

## **PROJECT INITIATION DOCUMENT**

**(August 2017)**

**Wellington Way Health Centre (New Build Extension)**

## Version Control

*[Please log the versions of the PID as it moves through the IDF process. This is to ensure that the correct/final version is signed and submitted for reporting.]*

<b>Version Number</b>	<b>Author and Job Title</b>	<b>Purpose/Change</b>	<b>Date</b>
0.1	Robert Lee	Version 4	23.8.17

## Project Initiation Document (PID)

<b>Project Name:</b>	Wellington Way Health Centre (New Build Extension)		
<b>Project Start Date:</b>	November 2017	<b>Project End Date:</b>	September 2018
<b>Relevant Heads of Terms:</b>	Health		
<b>Responsible Directorate:</b>	Adults Services		
<b>Project Manager:</b>	Abigail knight Associate Director Public Health (Children & Families)		
<b>Tel:</b>		<b>Mobile:</b>	
<b>Ward:</b>	Mile End		
<b>Delivery Organisation:</b>	NHS Tower Hamlets CCG / NHS Property Services		
<b>Funds to be passported to an External Organisation? ('Yes', 'No')</b>	Yes		
<b>Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')</b>	Yes		
<b>Supplier of Services:</b>	NHS Tower Hamlets CCG		
<b>Is the relevant Lead Member aware that this project is seeking approval for funding?</b>			
<b>Is the relevant Corporate Director aware that this project is seeking approval for funding?</b>	Yes		
<b>Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please</b>	No		

append the draft RCDA form for signing to this PID)	
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')	No
<b>S106</b>	
Amount of S106 required for this project:	£1,493,700
S106 Planning Agreement Number(s):	PA/09/00203 PA/10/01734 PA/13/01606 PA/10/00119 PA/09/02100 PA/10/02501 PA/12/00771 PA/12/02923 PA/12/02856 PA/14/02618 PA/14/02134 PA/13/00697 PA/12/02577 PA/11/03785
<b>CIL</b>	
Amount of CIL required for this project:	£0
Total CIL/S106 funding sought through this project	<b>£1,493,700</b>
Date of Approval:	

**This PID will be referred to the Infrastructure Delivery Steering Group (IDSG):**

Organisation	Name	Title
LBTH – Place	Ann Sutcliffe	Divisional Director Property and Major Programmes ( <i>Interim Chair</i> )
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Acting Service Head for Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal

Organisation	Name	Title
LBTH – Governance	Marcus Woody	Planning Lawyer
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Vicky Allen	S106 Portfolio Coordinator
LBTH – Governance	Tope Alegbeleye	Strategy, Policy & Performance Officer
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LBTH – Health, Adults and Community	Flora Ogilvie	Associate Director of Public Health
LBTH – Children’s	Janice Beck	Head of Building Development
LBTH – Place	Marissa Ryan-Hernandez	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Head of Asset Management
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader

### Related Documents

ID	Document Name	Document Description	File Location
<b>If copies of the related documents are required, contact the Project Manager</b>			

## **CONTENTS**

1.0	Purpose of the Project Initiation Document.....	7
2.0	Section 106/CIL Context.....	7
3.0	Equalities Considerations .....	9
4.0	Legal Comments.....	10
5.0	Overview of the Project.....	11
6.0	Business Case .....	12
7.0	Approach to Delivery and On-going Maintenance/Operation .....	17
8.0	Infrastructure Planning Evidence Base Context .....	18
9.0	Opportunity Cost of Delivering the Project.....	19
10.0	Local Employment and Enterprise Opportunities.....	19
11.0	Financial Programming and Timeline .....	19
12.0	Project Team.....	21
13.0	Project Reporting Arrangements.....	22
14.0	Quality Statement .....	22
15.0	Key Risks .....	23
16.0	Key Project Stakeholders.....	24
17.0	Stakeholder Communications .....	24
18.0	Project Approvals.....	25

## 1.0 Purpose of the Project Initiation Document

- 1.1 This project initiation document sets out proposals to build a new extension at the existing Wellington Way Health Centre premises in the North-East Locality of Tower Hamlets. The extension will provide six additional clinical rooms for the Health Centre. This project builds on existing plans to refurbish the interior the old health centre building to provide accommodation for the Merchant Street and Stroudley Walk GP practices.
- 1.2 A previous PID for Section 106 capital to fund the refurbishment of the existing footprint of the Wellington Way Health Centre was approved at IDB in October 2016. The refurbishment will enable a reprovision of both the Merchant Street and Stroudley GP practices at the Wellington Way Health Centre. It is proposed that construction of the new build extension be included as part of the overall works contract for the Wellington Way health centre refurbishment. Completing these works as part of a single contract would minimise disruption as the works would not have to be completed in two phases. The newly refurbished health centre and extension would open in September 2018.
- 1.3 This proposal to build a new extension to the refurbished premises will enable the two GP Practices that will occupy Wellington Way to serve a further 5,000 patients.
- 1..4 This Project Initiation Document (PID) will define the Wellington Way Health Centre (New Build Extension) project and bring together the key components needed to start the project on a sound basis. It also provides the basis for building the principles of project management into the project right from the start by confirming the business case for the undertaking, ensuring that all stakeholders are clear of their role, agreeing important milestones, and ensuring that any risks involved have been assessed. The primary purposes of this PID are to:
  - Justify the expenditure of *S106 contributions and / or CIL funding* on the named project which will provide the IDSG with a sound basis for their decision;
  - Provide a baseline document against which the Project Team, Project Manager (and in some cases) the Project Board can assess progress and review changes.

## 2.0 Section 106/CIL Context

### Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.2 CIL is a £ per square metre charge on most new development. In April 2015, the council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the [Council's Regulation 123 List](#).
- 2.3 On the 5<sup>th</sup> January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

### S106

- 2.4 The Section 106 (S106) of the Town and Country Planning Act 1990 allows a LPA to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated, between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.5 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the developments in the table below:

Planning Application	Site Address	Date Received	Expiry Date	Expiry Date Note	Funding Requirements	PA Amount Received	Amount Requested
PA/09/00203	2 Gladstone Place	09/03/2012	09/03/2022	(10 years from date of receipt)	Provision of healthcare facilities	293,324.00	21,624.75
PA/10/01734	Bow Enterprise Park	14/08/2014	TBC	10 years from practical completion	Healthcare facilities in the Borough	£369,164.39	£175,894.67
PA/13/01606	Cutty Sark House	01/04/2015	TBC	Expended or committed within 10 years from date of practical completion	Additional health facilities in the borough	£36,966.36	£36,966.36



PA/10/00119	Whatman House, Wallwood Street	07/04/2011	TBC	7 years from practical completion	Health facilities within the vicinity of the development	46,584.00	23,292.00
PA/09/02100	Brownfield Estate	24/07/2013	24/07/2023	10 years from date of receipt	Provision of or the improvement to health and social care facilities within the councils administrative areas	£170,052.00	£20,202.91
PA/10/02501	Land at north west corner of Crisp Street and Carmen Street	02/05/2013	02/05/2020	7 years from date of receipt	Additional health care facilities	102,810.24	68,637.74
PA/12/00771	22-28 underwood road	01/04/2015	TBC	Expended or committed within 10 years from date of practical completion	Towards additional health facilities	£30,505	£30,505
PA/12/02923	1-3 Turnberry Quay	27/05/2015	TBC	10 years from date of practical completion	Primary health care in the borough	89,000.00	89,000.00
PA/12/02856	1-94 cottle street and stainsby road	27/05/2015	TBC	10 years from date of practical completion	Towards additional healthcare facilities in the borough	£89,936	£89,936
PA/14/02618	land between st pauls way and masjid lane	03/09/2015	TBC	10 years from practical completion	towards health facilities in the borough	£20,630	£20,630
PA/14/02134	New Foundland	30/10/2015	TBC	10 years from date of receipt	Health care facilities in the borough	£679,432.00	£679,432.00
PA/13/00697	6-8 Boulcott street	08/03/2016	TBC	Expended in full or committed within 10 years from date of practical completion	Healthcare in the borough	£34,865.98	£34,865.98
PA/12/02577	Central Foundation Girls School	27/05/2016	27/05/2021	Expended in full or committed within 5 years from date of payment	Additional health facilities in the borough	£51,864.00	£43,904.00
PA/11/03785	58-64 Three Colts Lane and 191-205 Cambridge Heath Road	02/03/2017	TBC	Within 7 years from the date of Practical completion of the whole development	Additional Healthcare facilities within the borough	158,808.13	158,808.13

## CIL

2.9 This PID does not seek approval for the expenditure of CIL funding.

### **3.0 Equalities Analysis**

3.1 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public-sector equality duty). A proportionate level of equality analysis is required to discharge the duty.

3.2 Tower Hamlets has one of the lowest healthy life expectancies for both men and women in the country and health inequalities particularly for BME people are a significant challenge for our communities. Additional infrastructure for GP services will provide additional resource for the council's Public Health service (through commissioning) and local health partners to tackle these health inequalities and improve outcomes for local residents, see section 6 for further information.

3.3 The new build extension at the Wellington Way Health Centre will be fully compliant with the requirements and philosophy of the 2010 Equality Act and the Disability Equality Duty contained within the Disability Discrimination Act. All referenced standards and planning guidance within these documents will be adhered to.

#### **4.0 Legal Comments**

4.1 Legal Services considers the use of contributions to support the Wellington Way Health Centre (New Build Extension) to satisfy the terms of the majority of the S106 agreements set out in the table at paragraph 2.5 above. PA/10/00119 requires the contribution to be spent towards health facilities in the vicinity of the development. There is no legal definition of vicinity and a number of factors should be borne in mind such as proximity, accessibility, the availability of other such facilities and the extent to which occupiers of the land can reasonably be expected to be served by the project. This development is located approximately 20 minutes walk from Wellington Way Health Centre and so it would not be unreasonable to expect residents of this development to attend this health centre. However, officers will need to ensure there is not another health centre which better meets the definition above of being within the vicinity of the site, which could benefit from this contribution.

4.2 The agreements require the contributions to be used towards providing healthcare facilities in the borough. A number of these agreements require any such facilities to be in addition to current provision. The project overview at section 5 helpfully explains that the contributions will be used to refurbish Wellington Way Health Centre which shall increase not only its own capacity but will reduce pressure on two nearby health centres. Since this project will result in increased capacity to that currently provided at the extant Health Centre we believe it can be considered as creating additional facilities where there were none before. As such, we are satisfied that this project is aligned with the terms of the s106 agreements.

4.3 It is noted that the contributions to be drawn from these agreements are to be paid directly to an external organisation (NHS). The terms of these agreements do not

specify that the contributions can be paid to NHS; therefore such payments are considered to constitute grants. Therefore, as the Council is under no legal obligation or duty to provide this payment, it is discretionary and considered to be a grant. As such, approval must first be sought from the Grants Determination (Cabinet) Sub-Committee before any payment is made.

- 4.4 Subject to the above comments, we consider the funding for this PID to be in accordance with the purposes for the contributions under the S106 agreements.
- 4.5 When approving this PID, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.
- 4.6 These comments are limited to addressing compliance with the terms of the S106 agreements mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

## **5.0 Overview of the Project**

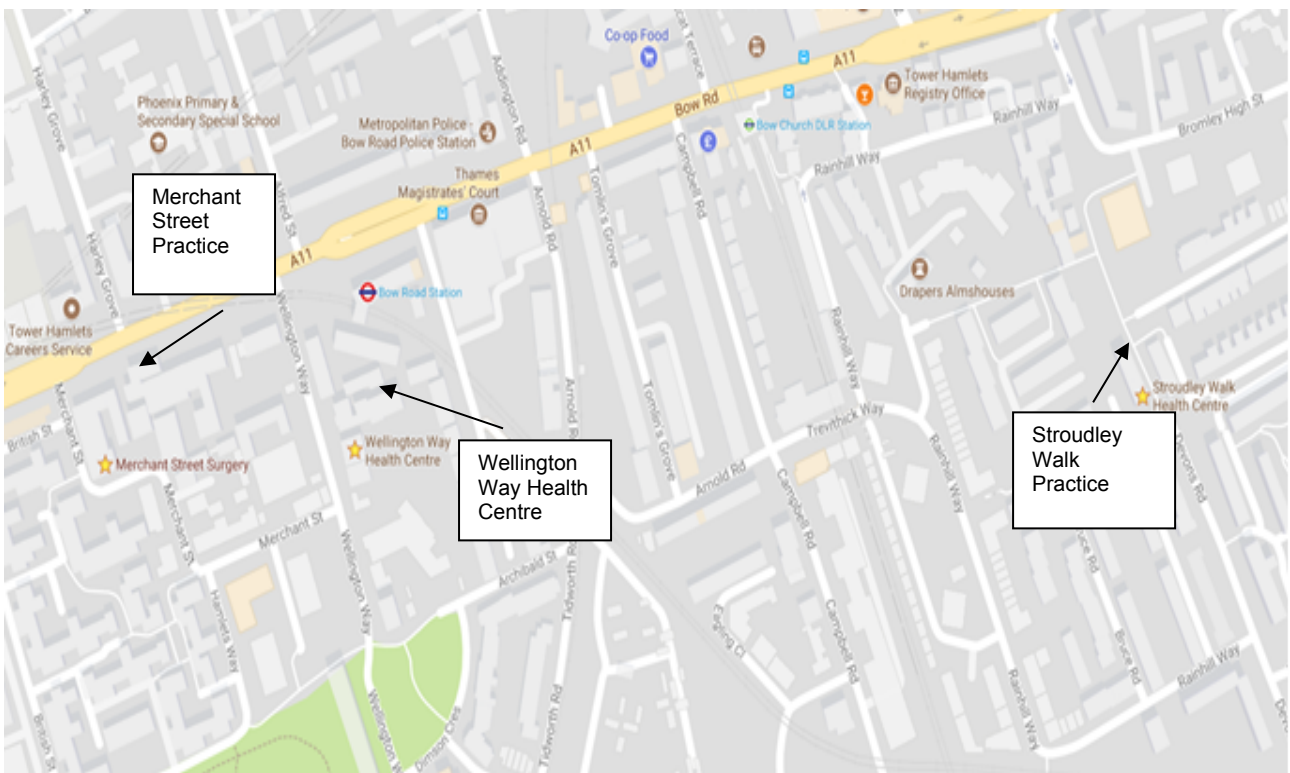
- 5.1 This project will involve the construction and fit out of a new ground floor, single storey extension to the newly refurbished Wellington Way Health Centre. The development will provide six additional clinical rooms at the Wellington Way site. The proposed development is intended to contribute to delivery of additional clinical capacity that will be required to meet the primary healthcare needs of the population of the Bow West, Bow East, Mile End, Bromley and Bromley South Wards.
- 5.2 The Merchant Street and Stroudley Walk GP practices currently have a combined registered list of 9,666 patients<sup>1</sup>. The extra clinical capacity provided by the new build extension will enable the two practices to expand their combined patient list by a further 5,000 over the next five years to 2021/22. The new facility will be fully integrated with the existing health centre building, enabling patients to access a wider range of community and specialist health services that will be provided from the site
- 5.3 The new build extension will comprise a gross internal area (GIA) of 245.9 m<sup>2</sup>. With the extension included, the health centre will have a total GIA of 1,192.6 m<sup>2</sup>. The

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<sup>1</sup> Registered Patient List at 31<sup>st</sup> January 2017, recorded by THCCG

extension will be of a timber frame construction and situated on a part of the site that is currently used as a car park. Drop-off and disabled parking will continue to be provided at the site.

- 5.4 The structure of the extension will be specifically designed for future proofing, allowing for the option of building upwards, above the ground floor extension, at a later stage to create additional clinical capacity on the first-floor level, should there be a requirement to expand the facility in future years.
- 5.5 An architectural drawing (No. M744\_006.PL1) showing the area of the planned refurbishment and the location of the new build extension proposed in this PID is included with the appendices.
- 5.6 The map below shows the locations of the new health facility and the existing Globe Town Surgery premises.



## 6.0 Business Case

### Overview/General

- 6.1 There are clear needs to further develop healthcare services for the growing

population of the east of the borough. The challenge is that primary care services in E3 are under pressure. It is an area of high healthcare need and significantly growing population. It is close the Lower Lea Valley Opportunity Area, for which a planning framework was adopted in 2007, estimating it would deliver 32,000 new homes. It is estimated that the populations of Bow East, Bow West, Mile End, Bromley South and Bromley North wards will grow by at least 14,000 up to 2025/26.

- 6.2 In Tower Hamlets there are is a high incidence of long term health conditions but also considerable variation by ward. Bow East and Bow West have similar prevalence to the borough with slightly higher prevalence of asthma, hypertension and depression. The Mile End and Bromley South wards have a generally higher prevalence of most conditions and particularly asthma, depression and vascular conditions.
- 6.3 Preliminary design work for the new extension has already been completed. It is expected that the final design will be completed in November. The intention therefore will be to dovetail the construction programme for the extension with the planned Wellington Way refurbishment works, which are scheduled to start in January 2018 and completed in September 2018.

#### Demand Modelling

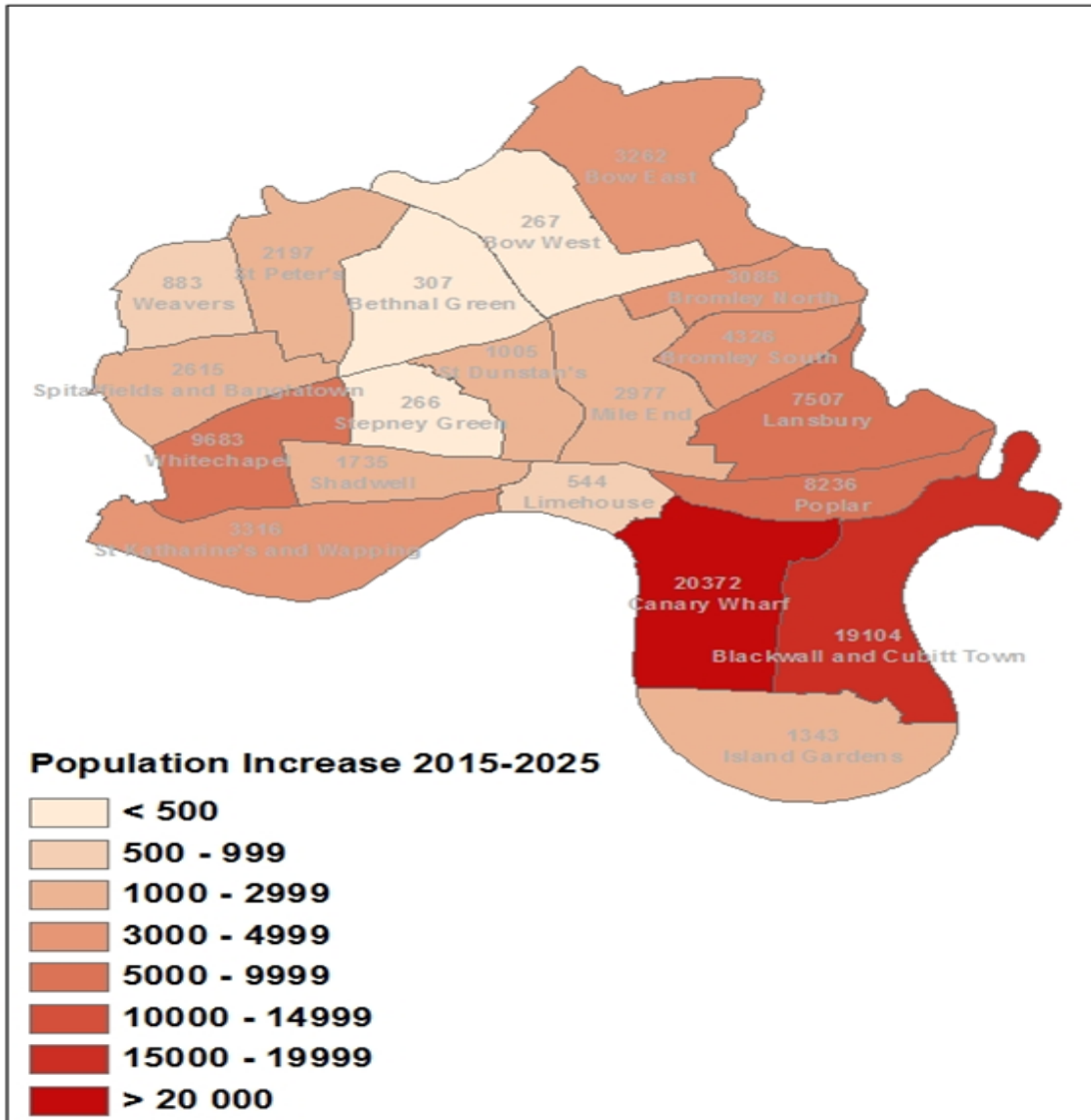
- 6.3. NHS Tower Hamlets Clinical Commissioning Group has developed a model with clinicians to enable projection of future demand for primary care services. The modelling exercise, which takes account of population growth and planned shifts in outpatient activity from hospital to primary care, has identified a requirement for the provision of eighteen additional clinical rooms in primary care to meet demand within the North-East Locality by 2021/22.<sup>2</sup> The recently completed William Cotton Place project has produced three additional clinical rooms for the Locality and the planned refurbishment of the existing Wellington Way building will produce a further three clinical rooms, over and above current provision. The proposal to add a new extension at the Wellington Way Health Centre will create a further six clinical rooms. Together these projects will deliver eleven of the eighteen clinical rooms that are required for the North-East Locality.
- 6.4 Future clinical capacity requirement is mainly driven by population growth, as the model projects relatively minimal infrastructure growth being required from shifting activity out of hospital into primary care.

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<sup>2</sup> Transforming Services Together Estate Options, WEL CCGs

6.5 Figure 1 below shows the net increase in population in Tower Hamlets Wards to 2025<sup>3</sup>.

Figure 1: Net increase in Population in Tower Hamlets Wards to 2025



6.6 Tower Hamlets Council is working closely with NHS Tower Hamlets CCG and other stakeholders to develop further initiatives to build primary care capacity in the North-East Locality.

6.7 On a borough wide basis, there are currently enough GPs to accommodate current demand. However, the borough is expected to be the subject of significant population growth over the next 15 years which will result in the need to deliver

<sup>3</sup> LBTH Report, Potential Future Primary Healthcare Infrastructure, 2016

more health facilities, such as the project proposed in this PID. Table 1 below describes that by 2030/31, the borough will have a deficit in provision of 38 GPs unless further provision is delivered.

Table 1

Year	Provision (GP's - FTE)	Projected Population	Demand (GP's)	Deficit / Surplus	Deficit / Surplus (% of Provision)
2015/16	182.13	284,106	157.84	24.29	13.34
2020/21	182.13	344,196	191.22	-9.09	-4.99
2025/26	182.13	384,166	213.43	-31.30	-17.18
2030/31	182.13	396,977	220.54	-38.41	-21.09

### Project Objectives

6.8 The following objectives have been set by for the project:

- Provide a new extension to the Wellington Way Health Centre to create additional capacity to meet projected population demand and support the introduction of new models of care to deliver a broader range of integrated primary care and community health services to the local community
- Ensure the Wellington Way new build extension development represents value for money and is affordable to the local health economy

### Project Drivers

6.9 The Improving Health and Well Being Strategy, first developed in 2006 and refreshed in 2010 and 2012, sets, out an ambitious programme to improve and develop local services and underpins the borough's vision to improve the quality of life for everyone who grows up, lives and works in Tower Hamlets. As part of the original HWB strategy, a number of capital schemes were proposed across the Borough for new health and wellbeing centres. One of the proposed schemes was the provision of the new Wellington Way facility.

6.10 The NHS Tower Hamlets CCG Estates Strategy identifies a requirement to development new facilities in the North-East Locality to meet future demand for primary care services. The building of a new extension at the Wellington Way Health Centre will contribute to delivery of the extra clinical capacity that is required in the Locality.

## Deliverables, Project Outcomes and Benefits

6.11 This project will:

- deliver a new extension providing six modern treatment rooms that will be fully integrated with the refurbished Wellington Way Health Centre
- create capacity for the Merchant Street and Stroudley Walk Practices to register up to 17,000 patients ((the refurbished premises at Wellington Way, without the extension, will have capacity for a maximum of 13,500 patients)
- the new build extension will provide 43,200 new patient appointment slots in the North-East Locality, based on a utilisation rate of 60%
- enable an expansion of the primary care workforce in the North-East Locality, equivalent to 1 GP per 1,800 new patients
- the purchased equipment for the extension will include IT equipment, hydraulic examination couches, cabinetry, task chairs and other furnishings required for a fully equipped primary care medical facility.

6.12 It is expected that the new facility will be operational by September 2018.

## Other Funding Sources

6.14 There are no other funding sources available for this project and there is no requirement or expectation for match funding. Due to the financial pressures facing the NHS, Tower Hamlets CCG does not have access to any capital resources for building projects. However, the NHS will meet the revenue costs for the employment of clinical and administrative staff that will be required at the expanded Wellington Way Health Centre.

## Related Projects

6.15 This project builds on two other projects that are upgrading primary care healthcare facilities in the North-East Locality of Tower Hamlets:

- Re-provision of the St Paul's Way Medical Centre to a new facility within the William Cotton Place development PID which was approved at IDB in April 2014)



- Re-provision of the Merchant Street and Stroudley Walk GP practices at the refurbished Wellington Way Health Centre. The refurbishment project will enable the two practices to expand their combined registered list to 13,500 patients. However, the extra capacity will be insufficient to meet future demand resulting from planned population for the area. The proposed new extension to the Wellington Way premises, set out in this PID, will provide the extra capacity needed for the two practices to grow their combined list to 17,000 patients.
- The above projects form part of a wider Section 106 funded capital programme to improve healthcare services infrastructure across the borough of Tower Hamlets.

6.16 It is proposed that the proposed Wellington Way Health Centre (New Build Extension) project be run in tandem with the project (that was approved at October 2016 IDB) that is currently underway to refurbish the existing premises to provide fit for purpose accommodation for the Merchant Street and Stroudley Walk GP practices.

## **7.0 Approach to Delivery and On-going Maintenance/Operation**

7.1 NHS Property Services and NHS Tower Hamlets CCG will apply effective public procurement, prioritising good design outcomes to maximise the social, environmental and economic benefits of the development.

### Procurement

7.2 The proposed contractual arrangements in this procurement are as follows:

- NHS Property Services will procure the scheme design and fit-out works and manage the construction of this development, with capital funding provided via a Section 106 capital grant.
- To reduce costs for design and professional fees, it is proposed that the new extension and the internal refurbishment of the existing Wallington Way Centre be integrated as a single procurement. Construction works are expected to be procured via a traditional form JCT tender, with invitations issued to a selected list of contractors who are proven at this scale and scope of NHS fit-out, in accordance with the NHSPS tendering guidelines. NHSPS will appoint a professional design team, including a contract administrator who will be

responsible for compliance in terms of valuations, payments and acceptance of practical completion prior to handover.

- NHSPS will sub-let the fully fitted out medical suite at the Wellington Way Health Centre (including the new build extension) to the Merchant Street and Stroudley Practices via a full repairing, insurance lease agreement for an initial 30-year term
- NHS Tower Hamlets CCG will procure furnishings and IT equipment for the six treatment rooms, with capital funding provided via a Section 106 capital grant
- The NHSPS and CCG procurements will be undertaken in accordance with NHS Standing Financial Instructions

7.3 The health facility will be in the ownership of NHSPS as a virtual freehold. NHSPS will be responsible for external repairs, whilst it is expected that maintenance of internal furnishings and equipment, utilities, rates and insurances will be the responsibility of the Merchant Street and Stroudley Walk practices, in accordance with the terms of their lease agreements with NHSPS. IT equipment will be maintained by Tower Hamlets CCG.

7.4 All on-going revenue costs arising from this project will be funded by the NHS.

7.5 The Wellington Way building and site is owned by the NHS. This negates the risk that the building or any part of the grounds could be redeveloped for another purpose in the short to medium term following the Council's investment. If this building was owned by a private surgery, this risk would be greater.

## **8.0 Infrastructure Planning Evidence Base Context**

8.1 Twenty healthcare projects have been identified in the current Infrastructure Delivery Plan (2016) to help meet the need for primary healthcare facilities in the borough. This includes the refurbishment of, and extension to the Wellington Way Healthcare Centre. This project is a top officer priority as it will meet increasing need in the shorter term.

## **9.0 Opportunity Cost of Delivering the Project**

9.1 The project is fulfilling a specific S106 obligation to provide additional healthcare

facilities in the borough. The funds provided are ring-fenced for healthcare facilities and cannot be used for anything else. This project is one of a number of other healthcare facilities improvement projects being delivered through S106 monies – spread around the borough and decided according to need.

## 10.0 Local Employment and Enterprise Opportunities

10.1 NHS Tower Hamlets CCG and NHS Property Services as statutory public sector bodies will use their procurement procedures to secure any required contracts. The existing or appointed contractor will be requested to work with the council's Economic Development Team who can support them in delivering any economic and community benefits associated with any contract.

## 11.0 Financial Programming and Timeline

### Project Budget

11.1 Table 2 below sets out the details of the project's budget and funding sources.

<b>Table 2</b>			
<b>Financial Resources</b>			
<b>Description</b>	<b>Amount</b>	<b>Funding Source</b>	<b>Funding (Capital/ Revenue)</b>
Construction cost including prelims	£796,457	S106	Capital
Professional fees	£117,364	S106	Capital
Equipment, IT, project and legal costs	£244,514	S106	Capital
Contingency and inflation	£124,694	S106	Capital
VAT (less estimate for VAT recovery)	£210,671	S106	
<b>Total</b>	<b>£1,493,700</b>		

11.2 The cost estimate for construction works have been forecast by recognised cost consultants, Richard Stephens Partnership, RICS quantity surveyors. The pricing indices for are as per current RICS Building Cost Information Service (BCIS) information. The estimate is based at "Present Day" prices with adjustment to the estimated total to allow for "Market Trends" up to the mid-point of the construction period. No adjustment for location has been made as this is assumed to be within the Price and Design Risk percentage. Any monies not spent will be used for the purchase of additional equipment within the development.

## NHS VAT Liability

- 11.3 With regards to VAT liabilities for this project, the CGG has received advice from Bauer VAT Consultants Ltd, as follows: *Whereas 'normal businesses' are entitled to recover VAT on goods/services used in the course of business, the NHS is severely restricted on precisely what services it is able to recover VAT on; the specifics of which are included in the COS guidance. To give some context, local authorities, under the Section 33 of the VAT Act 1994, are unrestricted on VAT recovery, however the NHS are dictated by different Section 41 (Contracted Out Services) and face restrictions on what they are entitled to recover VAT on. In conjunction with the COS Guidance, the NHS must have an 'in-house-ability' to conduct the services; an example where this would not occur would be on **statutory** building inspections, the NHS could not conduct this service in-house therefore they would be unable to recover the VAT on the inspection.* Taking account of further advice received from Quantity Surveyors, Currie & Brown Holdings Ltd, we estimate that 3.58% of the total project cost will be VAT recoverable. A sum equivalent to this percentage has been deducted from the estimated VAT total in Table 2 above. It should be noted that it is the CCG's standard practice to draw down S106 grant monies on a quarterly basis in arrears against actual expenditure, but only after any VAT liabilities have been calculated.

## Project Management

- 11.4 The Project will be managed by NHGS Tower Hamlets Clinical Commissioning Group. The CCG has established robust programme management arrangements to ensure consistent design and completion of S106 healthcare infrastructure schemes within the required programme and budget parameters. The programme is managed by NHS Tower Hamlets System Wide Estates and Capital Strategy Group, which is led by the Deputy Director of Commissioning Development and meets monthly. The membership of the Estates Strategy Group includes a representative from the Borough.
- 11.5 The operational delivery of this project will be managed by the Wellington Way Health Centre Project Board, which reports into and is accountable to NHS Tower Hamlets System Wide Estates and Capital Strategy Group. Membership of the Project Board comprises officers from NHS Tower Hamlets CCG, NHS England, the London Borough of Tower Hamlets, NHS Property Services and representatives from the GP practices, including patient representatives.
- 11.6 The Project Board will manage project delivery against programme milestones and the benefits realised against project objectives and the benefits sought. Project

evaluation will be an integral part of the overall project management, contract management and commissioning processes.

### Financial Profiling

11.7 Table 3 below sets out the profile of the project's expenditure over its lifetime

<b>Table 3</b>							
<b>Financial Profiling</b>							
<b>Description</b>	<b>17/18</b>	<b>18/19</b>				<b>19/20</b>	<b>Total</b>
	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	
Construction cost including prelims	£79,646	£159,291	£318,583	£159,291	£0	£79,646	£796,457
Professional fees	£35,209	£46,946	£23,473	£0	£0	£11,736	£117,364
Equipment, IT, project and legal costs	£24,451	£48,903	£48,903	£73,354	£48,903	£0	£244,514
Contingency and inflation	£12,469	£37,408	£37,408	£12,469	£12,470	£12,470	£124,694
VAT (less estimate for VAT recovery)	£21,067	£42,134	£84,268	£42,134	£0	£21,068	£210,671
<b>Total</b>							£1,493,700

### Outputs/Milestone and Spend Profile

11.8 Table 4 below sets out key events (milestones) as the projects moves through its lifecycle.

<b>Table 4</b>			
<b>Project Outputs/Milestone and Spend Profile</b>			
<b>ID</b>	<b>Milestone Title</b>	<b>Baseline Spend</b>	<b>Baseline Delivery Date</b>
1	Final design/business case	£57,614	30/11/2017
2	Contractors appointed (contract signed)	£115,229	19/01/2018
3	Contractors start on site	£334,682	10/01/2018
4	Contractors end on site	£799,884	29/09/2018
5	End of contract defects liability period	£186,291	29/09/2019
<b>Total</b>		<b>£1,493,700</b>	

## 12.0 Project Team

12.1 Information regarding the project team is set out below:

- Project Sponsor: Somen Banerjee, Director of Public Health
- Abigail knight, Associate Director Public Health (Children & Families)

## 13.0 Project Reporting Arrangements

13.1 Direct progress reporting will be dealt with via NHS Project Board; the Council's Project Manager will be a member of the Project Board. In addition, progress reporting will be provided to the Council as follows:

<b>Table 5</b>			
<b>Group</b>	<b>Attendees</b>	<b>Reports/Log</b>	<b>Frequency</b>
IDSG Sub Group	Numerous – defined in ToR.	Monitoring Report	Quarterly
IDSG	Numerous – defined in ToR.	Monitoring Report	Quarterly
IDB	Numerous – defined in ToR	Monitoring Report	Quarterly

## 14.0 Quality Statement

14.1 For quality assurance, the Wellington Way Health Centre refurbishment and new

build extension will be developed in accordance with all relevant NHS guidance for healthcare building design, technical requirements and good practice in stakeholder engagement, including the following:

- Health Building Note 00-01 General design guidance for healthcare buildings. HBNs give best practice guidance on the design and planning of new healthcare buildings and on the adaptation or extension of existing facilities.
- Health Technical Memoranda (HTMs) give comprehensive advice and guidance on the design, installation and operation of building and engineering technology used in the delivery of healthcare.
- BREEAM Healthcare sets the standard for best practice in sustainable building design, construction and operation and has become one of the most widely recognised measures of a building’s environmental performance. The aim is for this development to achieve a BREEAM rating of ‘very good’, in accordance with BREEAM Criteria for fitted out premises.
- Design Quality Indicator (DQI) is a facilitated process that takes the form of structured workshops to assess and evaluate the quality of building design. The Design Quality Indicator empowers the building’s stakeholder community by providing a structured way to talk about their new building. By encouraging effective communication between suppliers and the eventual users of the building, the process helps suppliers deliver excellent buildings attuned to the users’ needs.

## 15.0 Key Risks

15.1 The key risks to this project are set out in the Table 6 below:

Table 6							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
1	Building Control / Development control approvals are		Delay while permissions obtained	Confirm these are not required before commencement of work	1	2	2

**Table 6**

Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
	required						
2	Cost overrun on building works	Additional works requirement not foreseen in quotes	Costs exceed budget	Extensive planning and quotes obtained for building work. Learning from previous experiences.	1	1	1
3	Service disruption	Inability to provide normal GP function from the existing site when works are being undertaken	Alternative premises requirement or reduction of service provision	Project management discussion with developer in order to minimise disruption of service	1	1	1
4.	Slippage on building works causing overrun		Project overrun	Project management and penalties built in	1	1	1
5.	ICT equipment not required specification / incompatible with existing infrastructure		Inability to fully utilise new equipment	Only equipment meeting the necessary specification will be ordered	1	2	2

## 16.0 Key Project Stakeholders

16.1 The principal stakeholders are shown in Table 6 below and will be engaged from the earliest stages of the project and through to project closure. The key stakeholders will be engaged as required, after delivery is completed.



<b>Table 7</b>			
<b>Key Stakeholders</b>	<b>Role</b>	<b>Communication Method</b>	<b>Frequency</b>
NHS Tower Hamlets CCG	Supplier	Project Board	Monthly
Merchant Street and Stroudley Walk GP Practices	Service Provider	Project Board	Monthly
NHS Property Services	Building Client	Project Board	Monthly

## 17.0 Stakeholder Communications

17.1 As part of its remit, the Wellington Way Health Centre Project Board will develop a communications strategy that will aim to:

- provide clear, consistent information to stakeholders at key stages of the project
- issue and publish the key messages to patients and key stakeholders
- ensure that the parties delivering the project are aware of their communications responsibilities
- raise awareness of the project via the local media
- ensure patients and key stakeholders of the Merchant Street and Stroudley Walk practices are fully informed in a timely manner about the arrangements for the relocation to the new premises at Wellington Way

### Target audience

- Staff at the Merchant Street and Stroudley Walk Practices
- Registered patients of Merchant Street and Stroudley Walk Practices
- Merchant Street and Stroudley Walk Practices Patient Participation Groups
- Tower Hamlets Healthwatch
- London Borough of Tower Hamlets
- Ward Councillors
- Tower Hamlets CVS
- NHS England
- GP practices in the South-East Locality
- Local MP
- Local Medical Committee
- Local Pharmaceutical Committee
- Tower Hamlets CCG
- NHS Property Services
- Local media

## 18.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.

Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director	Somen Banerjee		

### Project Closure

*[Please note that once this project has been completed a Project Closure Document is to be completed and submitted to the Infrastructure Planning Team and the S106 Programme Manager.]*

## **Appendices**

*[Amend as necessary]*

Appendix A: Recorded Corporate Director's Action Form;

Appendix B: Risk Register;

Appendix C: Project Closure Document

## Project Closure Document

<b>Project Closure Document</b>							
<b>1.</b>	<b>Project Name:</b>						
<b>2a.</b>	<b>Outcomes/Outputs/Deliverables</b> I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the any Funding Agreement/PID including any subsequently agreed variations.	<b>Please Tick ✓</b>  <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"><b>Yes</b></td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;"><b>No</b></td> <td style="width: 25%;"></td> </tr> </table>		<b>Yes</b>		<b>No</b>	
<b>Yes</b>		<b>No</b>					
<b>2b.</b>	<ul style="list-style-type: none"> <li>Key Outputs <i>[as specified in the PID]</i></li> <li>Outputs Achieved <i>[Please provide evidence of project completion/delivery e.g. photos, monitoring returns / evaluation]</i></li> <li>Employment &amp; Enterprise Outputs Achieved <i>[Please specify the employment/enterprise benefits delivered by the project]</i></li> </ul>						
<b>3a.</b>	<b>Timescales</b> I confirm that the project has been delivered within agreed time constraints.	<b>Please Tick ✓</b>  <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"><b>Yes</b></td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;"><b>No</b></td> <td style="width: 25%;"></td> </tr> </table>		<b>Yes</b>		<b>No</b>	
<b>Yes</b>		<b>No</b>					
<b>3b.</b>	<ul style="list-style-type: none"> <li>Milestones in PID <i>[as specified in the PID]</i></li> <li>Were all milestones in the PID delivered to time <i>[Please outline reasons for any slippage encountered throughout the project]</i></li> <li>Please state if the slippage on project milestone has any impacts on the projects spend (i.e. overspend) or funding (e.g. clawback)</li> </ul>						
<b>4a.</b>	<b>Cost</b> I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	<b>Please Tick ✓</b>  <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"><b>Yes</b></td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;"><b>No</b></td> <td style="width: 25%;"></td> </tr> </table>		<b>Yes</b>		<b>No</b>	
<b>Yes</b>		<b>No</b>					
<b>4b.</b>	<ul style="list-style-type: none"> <li>Project Code</li> <li>Project Budget <i>[as specified in the PID]</i></li> <li>Total Project Expenditure <i>[Please outline reasons for any over/underspend]</i></li> <li>Was project expenditure in line with PID spend profile <i>[Please outline reasons for any slippage in spend encountered throughout the project]</i></li> </ul>						

5.	<b>Closure of Cost Centre</b> I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> <li>• Staff employment terminated</li> <li>• Contracts /invoices have been terminated/processed</li> </ul>	Please Tick ✓			
		Yes		No	
		Yes		No	
		Yes		No	
6.	<b>Risks &amp; Issues</b> I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes		No	
7.	<b>Project Documentation</b> I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes		No	
These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>					
8.	Lessons learnt				
	<ul style="list-style-type: none"> <li>• Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i></li> </ul> <hr/> <hr/>				
	<ul style="list-style-type: none"> <li>• Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i></li> </ul> <hr/> <hr/>				
	<ul style="list-style-type: none"> <li>• Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i></li> </ul> <hr/> <hr/>				
	<ul style="list-style-type: none"> <li>• Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i></li> </ul> <hr/> <hr/>				
	<ul style="list-style-type: none"> <li>• Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i></li> </ul> <hr/> <hr/>				
<ul style="list-style-type: none"> <li>• Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i></li> </ul>					

<b>9.</b>	<p><b>Comments by the Project Sponsor including any further action required</b>  <i>[Use to summarise project delivery and any outstanding actions etc]</i></p> <hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>		
<b>10.</b>	The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.		
	Sponsor (Name)		Date
	Project Manager (Name)		Date