. To mitigate the healthcare impacts arising from planned growth in Suffolk Coastal District, the IDP Evidence Base identified that capital funding totalling **£1,201,200** would be required from developers to meet the demands arising from new housing (population growth).

9. NHSE welcomes the inclusion of the identified healthcare infrastructure and funding budgets within the IDP (May 2014), which we understand has been used as the basis for the Preliminary Draft CIL Charging Schedule, the subject of the current consultation.

### **Planned Growth in Suffolk Coastal District**

10. The Preliminary Draft Charging Schedule advises that, of the total residential growth proposed in the Core Strategy over the period 2010 to 2027, approximately 5,000 remain to be brought forward. The proposed development at Adastral Park (planning application reference C/09/0555) would account for 2,000 of these dwellings.
11. NHSE notes that the healthcare infrastructure and funding required to meet the needs arising from the Adastral Park proposals is expected to be delivered through Section 106 planning obligations, which has been determined as complying with the CIL Regulations (paragraph 3.20 of Preliminary Draft Charging Schedule). Details of the specific healthcare infrastructure and funding requirements associated with this development are outlined below.
12. Therefore, the residual level of planned residential growth over the Plan period is approximately 3,000 dwellings.
13. This growth is likely to have a major impact on the capacity of healthcare services, which would require appropriate developer-led mitigation in the form of funding for upgraded and new healthcare facilities and associated infrastructure.

### **Capital Cost Implications of CIL-Liable Planned Growth**

14. The total capital funding required to mitigate the healthcare impacts arising from the overall planned growth in Suffolk Coastal District over the Plan period (6,950 dwellings), as identified in the NHS IDP Evidence Base, is £1,201,200.
15. The level of capital funding required to mitigate the healthcare impacts arising from the residual planned growth (as a proportion of the total budget) is, therefore, **£518,504<sup>1</sup>**.

### **Mitigation of Healthcare Impacts Arising from Adastral Park Proposals**

16. The NHS submitted details of the healthcare infrastructure and funding requirements arising from the proposed development of Adastral Park in October 2012. A copy of this submission is *attached* at **Appendix 2** to this document.
17. In summary, the Adastral Park proposals would generate the need for a new health centre to accommodate a 3 GP practice with ancillary facilities and parking. As it would not be feasible to expand the existing Martlesham Heath Surgery, its relocation to the Adastral Park Site (to co-join with the additional primary healthcare facilities necessitated by the

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<sup>1</sup> Calculated as follows – 3,000 dwellings = 43% of total number of dwellings proposed, therefore CIL contribution required = 43% of total IDP budget (43% of £1,201,200 = £518,504).

development) should be planned for. Therefore, the developer funded health centre should allow for an extension to enable a 6 GP surgery to be accommodated.

18. Accordingly, the Section 106 Heads of Terms would need to reflect the following approach:

- The land, building costs, fit out and equipping of the health centre (390 m<sup>2</sup>) should be 100% developer provided and funded – if an alternative developer funded budget has been agreed for equipping the floorspace, this component would not need to be duplicated here;
- The rental should be set at a rent free or ‘peppercorn’ level for the first 3 years with business rates and insurances fully met by the developer - from year 4 onwards the rental to be set at an appropriate level reflecting community use as determined by NHSS in liaison with the District Valuer<sup>2</sup>;
- From year 4 onwards, business rates and insurances would apply as normal without developer (pump priming) subsidy;
- Provision of the 3 GP health centre following occupation of the 1,100<sup>th</sup> dwelling;
- In the event that the equipment budget is to paid separately – payment of a financial contribution of £183,006 (RPI Indexed) following occupation of the 1,100<sup>th</sup> dwelling.

19. NHS England has not had the opportunity to review the most recent draft of the Section 106 Agreement and would welcome liaison with the District Council on this matter to ensure that adequate and appropriate provision is made for the necessary healthcare infrastructure and funding and that sustainable development can be achieved in line with National Planning Policy Framework requirements.

### **Mitigation of Healthcare Impacts Arising from Residual Planned Growth**

20. In light of the limits imposed by the CIL Regulations on the use of planning obligations for securing the provision or funding of ‘relevant infrastructure’ (incorporating medical facilities), NHSE determines that it would be appropriate to secure necessary healthcare infrastructure and funding for the residual planned growth principally through CIL as an alternative to planning obligations.

21. NHSE determines that the impacts arising from the residual planned growth identified in Table 1 need to be mitigated by the CIL funding of new healthcare facilities – this would encompass the refurbishment and reconfiguration of primary care floorspace and new

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<sup>2</sup> The expectation is that the rental level applying from year 4 onwards would be set within the context of the normal premises funding for doctors with General Medical Services contracts, pursuant to the National Health Service (General Medical Services Premises Costs) (England) Directions 2004.

build floorspace provision (including re-equipping floorspace) and associated infrastructure provision, to increase GP surgery capacity.

### Calculation of Suffolk Coastal CIL Charge Relating to Healthcare

22. The CIL contribution of £518,504, required to mitigate the healthcare impacts of the increased population arising from planned growth in Suffolk Coastal District, equates to a charge of £173 per dwelling. As the CIL Regulations require CIL charges to be set at pounds per square metre, the overall cost is disaggregated by using the average property size of 90m<sup>2</sup> as cited in the Council’s Viability Study. The CIL charge applicable for healthcare infrastructure is therefore set out in Table 1 below.

**Table 1: Suffolk Coastal District Council CIL Charge for Healthcare**

A	No. Dwellings Proposed (Residual Local Plan Growth to be Provided)	3,000
B	Average Dwelling Size	90m <sup>2</sup>
C	Total Residential Development (A x B)	270,000m <sup>2</sup>
D	Total Developer Contribution Required to Mitigate Healthcare Impacts of Planned Growth	£518,504
E	Charge per m <sup>2</sup> (D ÷ C)	£1.92

23. A charge per square metre of £1.92 would be required to mitigate the healthcare impact of the population arising from residual planned growth in Suffolk Coastal District, to be incorporated within Suffolk Coastal District Council’s overall CIL Charging Schedule. NHSE therefore considers that the Council’s CIL Regulation 123 list should incorporate a charge of £1.92 per square metre for “Increased Capacity for Existing Healthcare Provision”.

24. The NHS investment and expenditure priorities for CIL (and planning obligation) funding are to be identified as part of the NHS Primary Care Strategy for the Suffolk Coastal District area, which would assist future funding bids submitted to the Council for CIL funding.

25. It is recommended that measures are put in place for notifying the NHS of planning applications and development commencements to assist its monitoring and management of new housing growth. CIL healthcare bidding and funding procedures also need to be agreed, to ensure that the impacts of planned growth can be effectively mitigated through CIL funding and taken into account by the NHS in its healthcare prioritisation and procurement strategies and expenditure programmes.

### Conclusion

26. Within Suffolk Coastal District there is currently patient list size capacity for 14,377 patients but a GP floorspace capacity deficit of -3,068.5 m<sup>2</sup>. A total estimated cost of

£7,399,000 is therefore required to bring GP surgeries up to a suitable standard to manage 'natural population growth', which may need to be funded by NHS sources.

27. For mitigating 'planned population growth', the NHS Evidence Base identifies a CIL-liable funding gap of £518,504. This would need to be met by developer-led financial contributions to fund supporting infrastructure linked to planned growth in Suffolk Coastal District to 2027.
28. A resulting CIL healthcare charge of £1.92 per square metre of residential development is therefore identified to increase existing GP capacity and meet the impacts arising from increased growth within Suffolk Coastal District. It is therefore requested that this charge be incorporated into the Council's Draft Charging Schedule.
29. NHS England welcomes the opportunity to engage in the District Council's CIL charge setting process and LPP would be pleased to clarify any matters arising on its behalf.

*Lawson Planning Partnership Ltd, 9<sup>th</sup> June 2014*

*Consultant to NHS England*



## **APPENDIX 1**

### **SUFFOLK COASTAL DISTRICT COUNCIL INFRASTRUCTURE DELIVERY PLAN**

#### **EVIDENCE BASE SUBMISSION ON BEHALF OF NHS PROPERTY SERVICES LTD IN RESPECT OF THE HEALTHCARE INFRASTRUCTURE AND FUNDING REQUIREMENTS TO MEET NEEDS ARISING FROM PLANNED GROWTH**

##### **Introduction**

1. NHS Property Services Ltd, on behalf of NHS England, has instructed Lawson Planning Partnership Ltd (LPP) to assist in identifying the likely healthcare infrastructure and funding requirements for inclusion within the Suffolk Coastal District Infrastructure Delivery Plan (IDP).
2. Please note that the NHSPS Local Area Team for Suffolk incorporates the former estates division of NHS Suffolk, which ceased operating as a Primary Care Trust on 31<sup>st</sup> March 2013.
3. The role of NHS England (NHSE) is to commission all healthcare services, incorporating the provision of primary care facilities within its administrative area, including within Suffolk Coastal District. NHS Property Services Ltd (NHSPS) is responsible for advising NHSE and local Clinical Commissioning Groups on all NHS estate related matters.
4. The growth associated with the Suffolk Coastal Local Plan's spatial strategy and related policies is of particular relevance and will have a significant impact on the capacity of the local healthcare economy, requiring appropriate mitigation through developer provision of increased infrastructure and funding.
5. The proposed growth in the Local Plan would therefore necessitate additional (developer funded) healthcare provision, which would principally be focussed on GP related medical services and supporting community health services, such as physiotherapy and chiropody.
6. It is noteworthy that an increased draw down of NHS funding for the provision and maintenance of healthcare facilities and services over the plan period, would be experienced in Suffolk Coastal District independently of the proposed growth. This is due to the ageing of the population and the associated increase in the proportion of patients with long-term limiting conditions, by the increased disease burden and the increased incidence of obesity, smoking and alcohol consumption, which would all have a significant impact on the future health of the patient population and healthcare capacity.

## Baseline Healthcare Context for Suffolk Coastal District

7. Existing provision of GP services is at 14 main GP practices across the District, 4 of which have branch surgeries. The baseline position of these surgeries and their existing patient list sizes and floorspace capacity are set out in Table 1, *attached* as **Appendix 1** to this Evidence Base.
8. There is currently patient list size capacity for an additional **14,377** patients but a floorspace and funding deficit of **-3,068.5 m<sup>2</sup>** and **£7,399,000**, respectively, associated with the capital cost required to bring existing floorspace provision up to a standard suitable to manage natural population growth. A plan showing the location of GP surgeries in the District is *attached* as **Appendix 2** for information.

## Planned Growth in Suffolk Coastal District

9. The level of growth proposed for Suffolk Coastal District over the period 2010 to 2027 is estimated to be approximately 6,950 dwellings<sup>3</sup>.
10. This growth is likely to have a major impact on healthcare service provision, which would require appropriate developer-led mitigation in the form of new healthcare infrastructure and related funding, secured through planning obligations and/ or CIL.

## Capital Cost Implications of Planned Growth

11. Table 2 (*attached* as **Appendix 3**) summarises the healthcare needs arising from the ‘proposed’ levels of growth, once the additional staffing and floorspace implications are factored in, including an estimate of the costs for providing new floorspace and/ or related facilities.
12. As shown in Table 2, the population arising from the proposed growth set out in the Suffolk Coastal District Local Plan: Core Strategy & Development Management Document (2013) (adjusted for existing patient list size capacity) would require provision for an additional 4.62 GPs across the Borough and developer funding of £1,201,200.
13. The costs associated with the growth proposed for individual growth areas are set out in Table 3 (*attached* as **Appendix 4**).
14. To mitigate the healthcare impacts arising from planned and unplanned growth in Suffolk Coastal District, capital funding would be required from developers to meet the demands arising from new housing (population growth), which would then be directed towards appropriate capacity building measures for GP surgeries situated in the locality of development sites.

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<sup>3</sup> Based on the level of growth set out in the Suffolk Coastal District Local Plan: Core Strategy & Development Management Policies Document (2013).

15. Capacity building measures may comprise new and enhanced GP floorspace achieved through the extension, reconfiguration, refurbishment and re-equipping of the existing GP practices to meet standards set out in Department of Health Technical Memoranda. Alternatively, developer land and contributions may be directed towards provision of a new GP facility, should such an approach be warranted in NHS Business case terms, on future planned sites.
16. In summary the Council’s IDP should provide for the healthcare infrastructure and funding summarised in Figure 1 below, Figure 2 overleaf, and set out in detail in **Appendices 3 and 4.**

**Figure 1: Healthcare Infrastructure & Funding to Support Planned Housing Growth in Suffolk Coastal District to 2027**

<i>Healthcare - Capital Budget Estimate</i>				
<i>Location</i>	<i>Infrastructure Provision</i>	<i>Budget (£)</i>	<i>Developer Funding</i>	<i>When Required</i>
<i>District wide Growth Areas</i>	<i>New &amp; Enhanced GP Floorspace Provision – extension, reconfiguration, refurbishment &amp; re-equipping of surgeries</i>	<i>£1,201,200</i>	<i>Section 106 Agreements/ CIL</i>	<i>Phased over IDP periods in line with housing growth</i>

**Figure 2: Healthcare Infrastructure & Funding to Support Planned Housing Growth in Identified Growth Areas within Suffolk Coastal District to 2027**

<i>Healthcare – Capital Budget Estimate</i>				
<i>Location</i>	<i>Infrastructure Provision</i>	<i>Budget (£)</i>	<i>Developer Funding</i>	<i>When Required</i>
<i>Eastern Ipswich Policy Area</i>	<i>New &amp; Enhanced GP Floorspace Provision – extension, reconfiguration, refurbishment &amp; re-equipping of surgeries</i>	<i>£400,400</i>	<i>Section 106 Agreements/ CIL</i>	<i>Phased over IDP periods in line with housing growth</i>
<i>Felixstowe, Walton &amp; The Trimley Villages</i>	<i>New &amp; Enhanced GP Floorspace Provision – extension, reconfiguration, refurbishment &amp; re-equipping of surgeries</i>	<i>£304,200</i>	<i>Section 106 Agreements/ CIL</i>	<i>Phased over IDP periods in line with housing growth</i>
<i>Market Towns</i>	<i>New &amp; Enhanced GP Floorspace Provision – extension, reconfiguration, refurbishment &amp; re-equipping of surgeries</i>	<i>£262,600</i>	<i>Section 106 Agreements/ CIL</i>	<i>Phased over IDP periods in line with housing growth</i>
<i>Key and Local Service Centres</i>	<i>New &amp; Enhanced GP Floorspace Provision – extension, reconfiguration, refurbishment &amp; re-equipping of surgeries</i>	<i>£234,000</i>	<i>Section 106 Agreements/ CIL</i>	<i>Phased over IDP periods in line with housing growth</i>
<b><i>Total</i></b>		<b><i>£1,201,200</i></b>		

## **Conclusions**

17. This Evidence Base identifies the level of healthcare infrastructure and funding required to support the growth planned over the period 2010 to 2027, set out in the Suffolk Coastal District Local Plan: Core Strategy & Development Management Document (2013). It therefore represents the level of (developer funded) healthcare investment required to ensure that sufficient healthcare capacity can be provided to ensure that sustainable development can be achieved, in line with the key objectives of the National Planning Policy Framework and the Development Plan.
18. To ensure that the Council's Infrastructure Delivery Plan is positively prepared, justified, effective, consistent with national policy and, therefore, 'sound', it is requested that the healthcare investment set out in Figures 1 and 2 above is included. This would help to ensure that new development has proper regard for its social infrastructure needs, and an appropriate strategy for mitigating the healthcare impacts arising from planned growth can be identified and implemented in a phased manner over the Plan Period.
19. NHSPS and NHSE welcome the opportunity to engage in the formulation of the District Council's Infrastructure Delivery Plan and would be pleased to clarify any matters arising.

*Lawson Planning Partnership Ltd, 28<sup>th</sup> January 2014*

*Consultant to NHS Property Services Ltd and NHS England*



**APPENDIX 2 – NHS CORRESPONDENCE WITH SUFFOLK COASTAL DISTRICT  
COUNCIL REGARDING MITIGATION OF HEALTHCARE IMPACTS ARISING  
FROM PROPOSED DEVELOPMENT AT ADASTRAL PARK, MARTLESHAM**



**Philip Ridley**  
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Tel 01206 835150

Co. Reg. No. 5677777

19<sup>th</sup> October 2012

Dear Mr Ridley

**Proposed Refurbishment of Adastral Park and Mixed-Use Development of Adjoining Land to Include up to 2,000 Dwellings and a Mixed-Use Local Centre (reference C/09/0555) – Response on behalf of NHS Suffolk to Draft Section 106 Heads of Terms of Agreement**

We write on behalf of NHS Suffolk (NHSS), following receipt of the draft Section 106 Heads of Terms of Agreement relating to the above development, and advise that NHSS does not agree to the healthcare mitigation provisions as currently drafted for the reasons outlined below.

In support of this position, we provide an updated approach to reflect the current healthcare needs and NHSS healthcare funding priorities, having regard to the healthcare delivery and procurement arrangements associated with the Health and Social Care Act (2012).

**Background**

An initial consultation response to this planning application was submitted on behalf of NHSS on 25<sup>th</sup> February 2010, and subsequently updated on 15<sup>th</sup> July 2010 to include a Health Impact Assessment (HIA) of the proposed development.

The HIA identified a marked patient list size ‘capacity deficit’ in the GP Catchment Practice (Martlesham Heath Surgery), which would be exacerbated by the new population arising from the proposed development. NHSS therefore required the provision by the developer of a new health centre to accommodate a 3 GP practice with ancillary facilities and parking.

NHSS also advised that, as it would not be feasible to expand the Martlesham Heath Surgery, its relocation to the Adastral Park Site (to co-join with the additional primary healthcare facilities necessitated by the development) should be planned for. Therefore, the developer funded health centre should allow for an extension to enable a 6 GP surgery to be accommodated.

In addition to the provision of a health centre, the previous consultation response required a financial contribution to mitigate the ‘revenue’ cost to NHSS for the provision of additional healthcare capacity to serve the population arising directly as a result of the proposed development.



Following liaison with the District Council, NHSS submitted draft Section 106 Heads of Terms of Agreement prescribing developer funded floor space provision and contributions on 2<sup>nd</sup> September 2010. This submission included a specification for the health centre and recommended trigger points for its provision along with a financial contribution. This submission is *attached* for your information.

The Draft Section 106 Heads of Terms that appear to have been agreed between Officers and the applicant were received by NHSS on 9<sup>th</sup> October 2012. Whilst NHSS welcomes the inclusion of Terms relating to the provision of a developer funded health centre within the application site, they do not reflect those previously set out by NHSS or the updated position as set out below.

In light of this, NHSS wishes to update the baseline GP capacity within the catchment area (reproduced at Annex 1 to this letter) and clarify the nature and level of mitigation sought in relation to the proposed development, and the details to be included in the Section 106 Heads of Terms, below.

### **Updated Healthcare Infrastructure Provision & Financial Contribution Requirements**

In light of the current GP capacity position, NHSS healthcare funding priorities and procurement arrangements, all the healthcare impacts arising from the development ought to be mitigated by capital provision and funding. Therefore, the previously identified financial (revenue) contribution of £183,006 (RPI indexed) for increasing healthcare resource capacity, should be directed towards the costs associated with 'equipping' the new GP floorspace.

The requirements and specification for the new health centre remain as set out in the 2<sup>nd</sup> September 2010 submission, as updated by the draft Section 106 Heads of Terms set out below.

### **Draft Section 106 Heads of Terms**

It is noted that the draft Section 106 Heads of Terms agreed between Officers and the applicant propose that the new health centre be "*made available for lease to the Primary Care Trust or other statutory body providing health/ dental services to the community on commercial terms*".

The developers proposed rental arrangements for the new health centre are akin to leasing the premises to NHSS at a purely commercial rate and are therefore inappropriate, given that the health centre is required to mitigate the healthcare impacts associated with this major development, and is required for 'community' rather than 'commercial' purposes. In addition, NHSS would not have access to any central funding to cover the running costs of the additional floorspace.

Where there is a policy requirement for new healthcare infrastructure and funding (as is the case here) the Section 106 Heads of Terms would need to reflect the following approach;

- 1) The land, building costs, fit out and equipping of the health centre (390 m<sup>2</sup>) should be 100% developer provided and funded – if an alternative developer funded budget has been agreed for equipping the floorspace, this component would not need to be duplicated here;
- 2) The rental should be set at a rent free or 'peppercorn' level for the first 3 years with business rates and insurances fully met by the developer - from year 4 onwards the rental to be set at





an appropriate level reflecting community use as determined by NHSS in liaison with the District Valuer<sup>1</sup>;

- 3) From year 4 onwards, business rates and insurances would apply as normal without developer (pump priming) subsidy;
- 4) Provision of the 3 GP health centre following occupation of the 1,100<sup>th</sup> dwelling;
- 5) In the event that the equipment budget is to paid separately – payment of a financial contribution of £183,006 (RPI Indexed) following occupation of the 1,100<sup>th</sup> dwelling;

In the light of the above, NHSS request that the draft Section 106 Heads of Terms of Agreement are revised to reflect the updated position set out above, following which an appropriate specification for the new surgery can be dealt with as part of the detailed drafting process for the Section 106 Agreement.

We trust this letter now clarifies the necessary healthcare infrastructure and funding required to form part of a planning obligation in support of this development, and look forward to hearing from you in due course.

Yours sincerely

**Aarti O’Leary**

**Consultant to NHS Suffolk**

Cc: NHS Suffolk

Encl.

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<sup>1</sup> *The expectation is that the rental level applying from year 4 onwards would be set within the context of the normal premises funding for doctors with General Medical Services contracts, pursuant to the National Health Service (General Medical Services Premises Costs) (England) Directions 2004.*

## ANNEX 1 – GP FLOORSPACE CALCULATIONS ARISING FROM THE DEVELOPMENT PROPOSAL

**Table 1: Floorspace Calculation for the Provision of Additional Health Services Arising from the Development Proposal**

Premises	List Size (April 2010)	No. GPs (WTE) <sup>1</sup>	Capacity <sup>2</sup>	Spare Capacity <sup>3</sup>	Additional Population Growth (2,000 homes) <sup>4</sup>	Additional GPs Required to Meet Growth <sup>5</sup>	Additional Floorspace per GP Required to Meet Growth (m <sup>2</sup> ) <sup>6</sup>
Martlesham Heath Surgery, 23 The Square, IP5 3SL	5,940	2.5	4,500	-1,140	4,600	3.0	390

**Notes:**

1. The number of whole time equivalent GPs based at the practice.
2. Based on the optimum list size of 1,800 patients per GP.
3. Based on current list size.
4. Based on average occupancy of 2.3 persons per dwelling (as stated in application documentation).
5. Additional growth divided by GP list size capacity (1,800 patients).
6. Based on 130m<sup>2</sup> per GP as set out in NHSS approved business cases incorporating DH guidance within “*Health Building Note 11-01: Facilities for Primary and Community Care Services*”.