

CIL Application – Enhancement to Hampton-in-Arden GP Surgery

Parish Council Briefing Paper – Extraordinary Meeting

CIL Application – Enhancement to Hampton GP Surgery

Objective - The Parish Council is invited to endorse the recommendation of the CIL Committee **to approve** an application for CIL Funding from Hampton GP Surgery for **£75k**. There are issues around the catchment area that need to be discussed. The timing issues require some unusual complex financial management of funds for which Parish Council approval is also sought.

What is CIL? – The Community Infrastructure Levy (CIL) is a tax levied by local authorities on developers to pay a contribution towards improving local infrastructure to cope with the impact of development. Normally 15% of this levy is passed to parish councils to decide on spending priorities, but where a Neighbourhood Plan is in place, this % rises to 25%. Hampton PC currently has £71k of CIL funds left, of which £30k has been earmarked to fund traffic calming in Catherine de Barnes in the event of National Highways not being able to do so as currently expected. We may get certainty on their decision over the next couple of months.

The Surgery Application – Hampton Surgery have presented the CIL Committee with convincing arguments that they lack sufficient space for maintaining the current level of clinical services and training, let alone meet the growing needs arising from new residential development foreseen in Solihull's Local Plan. Their solution is to rent the now empty building, Fentham Lodge adjacent to the current surgery, to provide this additional accommodation.

The surgery has agreed in principle a lease with the Fentham Trust to occupy the building and obtained agreement from the NHS to cover ongoing lease costs for a minimum 15-year period. However, the building needs to be refurbished to an acceptable clinical standard, and NHS will not fund the lease unless this upgrade is provided. The NHS will not fund this. A planning application for change of use has already been submitted to SMBC. The estimated cost of the refurbishment is £75 excluding project management costs. The surgery seeks CIL funding for these costs, although they will fund project management themselves.

SMBC have confirmed that this is an acceptable use of CIL funds.

Meeting with Surgery Partners – The CIL Committee met with the Surgery partners on 18 January for further detail and explanation. The Committee was satisfied that the need and business case was credible, and that there were no practical immediate alternative sources of funding open to the surgery. They learned that this scheme was vital to maintain and future proof the quality of service, and that it was strongly and enthusiastically supported by the current surgery management scheme as the best

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means of preserving their independence as a provider and tying their future to the location. They are one of the area's smallest GP services and typically maintain a much higher quality of service than other surgeries, several of which have typically amalgamated into multiple service practices for economies of scale.

Issues

- **Catchment Area** – We raised concerns with the surgery about the catchment area which means that while people in large parts of Balsall Common, Berkswell, Knowle, Dorridge and Bentley Heath can join, people in parts of Catherine de Barnes at the Solihull end of Hampton and Lugtrout Lanes cannot. We have asked them to consider exercising some flexibility to permit patients for the whole of Catherine de Barnes to join on a discretionary basis. The Surgery have replied that they do not feel able to do that, as they consider it would create an unacceptable precedent, given their current pressures from out of catchment applicants. Not all Committee Members considered this response satisfactory – the Parish Council is asked to resolve.
- **Security of Investment** – We had some concerns that the surgery would be able to take CIL funding, upgrade the accommodation and then sell the business to a group practice elsewhere who might then downgrade the facility and services. The surgery explained that given the way GP surgery contracts were structured this was not a plausible scenario. Although technically private businesses, surgeries in practice functioned as private contractors. Moreover, the Fentham Trust lease will commit the surgery to maintaining its current form for at least the next 15 years. We would expect to agree some words which ensured ongoing provision for the duration of the lease.

Taking all matters into account, the committee agreed that in principle they would wish to provide financial support to this scheme to the extent of the full £75K, and that CIL was the appropriate funding route, subject to any conditions applied.

Timing Constraints

- For this scheme to fly the Surgery needs to have all sign offs in place by 31 March 2024. If the full surgery scheme cannot be assembled now it will likely fail to proceed.
- We currently have only £41k of unallocated CIL funds available.
- We won't know whether we need the £30k for traffic calming for a few more months.
- We expect to receive a further £75k of CIL funds within the next 9-12 months.
- We need to retain say £6k for minor CIL schemes.
- We therefore need to bridge the gap of circa £40k for 6-12 months.

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We have established that there are **two possible routes** for bridging the balance of funds to enable the full £75k scheme now, these being:

- Use of council **reserves** (currently over £100k)
- An arrangement of a **loan** from the Fentham Trust.

In either case we would aim to repay or replenish from future CIL payments. We have a strong indication from the Fentham Trust that a loan would be acceptable to them.

Recommendation

The Committee recommends that the PC gives their approval to the following plan:

- We should make a payment up to the estimate of £75k, subject to resolution of conditions, on the understanding that if costs exceed, we cannot offer more.
- We should fund this payment with £35k CIL now, and either:
 - an arrangement with the Fentham Trust to cover the balance of £40k until the further resources became available, or
 - We pay £65k from CIL Funds now, take a further £10k from the reserves, and use the reserves to also pay for any traffic calming required, again until the further CIL resources became available.
- In the event of Catney traffic calming not requiring its CIL funding we will have that additional £30k to use to pay off the loan/reserves earlier.
- We could clear the debt with the Trust or replenish the reserves on receipt of the next tranche of CIL finances expected in the next 9-12 months.

Risk Assessment - In the very unlikely event of both traffic calming not being funded by National Highways, and no further CIL funding becoming available, we would make up the shortfall from reserves.

In the even more unlikely event of it proving impossible to reach agreement with the Trust on a loan we would bridge the entire shortfall from reserves.

29 January 2024