East Lancashire H

Introduction

1. East Lancashire NHS Trust ("the Trust") currently provides acute, emergency and secondary healthcare across Blackburn with Darwen, Burnley, Hyndburn, Pendle, Ribble Valley and Rossendale.

2. The impact of non-recurrent (capital) and recurrent (service provision) infrastructure costs as a direct result of new housing development are very significant and as such a contribution is now sought in respect of **3/2021/1134** to address the direct impact which the application will have on the Trust.

Policy Framework

3. Section 38(6) of the Planning and Compulsory Purchase Act 2004 states:

"If regard is to be had to the development plan for the purpose of any determination to be made under the planning Acts the determination must be made in accordance with the plan unless material considerations indicate otherwise."

4. Section 70(2) of the Town and Country Planning Act 1990 makes clear that:

"In dealing with an application for planning permission or permission in principle the authority shall have regard to the provisions of the development plan, so far as material to the application, and to any other material considerations."

5. <u>Ribble Valley Borough Council's Core Strategy 2008-2028</u>

8 DELIVERY MECHANISMS AND INFRASTRUCTURE makes clear that:
…..In terms of delivery, The Council will lead the implementation of the Core Strategy, however this cannot be done in isolation from other services and service providers. Others that may be involved in the implementation include:

- *Local Partnerships*
- *Individuals, land-owners and private developers*
- *Parish Councils*

East Lancashire H

- *Community Groups*
- *Lancashire County Council*
- *Relevant government departments and agencies such as, the Environment Agency, the Highways Agency, Natural England and English Heritage*
- *Statutory Undertakers (gas, water, sewerage, electricity, Telecommunications) and Public Transport Operators*

Health Providers

The Council is committed to ensure the necessary infrastructure is brought forward to meet the needs of the area resulting from proposed growth and development. *The Council will continue to work with relevant authorities, public bodies and agencies to secure the delivery of infrastructure in a timely and effective manner. In providing a policy framework through this Core Strategy and the use of its Planning powers relevant infrastructure can be delivered. Statutory undertakers such as United Utilities and relevant authorities such as Lancashire County Council, and NHS England will need to meet their legal responsibilities for the provision of water and water treatment,* ***health services*** *to meet the needs of the areas and school facilities. However much of this provision will be dependent upon the timing of development, the emerging needs to be addressed at the time and capacity of existing provision.*

Material Considerations

6. The National Planning Policy Framework (February 2019) sets out at paragraph 8 three overarching objectives to be pursued to achieve sustainable development, including the social objective – *"to support strong, vibrant and healthy communities…by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being."*

7. It goes on at paragraph 20 to make clear that strategic policies should make sufficient provision for *"community facilities (such as health, education and cultural infrastructure)…".*

8. The National Planning Practice Guidance and has a specific section which deals with Health and Wellbeing which makes clear that:

"Local planning authorities should ensure that health and wellbeing, and health infrastructure are considered in local and neighbourhood plans and in planning decision making. Public health organisations, health service organisation, commissioners and providers, and local communities should use this guidance to help them work effectively with local planning authorities in order to promote healthy communities and support appropriate health infrastructure."[1]

9. It goes on to add:

"The National Planning Policy Framework encourages local planning authorities to engage with relevant organisations when carrying out their planning function. In the case of health and wellbeing, the key contacts are set out in this guidance. Engagement with these organisations will help ensure that local strategies to improve health and wellbeing) and the provision of the required health infrastructure … are supported and taken into account in local and neighbourhood plan making and when determining planning applications.

The range of issues that could be considered through the plan-making and decision-making processes, in respect of health and healthcare infrastructure, include how:…

- *the healthcare infrastructure implications of any relevant proposed local development have been considered;"* [2]

[1] Reference ID: 53-001-20140306
[2] Reference ID: 53-002-20140306

10. It continues by setting out the importance of engaging with local healthcare service providers (e.g. the Trust) in relation to planning policy.

"The local Clinical Commissioning Group(s) and NHS England are responsible for the commissioning of healthcare services and facilities which are linked to the work of the Health and Wellbeing Boards and the local Director of Public Health. These bodies are listed as consultees for local plans. These bodies in consultation with local healthcare providers will be able to assist a local planning authority regarding its strategic policy to deliver health facilities and its assessment of the quality and capacity of health infrastructure as well as its ability to meet forecast demand. They will be able to provide information on their current and future strategies to refurbish, expand, reduce or build new facilities to meet the health needs of the existing population as well as those arising as a result of new and future development."[3] (emphasis added)

11. It then sets out the importance which government places on taking account of the views of local healthcare providers in terms of the consideration of individual planning applications:

"Similarly, the views of the local Clinical Commissioning Group and NHS England should be sought regarding the impact of new development which would have a significant or cumulatively significant effect on health infrastructure and/or the demand for healthcare services.

Information gathered from this engagement should assist local planning authorities consider whether the identified impact(s) should be addressed through a Section 106 obligation or a planning condition. These need to meet the criteria for planning obligations."[4]

12. It is therefore clear that there is a sound local plan policy basis which is supported by both the National Planning Policy Framework and the National Planning Practice Guidance to secure financial contributions through section

[3] Reference ID: 53-003-20140306
[4] Reference ID: 53-004-20140306

106 obligations to mitigate the impact on health services and facilities which will arise from development.

Impact of the Application

13. Planning application **3/2021/1134 Land East of Chipping Lane Longridge** is seeking to secure permission for the construction of **198** new dwellings. These dwellings will support a population increase of **455** (assuming an average of 2.3 people per dwelling[5]) all of whom will need to access health services.

14. It follows that without the provision of additional facilities and services it will not be possible to accommodate the health impact of the development within the existing provision which is available.

15. Whilst the Trust will, in due course, be able to obtain funding to meet the needs of the population which arises from the development, this funding will not be in place for approximately three years. Once in place, the funding will not be provided retrospectively, and as such the impact on the Trust for the initial period will not be met from any alternative source of funding[6].

16. We therefore request a contribution for this development in the sum of **£337,889.00** a breakdown for which you will find at Appendix 2.

Community Infrastructure Levy Regulations 2010

17. In accordance with the Community Infrastructure Regulations (2010) (as amended) this request has been considered in the context of Regulation 122.

18. Regulation 122 states:

"A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is-

[5] This is the figure recorded in the 2011 Census: https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesfortheunitedkingdom/2011-03-21

[6] A more detailed explanation as to how the Trust is funded is attached at Appendix 1.

(a) necessary to make the development acceptable in planning terms;

(b) directly related to the development; and

(c) fairly and reasonably related in scale and kind to the development."

19. It is considered that the contribution which has been sought in respect of the application meets the tests contained within Regulation 122.

Conclusion

20. It is therefore concluded that the request complies with relevant planning policies and is necessary to make the development acceptable in planning terms, is directly related to the development and is fairly and reasonably related in scale and kind to the development.

21. We would request such a contribution should be paid to the Council under the terms of the s.106 agreement, and should then be paid to the Trust. We would ask that any contribution be paid in full prior to first occupation of the development to allow for the necessary service provision to be in place to meet the demand which will arise as soon as the development is occupied.

01 December 2021

Appendix 1

Under law, the Trust has an obligation to provide healthcare services. The Trust is a public sector body which is funded through central government funds, which are administered through NHS East Lancashire Clinical Commissioning Group ("CCG"). The contract for the provision of services with the CCG is complex, but in essence the CCG procure healthcare services for the existing population within their catchment area from a number of healthcare providers, including the Trust.

Since 2008, patients have been able to choose which provider they use for particular services. The 2014/15 Choice Framework makes clear that patients have a legal right to choose about treatment and care in the NHS (albeit this right does not extend to all healthcare services (e.g. emergency care), and for hospital healthcare it only applies to first outpatient appointments, specialist tests, maternity services and the ability to change hospitals if waiting time targets are not met. The financial request in this submission is based on the percentage of the population within Ribble Valley who use the Trust for the provision of these services.

As noted above, the Trust is obliged to treat all patients who attend, however, they are only funded for those persons who are within catchment at the point at which the services are commissioned by the CCG. This does not account for any planned or unplanned development which will facilitate an increase in population.

In due course (typically three years) the funding model is updated to reflect any increase in population which has arisen. As such, there is always a three year delay in funding being provided for new development from the date on which it is occupied.

The Trust is paid for activity in line with the National Tariff Payment by Results System ("PbR"). The scope of services covered by this activity-based payment approach of setting prices for specified treatments includes Outpatient, Elective, Emergency, Diagnostic and A&E activity. Under PbR the Trust is paid at a set rate for each PbR activity it undertakes, subject to quality and access time standards being met. Failure to deliver on-time interventions puts the Trust at risk of financial penalties being imposed.

For emergency admissions, payment is set at expected levels with any activity over and above this level attracting funding at 20%. This means that for every additional patient over the agreed activity level, the Trust will only receive 20% of funding towards the cost of the services delivered. Therefore any increase in this activity leaves the Trust having to bear 80% of the cost.

The Trust has an agreed level for emergency admissions which has already been agreed with the CCG. For every service provided over and above this level, 80% of the cost will not be funded.

The contribution sought on behalf of the Trust reflects that for any PbR activity, only 80% of the costs should be met by the applicant, as the remaining 20% will be funded by the CCG.

For any activity not within the PbR system, the Trust is required to meet 100% of the cost over the agreed set level.

The Trust is currently operating at full capacity, and as such does not have the resources to accommodate any additional increase in population which is not already provided for within their existing contract.

Any additional attendances which the Trust is required to provide for impact the ability of the Trust to meet the required service standards (e.g. hospital waiting times). This increases the risk of the Trust failing to meet the required standards, and as such could lead to penalties being incurred, which results in reductions in their funding. This in turn leads to a reduction in the ability of the Trust to meet the existing need, which means the Trust is caught in a vicious circle. The only solution to this is for additional funding to be provided in time to accommodate additional demand which will arise from new development.

Whilst the Trust is typically unfunded for three years following population growth as a result of new development, the additional funding requested on behalf of the Trust in this submission is based on the additional cost of providing one year of healthcare for the development. This represents the minimum level of funding which is required by the Trust.

East Lancashire H

Appendix 2

EAST LANCASHIRE HOSPITALS NHS TRUST

Application Reference:	**3/2021/1134**
Local Authority / Area	**Ribble Valley**
Description	**Land east of Chipping Lane Longridge** **Development of Phases 2 and 3 for the erection of 198 dwellings, including affordable housing and housing for older people, with associated landscaping, SUDS, LEAP, and areas of open space.**

Population Estimate:	60,057
Development Dwellings	**198**
Population Multiplier	**2.3**
Development Population	**455**

	Expenditure (£k)
	2019-20
Pay	**24,548,871**
Non Pay	**12,646,388**
Total Costs	**37,195,258**

Staffing cost %	66%
Premium Staff Cost %	30%

Activity Type	Trust Level 2019-20 Reference Costs Cost £	Trust Level Activity 2019-20 Reference Costs	% Activity Rate per Annum - Trust wide	Activity Rate per Annum per head of Population	Delivery Cost per Activity 2018-19 Reference Costs £	12 months Activity for proposed Population	Delivery Cost for Planned Dwellings £	Premium costs of Delivery £	Cost Pressure (Claim) £
A&E Attendances	2,726,391	19,336	32.2%	0:2	141	147	20,674	4,093	24,767
Non Elective (Short Stay)	2,823,148	6,239	10.4%	0:6	453	47	21,407	4,239	25,646
Non Elective Admissions	11,689,791	4,319	7.2%	0:6	2,706	33	88,641	17,551	106,192
Rehab	517,436	2,174	3.6%	0:6	238	16	3,924	777	4,700
Day Case (Elective)	3,748,788	6,135	10.2%	0:2	611	47	28,426	5,628	34,055
Elective Admissions	2,402,607	1,286	2.1%	0:6	1,868	10	18,218	3,607	21,826
Community Services	3,350,575	86,438	143.9%	8:6	39	655	25,407	5,031	30,437
Outpatient Appointments	6,891,498	60,710	101.1%	6:6	114	460	52,257	10,347	62,604
Outpatient Procedures	1,700,119	15,127	25.2%	1:6	112	115	12,892	2,553	15,444
Regular Attender	139,799	676	1.1%	0:0	207	5	1,060	210	1,270
Direct Access	1,205,106	537,802	895.5%	17:2	2	4,078	9,138	1,809	10,947
Total	**37,195,258**	**740,242**				**5,613**	**282,044**	**55,845**	**337,889**

Contribution per Dwelling £	**1,707**