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Richard Phillips
Case Officer
London Borough of Hillingdon
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8th September 2022

Dear Richard,

Application Reference: 23658/APP/2021/1296
Proposals for Northwood and Pinner Cottage Hospital and Northwood Health Centre
Approved at Major Applications Planning Committee on 19 January 2022 subject to the signing of a S106 Agreement

Thank you for your continued work with us on finalising the legal agreement in relation to application ref: 23658/APP/2021/1296 following a positive resolution, subject to conditions and entering into a legal agreement, at planning committee meeting on the 19 January 2022. As you are aware the application was approved at committee subject to any changes to the Section 106 (S106) being required to be referred back to the Planning Committee.

Following on from our discussions we are therefore, in line with the condition attached to the resolution, being taken back to the Hillingdon Major Applications Planning Committee to seek amendments to the S106 Heads of Terms (HoT).

Early and Late Stage Review Mechanisms: GLA Standard Wording

Section 2ii of the January 2022 committee report states that 'The delegated powers be given to the Deputy Director of Planning and Regeneration to GRANT planning permission, subject to the following:

- ii) affordable housing review mechanism (early and late stage: GLA standard wording)

Section 7.13 of the Committee Report, January 2022 and the Montagu Evans letter dated the 2nd of August 2021, which was directly referred to by Members at the January Committee Meeting, goes on to state:

It is recommended that a viability review mechanism that includes both residential cost and value inputs, as well as the health centre delivery costs be secured by way of a S106 Agreement. In this way, should the residential market improve, or should potential cost savings be realised in delivering the health centre, any surplus would be shared with the Council.

Subsequently, it was NHS Property Services' (NHSPS) interpretation that the Committee approved for health centre delivery costs to be reviewed as part of the early and late stage review mechanisms. Particularly as they would need to be included to identify whether any cost savings had been realised in the delivery of the health centre.

Through discussion with Officers post Committee, it is now understood that the construction of the submitted Financial Viability Assessment (FVA) does not enable this to occur. Subsequently, NHSPS are now requesting that delegated authority is provided to Officers to amend the review mechanism wording within the legal agreement to ensure that health centre delivery costs are included within the review mechanism.

This proposed amendment will amend the Heads of Terms to state

- ii. affordable housing review mechanism (early and late stage: GLA standard wording inclusive of Health Centre Delivery Costs)

NHSPS consider that this amendment is necessary to ensure the review mechanisms operate as intended and consider the approval at the January Committee meeting. However, NHSPS are very happy to work with Officers and Hillingdon's solicitors to agree alternative wording should that which is proposed be deemed insufficient, as long as the amendments capture the ability to review health centre delivery costs. In terms of value, the health centre holds no Market Value as it cannot be sold whilst in operation and the rent received by NHSPS is entirely cyclical, as it is fully reimbursed by the Department of Health. Consequently, Officers have agreed that the Market Value of the Health Centre does not form part of the review mechanisms.

In summary, it is NHSPS' understanding that the recommendation in section 7.13 of the Committee Report is what was approved at the January Committee. Notwithstanding, the original FVA does not enable the approval to be actioned in line with GLA Standard Wording. Subsequently, we are returning to Committee as is necessary due to the condition to do so should the terms of the S106 be changed, in order to allow the review mechanisms to work appropriately.

Given NHSPS' understanding, it is not felt that there is any difference to the implications of the review mechanisms on affordable housing contributions from what has already been approved. By including health centre delivery costs within the review any savings in the delivery of the health centre can be realised as set out in section 7.13 of the Committee Report. Correspondingly uplifts in costs, as best as possible, are offset by the value of the residential component of the application. As you are aware, the scheme is in deficit by £2.2m. Should health centre delivery costs remain the same, the residential value would need to improve by this amount to result in an affordable housing contribution. Given the late stage review is not triggered until 75% of the residential units are occupied, it will be a number of years until we fully understand the true costs and values of the scheme as a whole.

NHSPS' commitment to the delivery of the new Northwood & Pinner Health Centre remains as stated within the letter to Members dated the 16th of February 2022. It is therefore requested that committee grant Officers the delegated authority to implement the proposed amendment to the S106.

Carbon Offset Contribution

Recommendation A (iii) of the Committee Report sets out that a fixed payment of £76,537 is to be secured to capture the necessary CO2 savings required from the development.

It was suggested by Officers and Hillingdon's solicitors to change the structure of the way the offset contribution is calculated. Resulting in a freestanding "Energy Statement Carbon Assessment" being submitted, which can have the effect of changing the fixed sum payable.

It is requested that the Committee grant Officers the delegated authority to implement this amendment to the S106.

Highways: S278/S38 Agreement to Secure Highways Works

Recommendation A (v) of the Committee Report sets out the following obligations which were not agreed prior to committee:

1. Provide dropped kerbs with tactile paving and localised resurfacing at;
 - a. Neal Close eastern site entrance
 - b. Neal Close western side entrance
 - c. Neal Close junction with Acre Way
 - d. Acre Way junction with Addison Way
 - e. Addison Close junction with Pinner Road

The Officers justification for these works are due to a perceived uplift in pedestrian and cycle flows, however it is agreed with Hillingdon's Transport Officer that use of the aforementioned streets would reduce from the baseline usage as they are currently used to access an operating health centre which is being moved to Pinner Road. Therefore, as agreed in principle with officers, committee are asked to provide Officers the delegated authority to implement this amendment.

It is requested that the Committee agree to remove these obligations.

Your sincerely,



Adam Dyer
Senior Property Development Manager