

PROJECT INITIATION DOCUMENT

(April 2018)

Maximising Health Infrastructure: Island Medical Centre

(Roserton St E14)

Version Control

Version Number	Author and Job Title	Purpose/Change	Date
0.1	Dean Musk	<i>Initial version</i>	4 th Jan 2018
0.2	Dean Musk	v2	5 th Jan 2018
0.3	Dean Musk	v3	8 th Jan 2018
0.4	Matthew Phelan	V4	16 Jan 2018
0.5	Matthew Phelan	V5	18 Jan 2018
0.6	Matthew Phelan	V6	18 April 2018
0.7	Matthew Phelan	V7	24 April 2018
0.8	Matthew Phelan	V8	25 April 2018

Project Initiation Document (PID)

Project Name:	Maximising Health Infrastructure: Island Medical Centre (Roserton St E14)		
Project Start Date:	July 2018	Project End Date:	January 2020
Relevant Heads of Terms:	Health		
Responsible Directorate:	Adults Services		
Project Manager:	Matthew Phelan, Healthy Environments Programme Lead, Public Health		
Tel:	X6037	Mobile:	N/A
Ward:	Blackwall and Cubitt Town		
Delivery Organisation:	NHS Tower Hamlets CCG / 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:	NHS Tower Hamlets CCG		
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?			

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 append the draft RCDA form for signing to this PID)	No
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')	No
<u>S106</u>	
Amount of S106 required for this project:	£985,838.95
S106 Planning Agreement Number(s):	PA/06/02068 -£731,410.24 PA/12/03247 - £254,428.71
<u>CIL</u>	
Amount of CIL required for this project:	£0k
Total CIL/S106 funding sought through this project	£985,838.95
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
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Organisation	Name	Title
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LBTH – Health, Adults and Community	Abigail Knight	Associate Director of Public Health
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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
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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 (PID) document sets out proposals to remodel the existing Island Medical Centre at Roserton Street E14 3PG in order to increase its ability to serve the health needs of the expanding local population. The project will involve the health centre extending into another part of the building which is not currently in health usage in order to create more clinical space as well as remodelling the existing health space to increase the number of clinical rooms. The works proposed will provide an additional 4 GP consulting rooms and also the modernisation of the back office part of the surgery which will be relocated into the part of the building which is not currently in health usage.
- 1.2 Island Medical Centre was not included in the initial programme of Maximising Health Infrastructure (MHI) works to increase capacity in the health estate in Tower Hamlets, however, an opportunity has since then presented itself to expand the practice by leasing additional floor space. The project is therefore additional to that initial programme. The Harford and Whitechapel schemes in that programme have not proceeded beyond feasibility study and surveys due to it not being possible to obtain the necessary approvals, and hence the funds being requested here are being transferred from the original Maximising Health Infrastructure programme rather than being additional to it. The original MHI PID is included as appendix C.
- 1.3 This Project Initiation Document (PID) will define the Maximising Health Infrastructure: Island Medical Centre (Roserton Street E14) 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 the Section 106 contribution 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

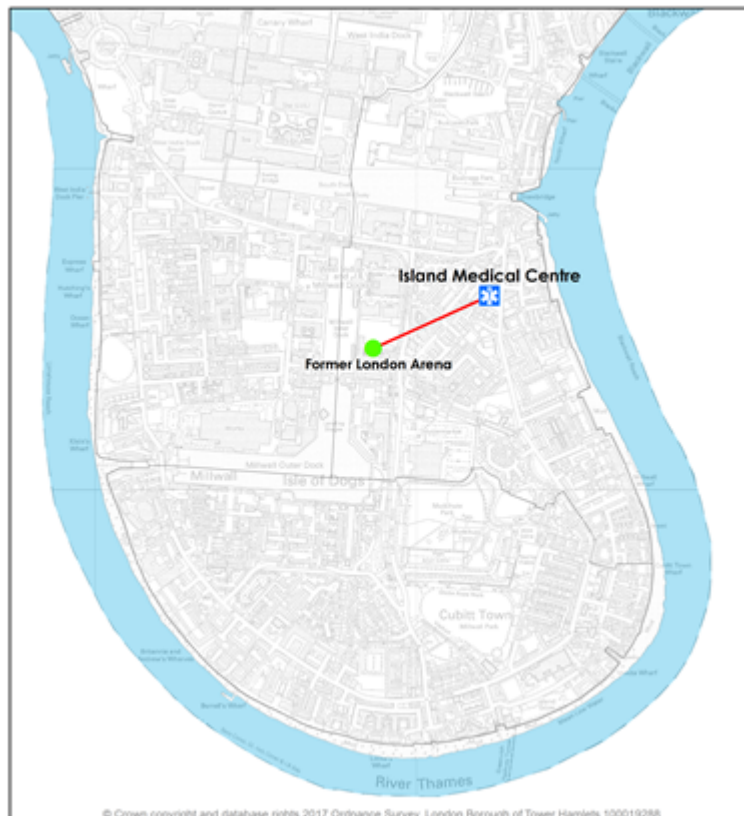
- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, 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 developments. 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 development.
- 2.6 The contributions outlined below will now be used to progress the project.

- **PA/06/02068 - Fomer london Arena**

- 2.7 The agreement obliged the Developer to pay the Council a £2,856,640 Medical Facilities contribution towards “mitigating the impact and effects of the Development on existing medical facilities in the administrative area of the Primary Health Care Trust and will use its reasonable endeavours to ensure that the Medical Facilities Contribution is expended within the Blackwall and Cubitt Town ward.”
- 2.8 Expiry date is 5 years after payment has been made, 13th June 2022. It is proposed to use £731,410.24, of this contribution.



Distance from London Arena development to health facility (363m)

- **PA/12/03247 – Island Point – 443-451 Westferry Road**

- 2.9 The agreement dated 10th October 2013 obliged the developer to pay the Council the £212,617 “Health Facilities” contribution towards ‘the provision of health care services within the vicinity of the site’.
- 2.10 This payment was received by the Council, index linked to £254,428.71, 31st August 2017. The contribution is required to be expended or committed within

seven years from date of receipt.



Distance from Island Point development to health facility (1060m)

CIL

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

Grants Process

2.12 This PID will also need to go through the Grants Funding Process, as this project will require transfer of funds to an organisation external to the Tower Hamlets Borough Council (in this case, the Tower Hamlets CCG). The PID will therefore be reviewed by the Grants Scrutiny Sub-Committee (GSSC) prior to being reviewed by the Mayor and relevant councillors at Grants Determination Sub-Committee (GDSC).

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 Blackwall and Cubitt Town region is particularly in need of additional health infrastructure, and extending healthcare provision in this ward will particularly affect several groups who are often disadvantaged with regards to access to healthcare. According to the 2011 census, 50% of the people living in this ward are BME, the proportion of socially rented households is almost double the London average and 8.5% of the population are classed as long term unemployed. Health inequalities research over the past decade has strongly indicated that low income and ethnic minority households are significantly more likely to experience poorer health outcomes. The Island Medical Centre expansion will therefore be occurring in a location of appropriate need.
- 3.4 The Island Medical 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 expansion of the Island Medical Centre to satisfy the terms of the S106 agreements set out in paragraphs 2.6 – 2.10 above.
- 4.2 PA/12/03247 requires the contribution to be spent towards health facilities in the vicinity of the site. 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. The plan at paragraph 2.10 shows that this

development is located a short walk from Island Medical Centre and so it is reasonable to expect residents of this development to attend this health centre.

- 4.3 The S106 agreement for PA/06/02068 requires the contribution to be used towards existing medical facilities in the Blackwall and Cubitt Town ward. The plan at figure 2 is helpful in showing that Island Medical Centre is in the Blackwall and Cubitt Town ward.
- 4.4 It is noted that the contributions to be drawn from the S106 agreements are to be paid directly to an external organisation (NHS). The terms of these S106 agreements do not specify that the contributions can be paid to the NHS; therefore such payments are considered to constitute grants. 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.
- 4.5 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 This project will involve remodelling and suitably fitting out the Island Medical Centre. The development will provide four additional clinical rooms at the Island Medical Centre site. The head lease of the premises is held by NHS Property Services. 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 Blackwall and Cubitt Town ward.

- 5.2 The Island Medical GP practice has a registered list of 7,629 patients¹. The extra clinical capacity provided by the proposed works will enable the practice to expand its patient list by a further 5,472 over the next five years to 2022/23. The remodelled and extended facility will allow patients to access a wider range of community and specialist health services that will be provided from the site.
- 5.3 The remodelling of the currently unused section of the health premises will add an additional 61m² of gross internal area (GIA) to the floor space of the health centre, enabling growth of the facility to a total of 347m². The drawing below shows in blue the areas within the health centre that will be remodelled. The clerk's office, practice manager's office, kitchen/staff area, staff WC, coms room and administration room will be housed in what is currently an annex (on the right hand side below) which is to be leased, in addition to the current health centre floor area, from the landlord by NHS Property Services. This will allow the staff areas in the current health centre to be remodelled to provide the additional and improved clinical spaces.

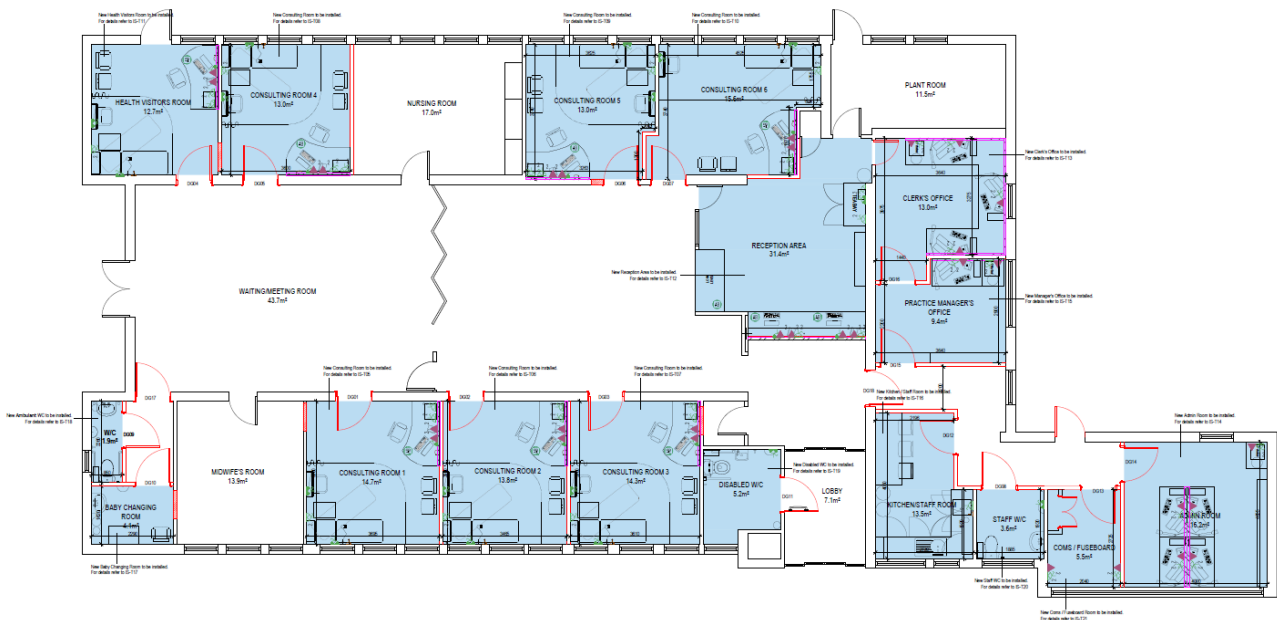


Figure 1: Proposed Ground Floor Plan of the extended Island Medical Centre.

- 5.5 An architectural drawing (No. IS_T02) showing the area of the planned refurbishment and the location of the new build extension proposed in this PID is included within the appendices as appendix D.
- 5.6 The map below shows the location of the Island Medical Centre at Roserton Street

¹ Registered Patient List at Q3 2017/18, recorded by THCCG

E14 3PG. This is a central location within Blackwall and Cubitt Town ward and hence is well situated to serve the residents of the ward.

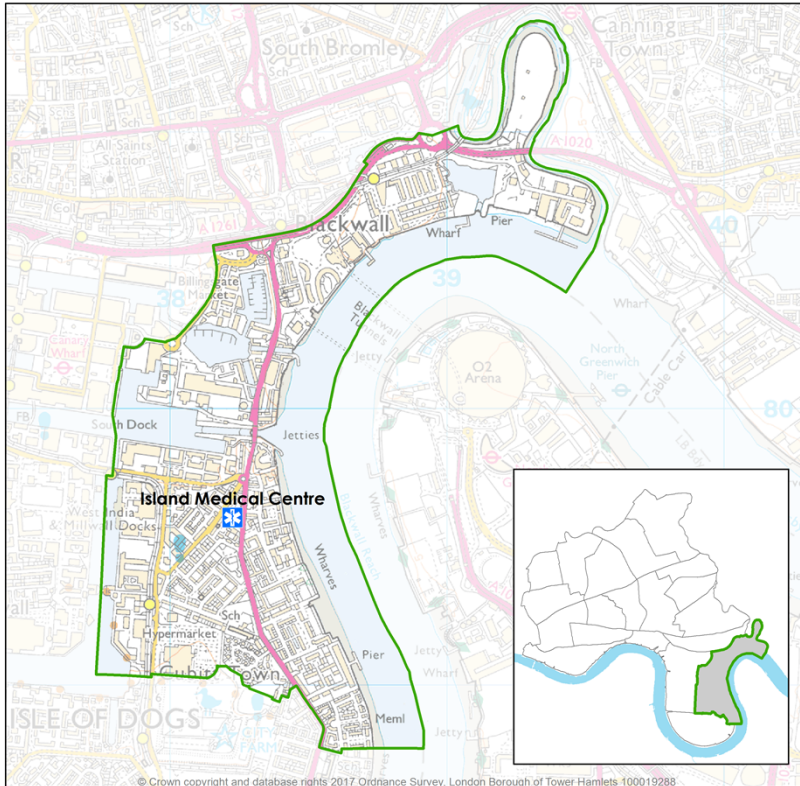


Figure 3: Location of Island Medical Centre within Blackwall and Cubitt Town ward.

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 E14 are under pressure. It is an area of high healthcare need and the significantly growing population of the Isle of Dogs requires additional GP consulting space.
- 6.3 It is expected that the final design will be completed in Autumn 2018 and the works be tendered in the Winter for commencement on site in Spring 2019. It is therefore expected that the extended and improved facility being fully operational Autumn 2019.

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 27 additional clinical rooms in primary care to meet demand within the South-East Locality by 2021/22.²
- 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.
- 6.5 Figures 1 and 2 below shows the projected net increase in population within Area 4 from 2016 to 2031 and across Tower Hamlets Wards from 2015 to 2025³.

Population by Age	Yr 2016	Yr 2021	Yr 2026	Yr 2031
Aged 0-14	6,400	7,800	9,000	9,100
Aged 15-24	3,400	4,700	4,800	4,900
Aged 25-44	18,200	24,700	26,600	24,600
Aged 45-59	4,900	6,800	8,600	9,700
Aged 60-74	2,200	3,000	3,700	4,400
Aged 75+	700	900	1,200	1,600
Total	35,800	47,900	53,900	54,300

Source: London Borough Towerhamlets 2017 Ordinance Survey Results¹

² Transforming Services Together Estate Options, WEL CCGs

³ LBTH Report, Potential Future Primary Healthcare Infrastructure, 2016

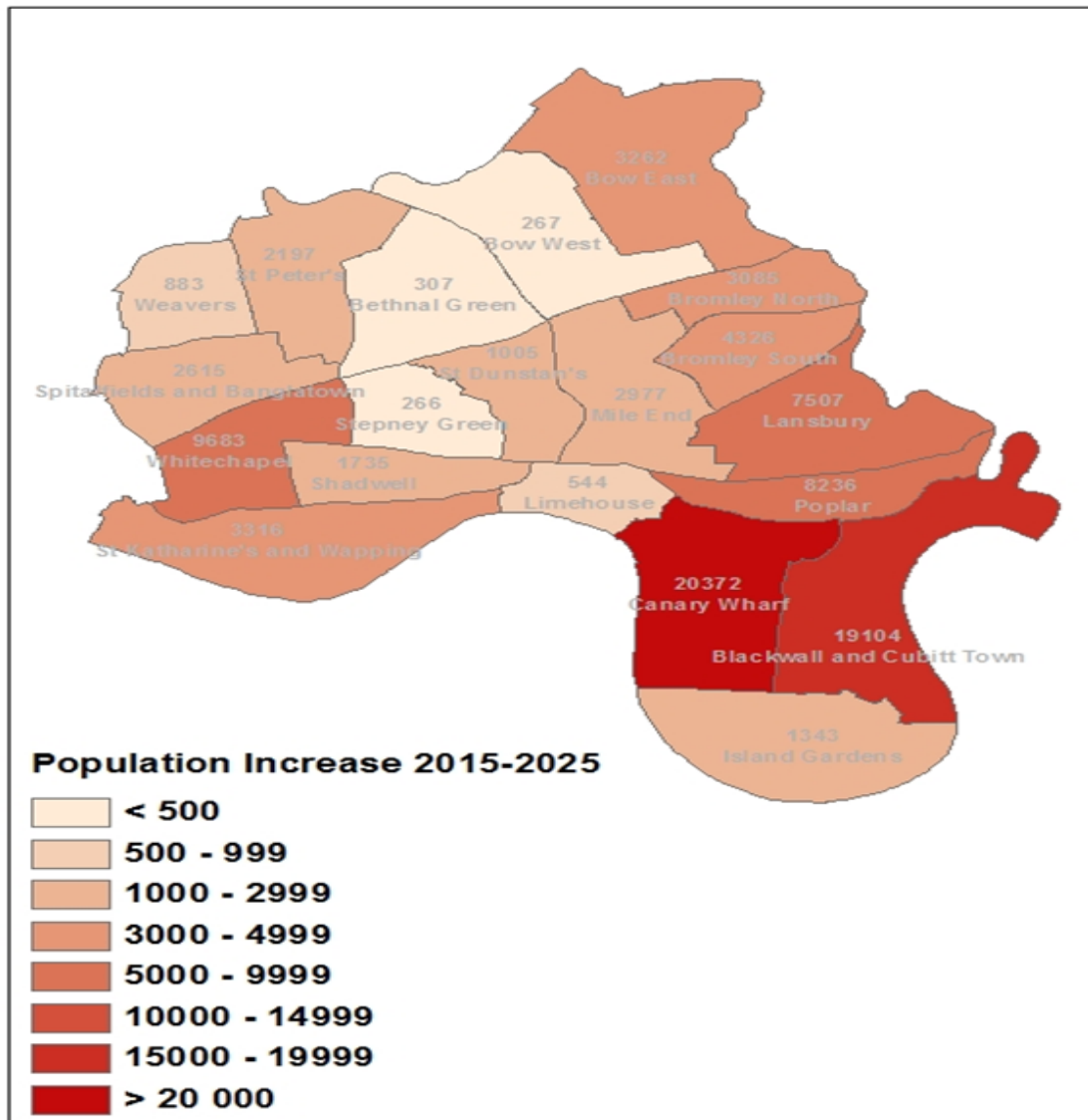


Figure 3: Net increase in Population in Tower Hamlets Wards to 2025

- 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 South-East Locality. A new health centre development is planned as part of the Wood Wharf development, however, this is not anticipated to complete until 2023 at the earliest and may be delayed beyond then.
- 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 more health facilities, such as the project proposed in this PID. As shown in Table 1

below, modelling indicates 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:

- Remodel and refurbish the Island Medical 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 Island Medical Centre project represents value for money and is affordable to the local health economy.
- To ensure the health and wellbeing needs are met within Blackwall and Cubitt ward to meet the demand for the growing population of the east of the borough.

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.

6.10 The NHS Tower Hamlets CCG Estates Strategy identifies a requirement to development new facilities in the South-East Locality to meet future demand for primary care services. The extended and improved Island Medical Centre will contribute to delivery of the extra clinical capacity that is required in the Locality.

6.11 To enhance the delivery of infrastructure and address the demands that development places on an area, maximising health infrastructure was prioritised through the Tower Hamlets local infrastructure fund.

Deliverables, Project Outcomes and Benefits

6.11 This project will:

- Provide an additional four modern treatment rooms that will be fully integrated within a remodelled Island Medical Health Centre.
- Create extra clinical capacity that will enable the practice to expand its patient list by a further 5,472 over the next five years to 2022/23.
- The new build extension will provide 28,800 new patient appointment slots in the South-East Locality, based on a utilisation rate of 60%.
- Enable an expansion of the primary care workforce in the South-East Locality, equivalent to 1 GP per 1,800 new patients.
- The equipment to be purchased for the facility in connection with the construction works 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 anticipated that the new facility will be operational for Autumn 2019.

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 Island Medical Centre.

Related Projects

6.15.1 This project builds on the s106-funded Maximising Health Infrastructure project that is upgrading the primary care healthcare facilities for three other practices in the South-East Locality of Tower Hamlets:

- Remodelling works undertaken at Island Health in 2016 (Section 106 funded by

the Maximising Health Infrastructure).

- Works to be undertaken at the Aberfeldy Practice current premises in 2018 (Section 106 funded by the Maximising Health Infrastructure) to allow the practice to cope with the significant population pressure in that ward prior to relocation to larger premises in 2020 (to be fitted out with Section 106 funds by the Aberfeldy Village Health Centre project).
- Remodelling works to be undertaken at the Barkantine Health Centre in 2018 (Section 106 funded by Maximising Health Infrastructure).

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:

- Tower Hamlets CCG will procure the scheme design, project management and construction works 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 NHS tendering guidelines. Tower Hamlets CCG 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, prior to commencement of any works, ensure the relevant leases are agreed (both for the current practice demise and for the new extension to the existing premises) via a full repairing, insurance lease agreement for a minimum of a 10 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 procurement of goods, works and services related to the project will be in accordance with NHS Standing Financial Instructions.

7.3 NHS Property Services (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 practice, in accordance with the terms of their lease agreements with NHSPS. IT equipment will be provided and maintained by Tower Hamlets CCG.

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

7.5 Public Health as Project Sponsor for this proposal and will meet monthly / quarterly with NHS colleagues to report against forecasted spend and to ensure delivery on behalf of the Council which will be reviewed by Infrastructure Delivery Board.

8.0 Infrastructure Planning Evidence Base Context

8.1 This project is supplementary to the Wood Wharf development identified in the Infrastructure Delivery Framework Evidence Base. It provides 4 of the 16 additional treatment / consulting rooms identified as required to meet population growth needs more immediately than the Wood Wharf development would enable.

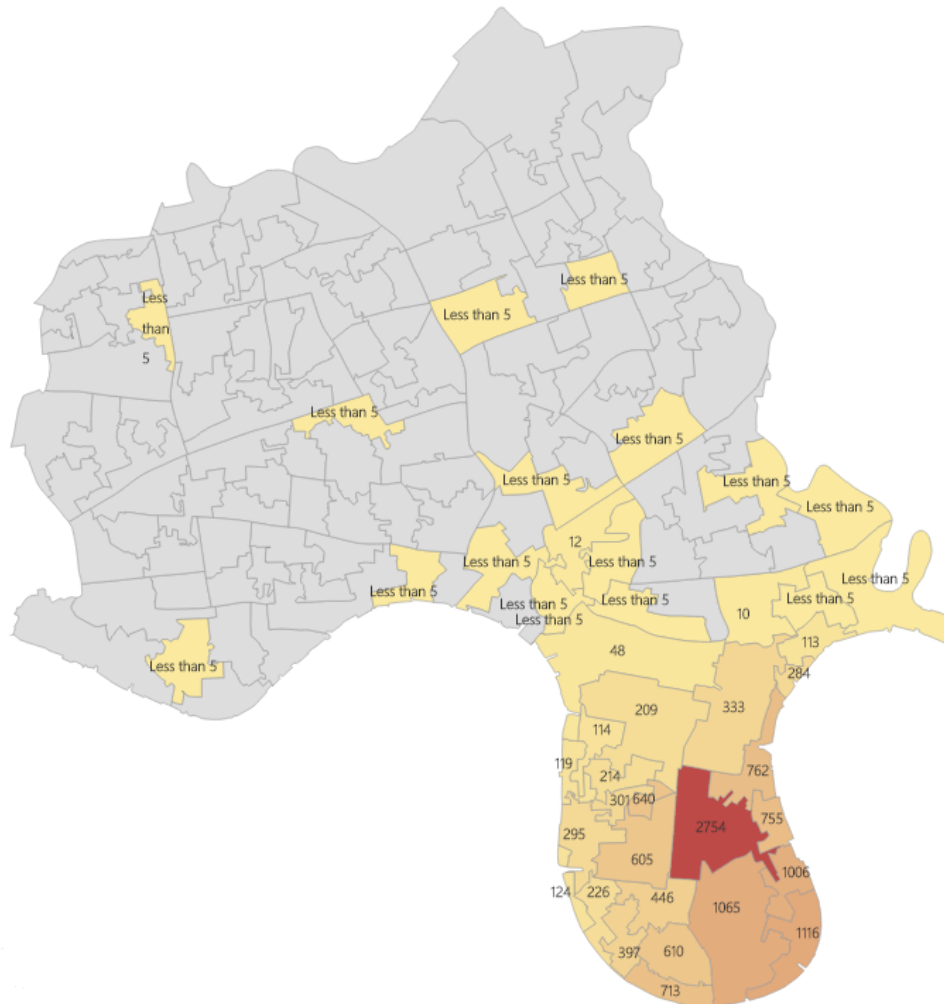
9.0 Opportunity Cost of Delivering the Project

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 health 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.

9.2 Blackwall and Cubitt Ward is in need of additional health infrastructure, and extending healthcare provision in this ward will particularly affect several groups who are often disadvantaged with regards to access to healthcare. It is an area of high healthcare need and the significantly growing population of the Isle of Dogs requires additional GP consulting space. The potential risk of insufficient primary care capacity being available to meet demand for primary care services in the South East Locality of Tower Hamlets, will result in reduced access, longer waiting times, and an increase in the volume of avoidable attendances at accident and emergency. Therefore the risk of missing the opportunity to support this PID would far out way the impact to the local resident's wellbeing.

- 9.3 An investment in this practice offers improved health outcomes beyond the blackwall and cubitt wards in fact, this practice support residents from across the South East locality and beyond.

Island Health Patients by LSOA in 2016/17



- 9.4 NHS Property Service intend to sign a 25 year lease with Island Medical. There will be a tenant only (NHS PS) break release at 10, 15 and 20 years. The landlord (Island medical) will be able to break the lease at 15 years. The value of this capital investment will be significantly reduced within 15 years. Conversations will continue between the CCG, NHS PS and Island Medical Practice over the next 25 years to assess health need against population growth to determine future health provision from this site.

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.
- 10.2 The additional funding will be the subject of economic and community benefits and the additional of new clinical space will enable providers to take account of additional offers it can provide. Any additional works that could be procured will explore locally based organisations to complete the works and as part of the procurement processes will maximise the opportunities for training, work experience and job opportunities for local residents.

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.

Table 2			
Financial Resources			
Description	Amount	Funding Source	Funding (Capital/ Revenue)
Construction cost including prelims	443,185	S106	Capital
Professional fees	96,000	S106	Capital
Equipment, IT, project and legal costs	196,358	S106	Capital
Contingency and inflation	123,700	S106	Capital
VAT (less estimate for VAT recovery)	126,596	S106	
Total	985,839		

- 11.2 The cost estimate for construction works have been forecast by recognised cost consultants, KMB, RICS quantity surveyors. The pricing indices for are as per current RICS Building Cost Information Service (BCIS) information. 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.

- 11.3 Projected costs are estimates on the basis of the current market conditions and are benchmarked against similar projects recently delivered and currently in development e.g. William Cotton and Sutton's Wharf. It is in the nature of capital projects that out turn cost is difficult to predict, however, allowances have been included for inflation, optimism bias and contingency. The William Cotton project was comparable and this was delivered on budget.

NHS VAT Liability (DEAN TO REVIEW THIS SECTION)

- 11.4 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

- 11.5 The Project will be managed by NHS 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.
- 11.6 The operational delivery of this project will be managed by the Island Medical 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.

- 11.7 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

Table 2						
Financial Profiling						
Description	2018	2019				Total
	Q4	Q1	Q2	Q3	Q4	
Works	0	120,000	175,000	143,785	4,400	443,185
Fees	27,000	19,000	19,000	16,000	15,000	96,000
Various	45,000	25,000	25,000	25,000	76,358	196,358
Contingency	3,700	30,000	30,000	30,000	30,000	123,700
VAT	26,596	25,000	25,000	25,000	25,000	126,596
Total	102,296	219,000	274,000	239,785	150,758	985,839

Table 3			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
1	Technical design finalised	50,000	January 2019
2	Out to tender	52,296	February 2019
3	Commencement of works	195,000	May 2019
4	Construction mid-point	298,000	August 2019
5	Handover from contractor	239,785	November 2019
6	Publicity and comms	150,758	January 2019
Total		985,839	

Outputs/Milestone and Spend Profile

12.0 Project Team

12.1 Information regarding the project team is set out below:

- Project Sponsor: Somen Banerjee, Director of Public Health

- Abi Knight, Associate Director of Public Health
- Council Programme Manager: Matthew Phelan, Healthy Environments Programme lead
- CCG Programme Manager: Dean Musk, Estates and Technology Programme Manager, CCG Tower Hamlets

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 5			
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 Island Medical Centre design and in due course the works 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 required		Delay while permissions obtained	Confirm these are not required before commencement of work	1	2	2
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	Alternative premises requirement or reduction of service provision	Project management discussion with developer in order to minimise disruption of service	1	1	1

Table 6							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
		being undertaken					
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.

Table 7			
Key Stakeholders	Role	Communication Method	Frequency
London Borough of Tower Hamlets	Sponsor	Project Board	Monthly
NHS Tower Hamlets CCG	Supplier	Project Board	Monthly
Island Medical GP Practice	Service Provider	Project Board	Monthly
NHS Property Services	Head lease holder of the premises	Project Board	Monthly
KMB	Design, project management and contract administration	Project Board	Monthly

17.0 Stakeholder Communications

17.1 As part of its remit, the Island Medical 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 Island Medical Centre practice are fully informed in a timely manner about the programme of the works and the arrangements during the works to minimise the unavoidable disruption to normal services

Target audience

- Staff at the Island Medical Centre Practice
 - Registered patients of Island Medical Centre Practice
 - Island Medical Centre 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 residents (in addition to the local residents registered as patients)
 - Local businesses
 - 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
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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: Project Closure Document

Appendix C: Maximising Health Infrastructure PID (initial programme)

Appendix D: Proposed floor plan of Island Medical Centre

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		No	
		Yes		No	
		Yes		No	
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes		No	
		Yes		No	
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		No	
		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"> • 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> 				

	<p>-----</p> <p>-----</p>		
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> <p>-----</p> <p>-----</p>		
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