

## S106 Funding for Planned and Emergency Hospital Services-a basis for formalising the approach

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The issue of the appropriateness of Section 106 contributions is one that is constantly moving not least on the basis of the appropriateness of the request. It is accepted that development has to mitigate its impacts but the issue around when and the extent of this is itself linked with the question of to what extent they should substitute for or augment central funding.

Most recently there has been an increasing requirement for funding for health services. The focus on health brought about by COVID-19 has increased substantially. However, a rational basis for funding through planning obligations has often been lacking particularly with respect to when and how this should be applied and also the measure of what is appropriate in terms of directly related and proportionate contributions. A recent appeal undertaken by DLP Planning Ltd on behalf of an NHS Trust as a Rule 6 party, and utilising a methodology evolved by DLP for this, has rationalised certain 'ground rules' which can be applied more widely.

DLP's Strategic Planning Research Unit (SPRU), acted on behalf of the Worcestershire Acute Hospitals NHS Trust (the Trust) as a Rule 6(6) Party, in relation to Appeal proposals on Land at Whitford Road and Land at Albert Road, Bromsgrove (PINS Ref: 3245111).

In allowing the Appeal, the Inspector's conclusions are significant in agreeing that the planning obligation should secure financial contributions of almost £300,000 for the Trust's services.

The Trust's request was assessed against the tests in Regulation 122(2) of The Community Infrastructure Regulations 2010, namely that the contributions sought:

- Are necessary to make the development acceptable in planning terms;
- Are directly related to the development; and
- Are fairly and reasonably related in scale and kind to the development.

The Inspector at Paragraph 77 of the Decision Letter (DL) confirms that there was no dispute between the parties on the first point, i.e. necessity. This in itself is an important acknowledgement and confirms that the occupants of new development will make use of planned and emergency hospital services and as such a

contribution is deemed compliant.

SPRU supported the Trust in explaining how its services were delivered and respond to increasing demand, including that of new development bringing people into the area. Paragraph 76 of the DL provides an important summary of the current operational pressures on the Trust's hospitals (importantly, this was without taking account of the current COVID-19 pandemic).

The findings are also significant in recognising that central funding for increased demand on the Trust's services is not provided until at least eighteen months after the new population has occupied the development and does not apply retrospectively. Submissions made by and on behalf of the Trust clarified that contributions were therefore specifically sought towards the cost of providing the necessary additional capacity during the first year of the occupation of each phase of the development i.e. *the gap* (to be implemented alongside existing measures to improve efficiency).

The summary of issues provided by the Inspector further confirmed circumstances where contributions towards planned and emergency hospital services was deemed necessary to make development acceptable, and this will not only apply to the Appeal proposals.

Whether a financial contribution would be fairly and reasonably related in scale and kind to the development was considered to be a matter for the Inspector's judgement as the decision maker and the Appellants (see paragraph 3 of the DL). SPRU's submissions on behalf of the Trust were, however, pivotal in satisfying this part of the tests.

Paragraph 77 of the DL confirmed the basis of the Inspector's conclusions on the "*detailed explanation of how the contribution sought has been calculated*" as part of evidence submitted. SPRU's assessment calculated the additional impact on services taking account of the proportion of the population (at the new development) that would be new to the Trust's operating area in Worcestershire, i.e. they were not taken into account in establishing grant funding.

The model created and developed by SPRU to undertake the calculation is responsive to details of individual

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schemes in terms of location, tenure mix and scale: all of which act to determine the characteristics of the total population and patterns of migration into any new development.

The Inspector, on the basis that the main parties had agreed, accepted that costs should be applied to a total incoming population of 603 persons, this comprising 44% of the total population arising from occupation of each phase of the development

The Inspector's conclusions fully endorsed SPRU's approach in the context of the Regulations. This can be applied more widely as identifying an appropriate basis for modelling the net impact of new development on the use of planned and emergency hospital services in a manner fairly and reasonably related to the proposals.

SPRU is currently modelling the same application and other applications for consideration of impact on GP and other NHS services, as well as more broadly other *blue light* service requirements.

Please do not hesitate to contact us to discuss the potential implications for your scheme or request for planning contributions.

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