

PROJECT INITIATION DOCUMENT

(August 2017)

Suttons Wharf Health Centre

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.]

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

Project Initiation Document (PID)

Project Name:	Suttons Wharf Health Centre		
Project Start Date:	November 2017	Project End Date:	September 2018
Relevant Heads of Terms:	Health		
Responsible Directorate:	Adults Services		
Project Manager:	Abigail knight Associate Director Public Health (Children & Families)		
Tel:		Mobile:	
Ward:	Bethnal Green		
Delivery Organisation:	NHS Tower Hamlets Clinical Commissioning Group / NHS Property Services		
Funds to be passported to an External Organisation? ('Yes', 'No')	Yes		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	Yes		
Supplier of Services:	Globe Town Surgery / NHS		
Is the relevant Lead Member aware that this project is seeking approval for funding?			
Is the relevant Corporate Director aware that this project is seeking approval for funding?	Yes		
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's	No		

Action (RCDA)? (if 'Yes' please 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')	Yes
<u>S106</u>	
Amount of S106 required for this project:	£2,841,354.06
S106 Planning Agreement Number(s):	PA/08/00146 PA/13/02938 PA/13/01991 PA/13/01432 PA/13/01433 PA/12/01829 PA/10/01734 PA/05/00236 PA/11/00890 PA/09/01656 PA/11/03375 PA/08/02347 PA/08/02093 PA/09/02065 PA/12/02332 PA/12/00637 PA/07/02265 PA/13/02722 PA/13/01656 PA/14/00293 PA/13/02529 PA/12/02577 PA/11/01944 PA/13/00384 PA/12/02107 PA/13/02580 PA/14/02585 PA/12/02494 PA/11/01945
<u>CIL</u>	
Amount of CIL required for this project:	£278,023.94
Total CIL/S106 funding sought through this project	£3,119,378
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

Organisation	Name	Title
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
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
LBTH – Governance	Oscar Ford	Service Manager - Strategy, Performance & Resources
LBTH – Health, Adults and Community	Flora Ogilvie	Associate Director of Public Health
LBTH – Children’s	Janice Beck	Head of Building Development
LBTH – Place	Adele Maher	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
If copies of the related documents are required, contact the Project Manager			

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1.0 Purpose of the Project Initiation Document

- 1.1 This project initiation document sets out proposals for the relocation of the Globe Town Surgery, in the North-West Locality, to the Suttons Wharf Development in Tower Hamlets. Population growth, stimulated by new residential development, is driving increased demand for healthcare provision in the Locality. The proposed new health facility at the Suttons Wharf development will help to build the extra clinical capacity that will be required to meet the increased demand for primary care.
- 1.2 Within the context of increasing financial challenges it is becoming ever more difficult for health services to fund new facilities and alternative funding sources are being pursued to cross-subsidise. The NHS in Tower Hamlets has a successful record in delivering health infrastructure initiatives aided by S106 contributions in partnership with the Council and a one-off capital investment to bring this scheme to completion is therefore appropriate through this route.
- 1.3 This Project Initiation Document (PID) will define the Suttons Wharf Health Centre 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 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 5th 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 following developments as listed below:

Planning Application	Site Address	Date Payment Received	Expiry Date	Expiry Date Note	Funding Requirements	PA Amount Received	Amount Requested
PA/08/00146	St Georges Estate	10/01/2014	TBC	In event contributions are not expended in full or committed within 10 years from date of practical completion of the whole development council shall repay unspent balance.	"for additional healthcare facilities"	£262,941.00	£131,470.00
PA/13/02938	Suttons Wharf, Palmers Road	15/10/2014	no expiry date	no expiry date	Towards health care facilities in the borough	£40,182.00	£21,099.50
PA/13/01991	Former St. Andrews Hospital	16/07/2014	16/07/2024	10 years from date of receipt.	Towards healthcare facilities in the Borough	£93,931	£93,931

PA/13/01432	Poplar Baths	16/07/2014	TBC	Not expended in full within 10 years from date of practical completion of the whole development	Towards primary health care facilities in the borough	27,487.00	27,487.00
PA/13/01433	Dame Colet and Haileybury	16/07/2014	TBC	10 years from practical completion	Towards primary healthcare facilities in the borough	14,020.00	14,020.00
PA/12/01829	640 Commercial Road	22/07/2014	TBC	10 years from practical completion	Towards healthcare facilities	33,729.00	33,729.00
PA/10/01734	Bow Enterprise Park	14/08/2014	TBC	10 years from practical completion	Healthcare facilities in the Borough	£369,164.39	£193,269.72
PA/05/00236	69 Fairfield Road, Bow, London E3 2QA	12/12/2011	No expiry date mentioned		Towards the provision of health care	144,192.00	144,192.00
PA/11/00890	101-109 Fairfield Road	12/10/2011	TBC	10 years from practical completion repay unspent balance	Additional health care facilities	71,153.49	71,153.49
PA/09/01656	16-24, 48-50 Bow Common Lane	13/02/2013	TBC	Not expended in full or committed within 15 years of practical completion of the whole development.	Health care facilities	174,394.69	174,394.69
PA/11/03375	Land at Poplar Business Park	19/06/2015	TBC	Within 10 years of practical completion	Use towards additional healthcare facilities in the borough	£531,889	£531,889
PA/08/02347	Holland Estate	21/02/2014	TBC	10 years from date of practical completion	Provision of future Health and Social care facilities	225,596.00	100,000.00
PA/08/02093	The Bede Estate, Bow Common Lane, London	05/10/2009	TBC	Expended or committed within 10 years from date of practical completion of whole development	Towards the provision of future health and social care facilities within the council's administrative area	324,859.50	10,156.30
PA/09/02065	Eric and Treby Estate	26/09/2011	TBC	10 years practical completion	Provision of future Health and Social care facilities	224,122.00	76,740.05
PA/12/02332	Leopold Estate, Bow Common Lane, St Pauls Way & Burdett Road - phase6	01/04/2015	TBC	Spent or committed within 10 years of date of practical completion	Towards health facilities in the borough	£56,840	£56,840
PA/12/00637	land adjacent langdon park station	02/11/2015	TBC	Expended or committed within 7 years from date of practical completion of the whole development	Additional healthcare facilities in the borough	£258,942.00	£146,806.03
PA/07/02265	80 Backchurch Lane	13/01/2016	13/01/2026	failed to utilise all or any part of the financial contribution paid within 10 years	Towards the provision of health care facilities	£82,236.00	£82,236.00

				of the date of payment			
PA/13/02722	Peterley Business Centre	27/01/2016	TBC	Not expended in full or committed within 10 years from the date of practical completion of that phase the council shall repay the unspent balance of the said financial contribution to the owner together with interest.	Additional healthcare facilities in the borough	£20,433.43	£20,433.43
PA/13/01656	Former Job Centre Plus 307 Burdett Road	19/02/2016	19/02/2026	Utilise within 10 years of payment or repay to developer	Provision, upgrading and maintenance of health facilities within the borough	£87,861.35	£87,861.35
PA/14/00293	7 Limeharbour	08/03/2016	TBC	Expended in full or committed within 10 years from date of practical completion	Additional healthcare facilities in the borough	£177,284	£177,284
PA/13/02529	car park cygnet street	07/04/2016	TBC	Expended in full or committed within 10 years from date of practical completion of the whole development	Healthcare facilities in the Borough	£50,011.86	£50,011.86
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	£7,955.50
PA/11/01944	Thomas Road	31/05/2016	TBC	expended in full or committed for expenditure within 5 years from the date of practical completion of the whole development	improvements to health facilities in the borough	£135,266.96	£135,266.96
PA/13/00384	Former Queen Elizabeth Hospital	22/06/2016	TBC	Not expended in full or committed within 10 years from the date of practical completion of the whole development	Additional healthcare facilities in the borough	£81,000	£81,000
PA/12/02107	Car Park at South East Junction of Preston's Road	22/07/2016	TBC	10 years from date of practical completion	Additional healthcare facilities in the borough	75,000.00	75,000.00
PA/13/02580	Limehouse Library (638 commercial Road)	22/07/2016	TBC	Not expended in full or committed within 10 years from the date of practical completion of the whole development	Towards health facilities	£58,624.00	£58,624.00
PA/14/02585	Watts Grove	18/08/2016	no expiry date	No expiry date	Towards health facilities	25,000.00	25,000.00
PA/12/02494	100 Violet Road	18/08/2016	TBC	Expended in full or committed within 7 years from date of practical completion	Additional Healthcare facilities in the borough	£126,589.88	£126,589.88
PA/11/01945	Dollar Bay	22/12/2016	TBC	Expended in full or committed within 5 years from the date of practical completion.	Improvements to health facilities in the borough.	182,841.30	182,841.30

CIL

- 2.9 In terms of the approval to allocate CIL funding, the project detailed within this PID complies with the requirements for spending CIL.

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 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 proposed health facility at the Suttons Wharf development will be designed to facilitate a greater focus on prevention, rather than simply curing disease, providing inclusive healthcare services for both mental and physical health which meets the needs of different communities and delivers improved clinical outcomes.
- 3.4 The Suttons Wharf 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 The s106 agreement for PA/08/02347 is unfortunately missing schedule four which sets out the financial contributions in detail. Legal Services therefore relies on the information provided in this report that a contribution of £225,596.00 was made with the intention that it be spent on the provision of health and social care facilities. Legal Services considers that the remainder of the contributions to build Suttons Wharf Health Centre satisfies the terms of the S106 agreements set out in the table at paragraph 2.5 above.

- 4.2 The agreements require the contributions to be used towards providing health and social care facilities in the borough. The project overview at section 5 helpfully explains that the contributions will be used to fit out the premises of Suttons Wharf Health Centre which shall replace Globe Town Surgery. A number of these agreements require any such facilities to be in addition to current provision. However, since this project shall result in increased capacity and provide new infrastructure it should be considered as creating additional facilities beyond that currently provided by the current premises. As such, it 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 We ought to point out that technically the financial contributions received under PA/14/02585 were not made under a S106 agreement, but rather through a scheme submitted pursuant to planning condition (4). This was because the Council owns the relevant land and as a matter of law the Council cannot covenant with itself under S106 where it is also the enforcing authority. Nonetheless, we consider IDSG to be the appropriate forum to approve the use of this funding. Although not a S106 payment, its purpose is aligned (to make the development acceptable in planning terms) and it would have been, but for this idiosyncrasy of public law. The Council will need to ensure that any spending of the contribution is in accordance with this scheme,
- 4.5 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.
- 4.6 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.
- 4.7 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.

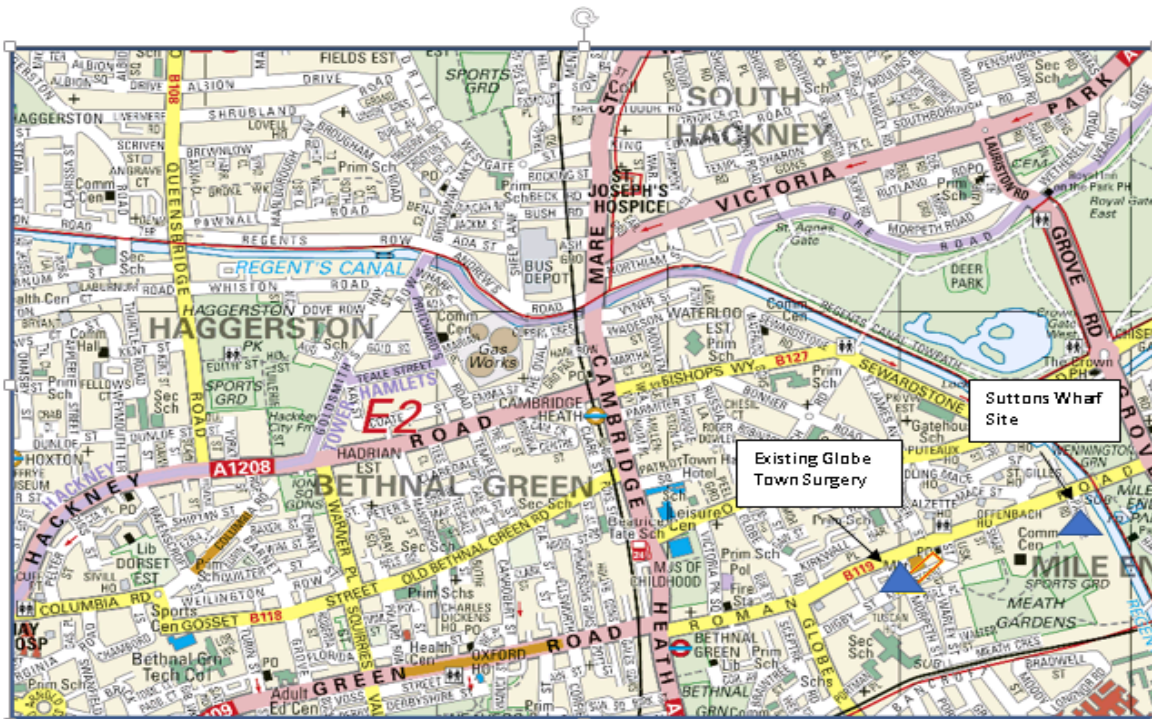
5.0 Overview of the Project

- 5.1 The shell and core of the development at Suttons Wharf has been completed and S106 funding is sought to undertake the fit out of the premises to enable a reprovision for the Globe Town Surgery to the nearby Suttons Wharf development. The fitted-out premises will provide 12 consulting rooms and 3 treatment rooms, as well as a multi-purpose group room and counselling room. Two of the consulting rooms will be dedicated GP training rooms.
- 5.2 The Suttons Wharf development was completed in 2015 and comprises over two hundred apartments contained within four modern tower blocks. The development is situated approximately 600 metres from the Globe Town Surgery's existing practice premises. The Globe Town Surgery will occupy 992.8 m² of ground premises within Block A2 at the Suttons Wharf development in Palmers Road, Bethnal Green.
- 5.3 The existing Globe Town Surgery building, situated in Roman Road, is in poor condition and is far too small to provide the level of service that is required. The premises are held on a lease with a third-party landlord, which is due to expire in September 2020. The Practice will surrender its existing lease when the service relocates to the Suttons Wharf premises in September 2018. However, in the event of a failure to agree terms with the landlord for an early surrender of the lease, the CCG has undertaken to repurpose the use of the building temporarily and to meet the revenue costs for the rental charge and business rates and other associated property charges for the remaining two year term.
- 5.4 The new health centre will provide the modern facilities and clinical capacity needed to enable the Globe Town Surgery to grow its patient list from 13,000 to 18,000 over the next five years to 2022. The facility will provide the new infrastructure required to meet the primary care healthcare needs of the population of the Bethnal Green, Bow West, Mile End and St Peters Wards. The new Health Centre will serve as a key resource for the local community for public health and health promotion activities, and will be accessible in the evenings and at weekends.
- 5.5 The Globe Town Surgery also serves as the GP practice for the student population at the nearby Queen Mary University of London (QMUL). Due to the lack of space at the existing Roman Road premises, the Practice provides GP services to students

from two clinic rooms that are currently housed within the Geography Building on the QMUL site. The new health centre will enable the student health service to be consolidated onto the Suttons Wharf site. The Practice has a high proportion of young people on its registered list and therefore plan to use the opportunity of a new facility to expand the range of services it provides to young people, including mental health and sexual health services.

5.6 Globe Town Surgery is part of the Tower Hamlets North West GP Locality. Primary care services that are commissioned on a locality basis are, for the most part, delivered from the Blithedale Health Centre, which serves as the Hub for the North-West Locality. There are, however, already capacity pressures at the Blithedale premises. The Suttons Wharf facility will therefore provide the additional capacity that will be required to meet future demand for locality level services, including out of hours provision.

5.7 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 Globe Town Surgery is one of the larger Practices in Tower Hamlets with a list size of 13,000. The Surgery is currently housed in cramped premises and local NHS organisations have been working with the practice for a number of years to identify a premises solution for this service. With the increase in population and the related demands of the surgery, it is becoming unsustainable to deliver primary care services from their current premises.
- 6.2 Globe Town Surgery is a high performing practice and is amongst the best performers in Tower Hamlets network enhanced services. It is vitally important that this practice is retained and relocated to modern, fit for purpose premises given the increasing list size and the high levels of performance.
- 6.3 There are a number of reasons for this requirement:
- The current premises are grossly overcrowded with no room for expansion. The lack of space severely compromises the quality of the patient experience, hinders the operation of the service and undermines staff recruitment and retention
 - With an internal floor area measuring only 320m², the current surgery premises provide only 34% of the accommodation recommended for a GP practice with over 13,000 registered patients
 - All existing consulting and treatment rooms are under-sized and in one case, clinical staff are having to provide consultations from a room that measures only 5.37m².
 - Confidentiality is difficult to achieve due to the lack of private areas within the existing premises
 - As a training Practice, Globe Town need to be able to accommodate trainees on site
 - The common room doubles up as a staff rest room, meeting room and teaching area
 - The area is one of significant deprivation and has higher rates of people on out of work benefits than Tower Hamlets as a whole

- Diabetes, childhood obesity, rates of smoking, STIs, Tuberculosis, in the area is above the national average
- The population within the practice's catchment area is projected to increase by at least a further 3,000 residents in the next 4 years
- The existing practices in the North-West Locality, which includes the Globe Town Surgery, do not currently have the capacity to meet the predicted increase in demand for primary care services

6.4 The aim of the proposal is to both overcome existing inadequacies in the NHS estate in the North-West Locality and to improve the provision of primary services, delivered from high quality premises, to meet both current and future needs of the local population.

6.5 The shell and core premises for the health centre was completed by the developer in 2015 and the NHS is now under pressure to conclude a formal agreement to acquire the site. The CCG and NHSPS have therefore commissioned a design team and commenced preparation of the business case at their own financial risk, pending approval of this PID by the Council. The early completion of this preparatory phase of the work will enable NHSPS to sign an agreement with the developer to purchase the site in November 2017 using NHS capital. The CCG will appoint a building contractor in December 2017. Construction works are planned to start in January 2018 and completed in September 2018.

Demand Modelling

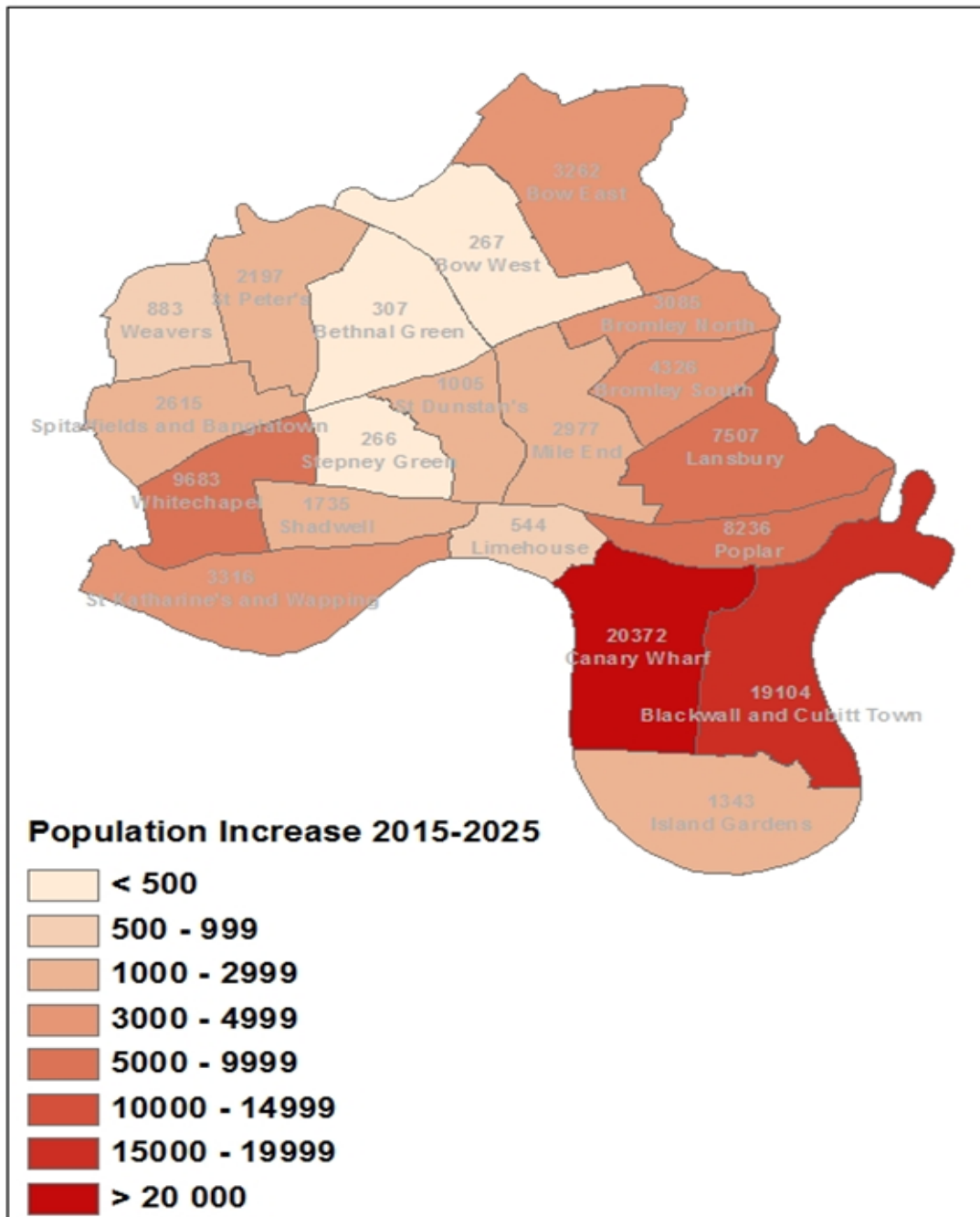
6.6 NHS Tower Hamlets Clinical Commissioning Group has developed a model with clinicians to enable projection of future demand for primary care services. The modelling exercise, which takes account of population growth and planned shifts in outpatient activity from hospital to primary care, has identified a requirement for the provision of seven additional clinical rooms in primary care to meet demand within the North-West Locality by 2021/22.¹ The Suttons Wharf Health Centre development will create a further five clinical rooms. 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-West Locality, including outline proposals to develop a new health facility at Goodman's Fields. A PID for the Goodman's Field's development will be submitted during 2017.

¹ Transforming Services Together Estate Options, WEL CCGs

6.7 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.

6.8 Figure 1 below shows the net increase in population in Tower Hamlets Wards to 2025².

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



² LBTH Report, Potential Future Primary Healthcare Infrastructure, 2016

6.9 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 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

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

- Replace the existing, poor quality accommodation currently housing the Globe Town Surgery
- Provide a modern health facility within the Suttons Wharf development with sufficient 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 Suttons Wharf Centre development represents value for money and is affordable to the local health economy

Project Drivers

6.11 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 Suttons Wharf development.

6.12 The NHS Tower Hamlets CCG Estates Strategy identifies a requirement to development new facilities in the North-West Locality to meet future demand for primary care services. The Suttons Wharf Health Centre development will contribute to delivery of the extra clinical capacity that is required in the Locality

Deliverables, Project Outcomes and Benefits

6.13 This project will:

- deliver a new, fully equipped modern health facility with 15 clinical rooms in the North-West Locality
- deliver new health infrastructure with capacity for up to 18,000 registered patients (the existing practice premises has capacity for a maximum of 13,000 patients)
- provide 36,000 new patient appointment slots in the North-West Locality, based on a utilisation rate of 60%
- enable an expansion of the primary care workforce in the North-West Locality, equivalent to 1 GP per 1,800 new patients

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

Other Funding Sources

6.15 £2,000,000 will be sourced from NHSPS capital to fund the purchase of a 925-year lease for the shell and core premises from Barwood Ventures Ltd.

Related Projects

6.16 This project builds on other capital projects that are being implemented to expand and upgrade primary care healthcare facilities in 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 PID which was approved in October 2016 and proposed new build extension PID which is being considered along with this PID.
- Maximising existing health infrastructure PID which was approved in 2016; a project that involves alterations to GP practice premises to create extra clinical capacity to meet increased health need

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.
- 7.2 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 Globe Town Surgery, in accordance with the terms of the practice's lease agreement with NHSPS. IT equipment will be maintained by Tower Hamlets CCG.
- 7.3 All on-going revenue costs arising from this project will be funded by the NHS.

Procurement

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. 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.

- NHS Property Services will purchase a lease for the entire shell and core health premises at the Suttons Wharf Development for a term of 925 years at premium agreed between the developer, Barwood Ventures Ltd, and NHSPS
- NHSPS will sub-let the fully fitted out medical suite to the Globe Town Surgery via a full repairing, insurance lease agreement for a 30-year term
- NHS Tower Hamlets CCG will procure furnishings and IT equipment for the fitted out medical suite, 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

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 relocation of the Globe Town Surgery to the Suttons Wharf development to meet increasing need in the medium term.

8.2 See also 6.5 (Demand Modelling)

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 to sets out the details of the project's budget and funding sources.

Table 2			
Financial Resources			
Description	Amount	Funding Source	Funding (Capital/ Revenue)
Construction costs	£1,534,276 £ 278,024	S106 CIL	Capital Capital
Project contingency / optimism bias	£208,500	S106	Capital
Professional fees	£271,900	S106	Capital
Furniture & equipment	£246,722	S106	Capital
IT	£90,000	S106	Capital
VAT (less estimate for VAT recovery)	£439,956	S106	Capital
Total	£3,119,378		

11.2 The cost estimate of £1,812,300 for construction works has been forecast by recognised cost consultants, Ridge & Partners LLP, 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 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 Suttons Wharf Health Centre Project Board, which reports into and is accountable to the Estates 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 Merchant Street and Stroudley Walk GP practices.
- 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.
- 11.7 Table 3 below sets out the details of the project's cost plan structure.

Table 3			
Current cost plan structure		% of works	% of total
Construction cost	£1,812,300		56.36%
Professional fees	£271,900	15.00%	8.46%
Equipment, IT, project and legal costs	£386,722	21.34%	12.03%
Optimism bias and project contingency	£208,500	11.50%	6.48%
VAT	£535,884	29.57%	16.67%
Total	£3,215,306		

Financial Profiling

11.8 Table 4 below sets out the profile of the project's expenditure over its lifetime.

Table 4									
Financial Profiling									
Description	Year 2017/18				Year 2018/19				Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Construction cost including prelims				£604,100	£604,100	£604,100			
Professional fees				£67,975	£67,975	£135,950			
Equipment, IT, project and legal costs				£96,680.50	£96,680.50	£193,361			
Contingency and inflation				£69,500	£69,500	£69,500			
VAT				£167,651.10	£167,651.10	£200,582.20			
Total				£1,005,907	£1,005,907	£1,203,493			£3,215,306

Outputs/Milestone and Spend Profile

11.9 Table 5 below sets out key events (milestones) as the projects moves through its lifecycle.

Table 5			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
1	NHS Business Case	£25,000	24/11/2017
2	Contractors appointed (contract Signed)	£215,000	15/12/2017
3	Contractors Start on site	£44,000	10/01/2018
4	Contractors end on site	£1,750,000	07/09/2018
5	NHS commissioning process start	£790,000	10/09/2018
6	Facilities open to Public	£210,000	24/09/2018
7	Project final account	£181,306	06/04/2019
Total		3,215,306	

12.0 Project Team

12.1 Information regarding the project team is set out below:

- Project Sponsor: Somen Banerjee, Director of Public Health
- Project Manager: 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:

Table 6

Group	Attendees	Reports/Log	Frequency
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 Suttons Wharf Health Centre 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 7 below:

Table 7							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
2	Cost overrun on fit out works	Additional requirement not foreseen in quotes	Costs exceed budget	Extensive planning and quotes obtained for building work. Learning from previous experiences.	1	1	1
3	<i>Service disruption</i>	<i>??Inability to provide normal GP function from the existing site when works are being undertaken</i>	<i>Alternative premises requirement or reduction of service provision</i>	<i>Project management discussion with developer in order to minimise disruption of service</i>	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 5 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.

Table 8			
Key Stakeholders	Role	Communication Method	Frequency
NHS Tower Hamlets CCG	Delivery	Project Board	Monthly

Table 8			
Key Stakeholders	Role	Communication Method	Frequency
	Organisation		
Globe Town Surgery	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 Suttons Wharf 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 Globe Town Surgery are fully informed in a timely manner about the arrangements for the relocation to the new premises at the Suttons Wharf development

Target audience

- Staff at the Globe Town Surgery
- Registered patients of Globe Town Surgery
- Globe Town Surgery Patient Participation Group
- 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

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

5.	Closure of Cost Centre I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> • Staff employment terminated • Contracts /invoices have been terminated/processed 	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
7.	Project Documentation I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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"> • Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i> 	_____ _____			
	<ul style="list-style-type: none"> • 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> 	_____ _____			
	<ul style="list-style-type: none"> • Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i> 	_____ _____			
	<ul style="list-style-type: none"> • 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> 	_____ _____			
	<ul style="list-style-type: none"> • Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i> 	_____ _____			
	<ul style="list-style-type: none"> • Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i> 				

9.	<p>Comments by the Project Sponsor including any further action required <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;"/>		
10.	<p>The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.</p>		
	Sponsor (Name)		Date
	Project Manager (Name)		Date