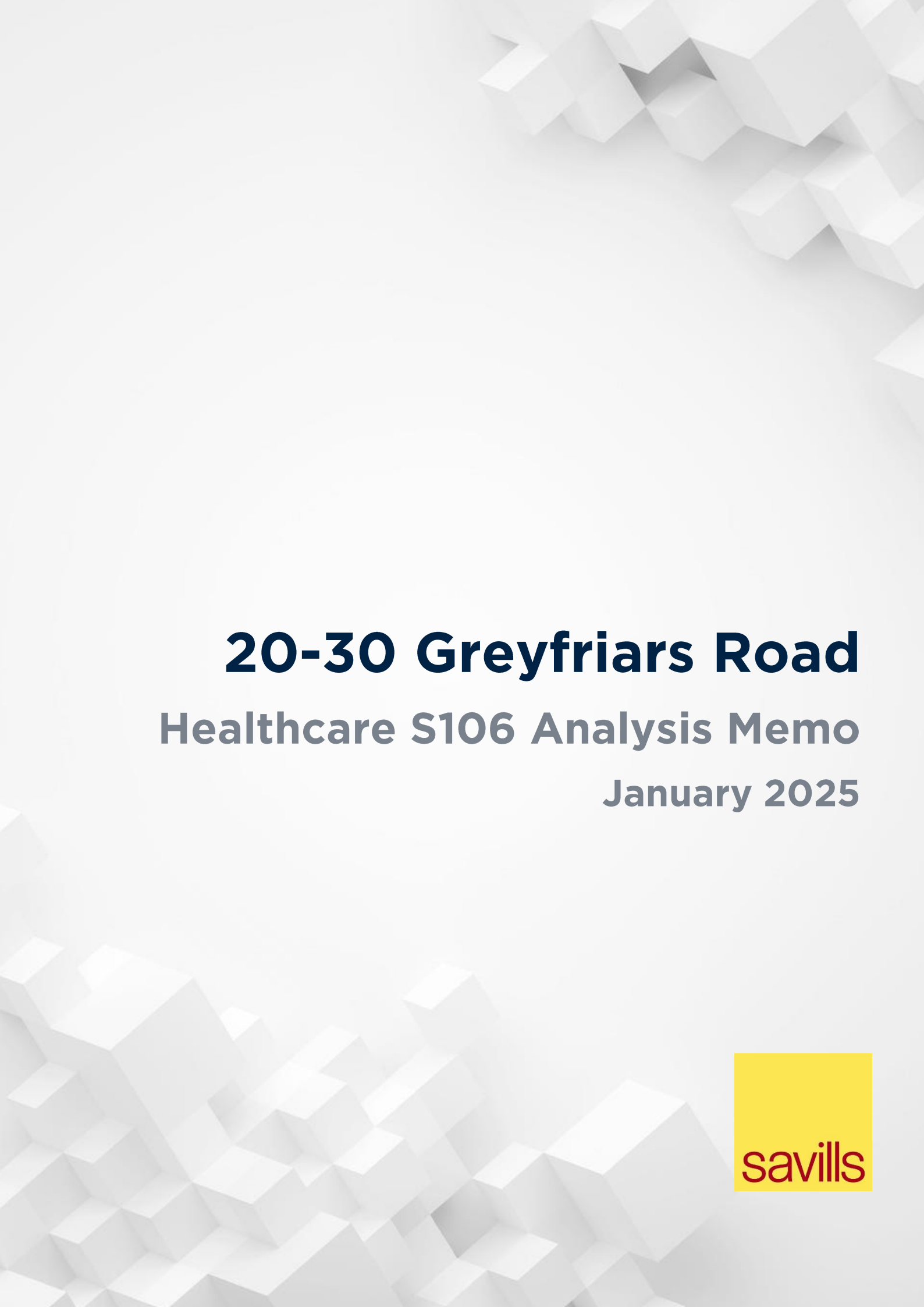




20-30 Greyfriars Road

Healthcare S106 Analysis Memo

January 2025



savills

1 Healthcare S106 Analysis Memo

1.1 Introduction

- 1.1.1 This memo relates to the consultation response from Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board (BOB ICB) dated 17 December 2025 regarding the position on a developer contribution for primary healthcare in relation to the full planning application for 266 co-living units at 20-30 Greyfriars Road (PL/24/1501).
- 1.1.2 The amount requested equates to £224,640, without any transparency as to how this figure has been derived beyond *“The ICB has a standard formula to work out the amount of the contribution, which is based on the new population generated from the proposed development”*.
- 1.1.3 Financial S106 agreements should only be used where embedded mitigation can not appropriately be built in to a development by design. In this instance it is acknowledged that there is no potential for healthcare infrastructure to be provided on-site and therefore a proportionate financial contribution would be the appropriate option, whereby the agreed sum must be compliant with the following Regulation 122 tests:
- necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development.
- 1.1.4 There are several statements in the introductory sections of the consultation response which suggest a severe lack of funding with regards to primary care estates, all of which are existing issues and have nothing to do with this specific development. For example:
- *“The ICB has no dedicated funding for any primary care estates development in their annual budgets”; and*
 - *“Reading Borough Council (the Council) has implemented Community Infrastructure Levy (CIL) charging. However, by the time of writing this letter, no CIL contribution was used towards health facilities”.*
- 1.1.5 The above statements suggest a longstanding NHS funding allocation flaw being the reason for the lack of investment in floorspace (a proxy measure for capacity); one that is not associated with the delivery of the proposed development.
- 1.1.6 While it is not possible for us to comment on the model methodology due to a lack of transparency, it is clear that BOB ICB have assumed all people moving to the proposed development are new to the area and not already considered within the NHS budget allocation. This is a flawed assumption, and as a result, the requested amount is uncompliant with the Regulation 122 tests (not a planning matter, not directly attributable, and not fair/reasonable).
- 1.1.7 Irrespective of any existing capacity issues locally, any healthcare S106 contribution paid should relate only to the net additional population (i.e. people who would have been new to the area, and represent a direct impact on the local NHS funding allocation).
- 1.1.8 The remainder of this memo provides an assessment of existing local primary healthcare capacity, quantifies the net additional population gain, and the impacts on demand associated with this to establish a proportionate S106 contribution that meets the Regulation 122 tests.

1.2 Existing local primary healthcare capacity

- 1.2.1 To establish local primary healthcare capacity, the consultation response only considered the closest GP facility to the proposed development, which is Reading Walk-in Health Centre (located within Broad Street Mall).
- 1.2.2 Despite acknowledging that there is no national guidance in setting out the capacity of a GP practice, the consultation response goes on to state that this facility is currently operating over-capacity on the basis that the floorspace does not meet the minimum space requirement of 1,000 sqm GIA for a patient list size of over 12,000 (referencing the NHS Property Services Demand Assessment Tool).
- 1.2.3 There is no publicly available information on the NHS Property Services Demand Assessment Tool and therefore it is not possible to comment on the application of this. In addition, as Reading is a large town, there is likely to be other GP facilities nearby to the proposed development.
- 1.2.4 As a result, an assessment of healthcare capacity utilising the target list size of 2,000 patients per GP as outlined in NHS England's "Premises Principles of Best Practice Part 1 Procurement & Development". The results of this are provided in Table 1.1.

Table 1.1: Existing healthcare capacity

Practice code	Name	Distance	Number of patients	FTE GPs	Patients per GP	Additional capacity
Y02476	Broad Street Health Centre (Reading Walk-in Health Centre)	0.2	14,258	4.3	3,342	0
K81026	Chatham Street Surgery	0.3	8,027	2.7	2,951	0
K81081	Abbey Medical Centre	0.4	2,367	<i>Excluded from analysis on the basis that no data on GP headcount available</i>		
K81636	Russell Street Surgery	0.5	8,905	3.1	2,879	0
K81007	London Street Surgery	0.6	5,770	2.0	2,885	0
K81062	*Western Elms & Circuit Lane Surgeries	0.7	27,899	15.5	1,799	3,114
K81651	Melrose Surgery	0.9	16,025	5.4	2,982	0
K81100	Eldon Square Surgery (part of Pembroke Surgery)	0.9	6,870	1.0	6,870	0
K81636	Dr M L Swami & Partners - Coley Park Surgery (run by Russell Street Group Practice)	0.9	8,905	3.1	2,879	0
K81014	*Baltimore Park Surgery	0.9	20,666	9.1	2,263	0
K81651	Melrose Surgery - Alexandra Road Branch Surgery	1.1	16,025	5.4	2,982	0
K81040	*Milman & Kennet Surgery	1.1	20,373	14.1	1,440	7,920
Total						11,034

*Do not cover site access postcode RG1 1NS (not in catchment) but may accept registrations anyway

Source: NHS Digital (NHS Digital, 2024)

- 1.2.5 The results show that by applying the target list size of 2,000 patients per GP, there is collective additional capacity for 11,034 patients at Western Elms & Circuit Lane Surgeries and Milman &

Kennet Surgery. However, it should be noted that these GP facilities do not currently cover the proposed development site access postcode (RG1 1NS). While this is the case, it should be noted that GP facility catchments can change, and these GP facilities may accept out of area registrations anyway.

- 1.2.6 A key limitation to the analysis provided in Table 1.1 is the lack of publicly accessible information on GP headcount at Abbey Medical Centre, whereby it is unclear whether using the target list size of 2,000 patients per GP, there is additional capacity or not.

1.3 Net additional population analysis

- 1.3.1 The analysis within the consultation response assumes that all residents are new to the area, are not registered with a GP locally, are not already considered within the NHS budget, and would all result in additional demand for primary healthcare in the ICB.

- 1.3.2 While it could be argued that the increase in demand is a budget allocation issue, which is inherent to how the NHS operates, remaining sympathetic to the reactive nature of how ICBs are funded, it is understood that there may be a temporary increase in demand until annual ICB budgets are reallocated based on patient list numbers.

- 1.3.3 As single occupancy units, the proposed development would result in a gross redistribution of up to 266 people. Following a review of 2021 Census migration patterns (NOMIS, 2021), it is reasonable to assume that:

- A total of 27 people (10%) are likely to be moving from within Central Reading North Middle Super Output Area (MSOA), are likely to remain registered with their existing GP, and would not contribute to any temporary redistribution of patients.
- A total of 118 people (44%) are likely to be moving from elsewhere in Reading (excluding Central Reading North MSA) and are therefore already considered within the existing ICB budget allocation and would have no direct impact on funding.
- A total of 48 people (18%) are likely to be moving from elsewhere in Berkshire County, and are therefore already considered within the existing ICB budget allocation and would have no direct impact on funding.
- A total of 73 people (27%) are likely to be moving from outside of Berkshire County, are considered to be net additional to the ICB area, and would have a direct short term impact on funding, until the NHS budget allocation catches up.

- 1.3.4 Due to data limitations the above analysis relates to Berkshire only. In reality, the subset of future occupants moving from outside of Berkshire may be coming from Buckinghamshire or Oxfordshire and therefore would not be considered net additional. On this basis the above figures are conservative in nature.

1.4 Conclusion

- 1.4.1 Overall, from our analysis, it is clear that there is a lack of capacity locally, and a planning contribution is justified. The healthcare S106 contribution from the proposed development must however be compliant with the Regulation 122 tests, namely: necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development.

- 1.4.2 It is clear that BOB ICB assume that all 266 occupants are new to the area. According to Census data, this is incorrect. The requested contribution has therefore been amended to reflect local

migration data to calculate the net population gain directly attributable to the proposed development.

- 1.4.3 The results show that a total of 73 people would come from outside Berkshire. This is considered conservative on the basis that the ICB boundary also captures Buckinghamshire and Oxfordshire and people may be moving from these counties.
- 1.4.4 The associated contribution that relates to the 73 net additional people equates to £61,459.
- 1.4.5 It is noted that BOB ICB welcome the opportunity to resolve this matter and on this basis, discussion is sought with BOB ICB in relation to the contents of this analysis and if the ICB wishes to receive the offer of £61,459 based on the net additional population moving to the proposed development.

References

NHS Digital. (2024, November). *General Practice Workforce*. Retrieved from NHS Digital: <https://digital.nhs.uk/data-and-information/publications/statistical/general-and-personal-medical-services>

NOMIS. (2021). *Detailed migration data, England and Wales: Census 2021*. Retrieved from NOMIS: https://www.nomisweb.co.uk/sources/census_2021_mig