

Title of meeting: Cabinet and Full Council

Date of meeting: Cabinet 27th June 2023 / Full Council 18th July 2023

Subject: Queen Alexandra (QA) Hospital Emergency Department Support

Report by: Andy Biddle, Director of Adult Social Care

Report Author: Ian Maguire, Assistant Director Planning & Economic Growth, Regeneration

Wards affected: All

Key decision: Yes

Full Council decision: Yes

1. Purpose of report

1.1. To consider an application for Community Infrastructure Levy ('CIL') Funding of £436,893.68 by Portsmouth Hospitals University NHS Trust ('the Trust') for community infrastructure outputs at Queen Alexandra Hospital (QA).

2. Recommendations

Cabinet

2.1. to note the content of the report.

2.2. to recommend to Full council, to approve the recommendations of the Report.

Full Council to approve:-

The granting of £436,893.68 from Community Infrastructure Funding to Portsmouth Hospitals University NHS Trust for the provision of infrastructure in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) ("CIL Regs") to be funded from Capital Infrastructure CIL.

2.3 To write to Portsmouth Hospitals University Trust to confirm that CIL is part of the expected infrastructure costs of any significant project/development and is a levy to compensate for the full range of additional public infrastructure requirements that will arise from developments and will fall to the Council. The part of the NHS responsible for resourcing any future funding allocation for major projects locally, should therefore include any future CIL contribution as part of the budget it provides for the project.

3. Background

3.1. Portsmouth City Council has been charging CIL since April 2012. CIL is a set charge, (based on the gross internal area floorspace of buildings) on most new development to help fund the infrastructure needed to address the cumulative impact of development across the city.

3.2. The CIL charging schedule sets out the charging rates applied to different forms of development. In summary, this schedule advises:

Type of development	Charge
All development types unless stated otherwise in this table	Full Basic CIL rate
A1 - A5: In-centre retail of any size and small (< 280m ²) out-of-centre retail	Reduced CIL rate
B1(a); B1, B2, B8: Office and Industrial	Zero rated
C1: Hotels	Reduced CIL rate
C2: Residential Institutions	Reduced CIL rate
D1: Community Uses	Zero rated

3.3. The CIL collected by the Council includes a proportion of 15% which is reserved to be spent as 'Neighbourhood CIL' on projects of a more local nature, a further 5% is reserved for Administration Costs, with the remainder available for use in the Council's capital programme towards the cost of eligible schemes. The Neighbourhood CIL element is subject to a separate procedure operated by the Planning service in consultation with Ward Members for the ward where a project is proposed.

3.4. The Portsmouth City Council Infrastructure Funding Statement, last updated December 2021 includes "the infrastructure list", the necessary statement in accordance with Regulation 121A(1)(a) of the CIL Regulations detailing the infrastructure project and types of infrastructure which the Council intends will be or may be wholly or partly funded by CIL. That list is:

- Transport (including road networks, transport interchanges and park & ride)
- Flood Defences (including Portsea Island Coastal Defence Strategy)
- Schools (including academies and free schools)
- Hospitals (including healthcare and social care facilities)
- Green Infrastructure (including play areas, open spaces and parks)
- Recreational Facilities (including cultural and sports facilities)
- Community Safety Facilities (including police stations).

3.5. The infrastructure list includes elements of community infrastructure, such as police stations and hospitals, which the City Council is not responsible for. There is however no current adopted mechanism for those public authorities

who are responsible for delivering this essential public infrastructure to access CIL funding. In the absence of an adopted procedure the Council has nevertheless received a request for funding from Portsmouth Hospitals University NHS Trust.

- 3.6. Under the current CIL charging schedule PCC levies CIL on new floorspace created within hospitals, which falls within the description of Use Class C2 in the table at 3.2 above. The Trust therefore is in the position that it must make CIL payments to the City Council proportionate to any new floorspace created but that same floorspace is itself a community infrastructure output that CIL funding can be put towards.

In February 2021, Members instructed Officers to advise the Trust that they would consider an application for CIL funding from them to an amount equivalent to that already paid in CIL associated with the development of a ward block and car park. The Trust subsequently applied for both Neighbourhood CIL and centrally agreed CIL and were awarded £152,533, (through the established Neighbourhood CIL procedure) and £864,354.26, (through full Council decision) in April 2022 and July 2022 respectively.

At the time, the Trust confirmed they would put in place additional elements to the car park and the ward of:

- a new patient garden (part utilising the neighbourhood CIL contribution) which is due to be constructed alongside in the Spring and be open by August 2022
- the introduction of new barrier-less access to the car park reducing queues and on-site congestion whilst enabling an easier way of paying for spaces when charging is reintroduced.
- the introduction of electrical car charging infrastructure (part utilising the neighbourhood CIL contribution)
- provision of improved signage and variable messaging signs for public parking information
- access improvements to the pedestrian routes between the new car park and the north entrance
- a range of further measures to promote sustainable travel supported by the Trusts Green Travel Plan (currently being developed)

- 3.7. The Trust wrote to PCC in February 2023, in connection with the development of the new Emergency Department, (ED) in construction at Queen Alexandra Hospital, which was granted Outline Planning Permission by the Council in 2021. The Trust has expressed concerns about the CIL liability that has been identified for the ED, which will be a total charge of £513,992.57. None of this amount has yet become due or been paid.

- 3.8. The capital requirements supporting the City Council's objectives and the projects delivered for the benefit of the City's residents are significant. Every year the scale and range of projects seeking capital funding exceeds that available within the City Council's budgets. An essential task for the Council is therefore to assess and prioritise the spending within its control. A number of

funding streams to support the capital programme are available with CIL being just one of them. CIL income is required to be spent on infrastructure to support the development of the area, so is more constrained than other capital funding sources, but can be applied to capital works to Hospitals where it supports such growth.

4. Reasons for recommendations

- 4.1. As noted above the provision of Hospitals, including healthcare and social care facilities, is recognised in the adopted Infrastructure Funding Statement as a form of infrastructure that can be funded through CIL within Portsmouth. The Trust has confirmed in their letter of application, (Appendix A) that funding applied for will secure the delivery of the new ED as well as the following additional element:

The capital from the community infrastructure bid would secure the delivery of the above scheme and the following much needed replacement element of equipment for the new facility:

- *Contribution to a Canon Aquilion Prism CT Scanner Circa £950K + VAT*

The scanner will significantly contribute to improved care and patient outcomes. The Benefits of having a scanner within the new Emergency Department will allow for direct and rapid access to radiology embedded within the ED itself, this was a clear vision for the new build, to provide rapid access to diagnostics to allow for the implementation of prompt treatment for patients as highlighted in previous CQC reports as needing improvement.

The Trust is in engagement with Canon and is currently undertaking early design development work to scope the room design. It is anticipated that the Trust will place the order in Autumn 2023 to allow for delivery in Summer 2024, ahead of opening the new department in November 2024.

Should the Trust be awarded the Circa £514k CIL applied for, the balance for this machine would be provided by Trust.

- 4.2. Officers are satisfied that the projects and benefits described are of a type and kind that constitute community infrastructure necessary to support growth within the city and are thus capable of being funded by CIL.

5. Integrated impact assessment

- 5.1 See Appendix B.

6. Legal implications

- 6.1 Under Regulation 59(1) of the Community Infrastructure Regulations 2010 (amended ("CIL Regs"), as a charging authority, PCC must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.
- 6.2 Under Regulation 59 (4) of the CIL Regs may pass CIL to another person for

that person to apply to funding [the provision, improvement, replacement, operation or maintenance of infrastructure.

7. Director of Finance's comments

- 7.1 The Council's approved Capital Strategy seeks to maximise the Capital Resources available for the Council as well as seeking to ensure the maximum flexibility in the use of any Capital Resources available. This is achieved by avoiding any "ring-fencing" of Capital Resources except where that is statutory. In achieving such flexibility, the Council has more freedom to direct Capital Resources to its highest priorities.
- 7.2 Whilst there are requirements for the use of CIL funding, there remains a reasonable degree of choice in how to apply that funding in accordance with the "infrastructure list" set out in paragraph 3.3. Accordingly, Capital Infrastructure CIL is made available to the Council each year as part of the Annual Capital Budgeting process for allocation to new Capital Schemes. The allocation of Capital Infrastructure CIL therefore is reserved for Full Council.
- 7.3 The Capital Programme approved by City Council on 28 February 2023 is not relying on the CIL receipt arising from the QA Hospital developments to fund the approved schemes within the Capital Programme. As a consequence, the amount can be awarded to QA Hospital without any impact on the current Capital Programme. However, resources available for future years' capital starts which will be approved in February 2024 will be lower by £436,893.68 than they would otherwise have been, there will be £77,098.99 less Neighbourhood CIL for Ward Members to allocate within their Ward, should they agree to make that allocation to the hospital.

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Signed by:

Appendices:

Appendix A - Letter of application for CIL funding from Portsmouth Hospitals Universities NHS Trust dated 13th February 2023



CIL Application Letter
- CT Scanner Feb 2023:

Background list of documents:

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: