


<p align="center"><b>Cabinet Decision – Grants Determination Sub-Committee</b></p> <p align="center">7 November 2018</p>	
<p><b>Report of:</b> Denise Radley, Director, Health, Adults and Community</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Approve the Change Note and subsequent changes that deviate from the initial PID that was approved in April 2016 of grant funding £1,871,948 to NHS Tower Hamlets CCG to deliver increased capacity, access and service provision in primary care and maintain continuity of local GP services.</b></p>	

<b>Originating Officer(s)</b>	Matthew Phelan, Healthy Environments Programme Lead, Public Health
<b>Wards affected</b>	Borough wide
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	A healthy and supportive community

**Executive Summary:**

This report provides an update on the Maximising Healthcare Infrastructure PID that was agreed in 2016 for improvements in Tower Hamlets healthcare infrastructure to mitigate the impact of current and future increases in population. It aims to provide a progress update on the different elements of the PID, and to seek approval for changes to the scope of the project.

The project aimed to increase capacity, access and service provision in primary care and will maintain continuity of local GP services. Primary care has been tasked with the role to help reduce the funding gap across the NHS by providing more personalised, accessible community based services that will reduce avoidable pressures on hospital resources. An investment in primary care premises was necessary in order to respond to this requirement and to allow an increase in consultations with primary healthcare professionals.

This report provides additional rationale for the Island Medical Centre PID (2018) that intends to utilise an underspend within the Maximising Healthcare Infrastructure (MHI) budget. It has also been noted that there have been delays to this work programme and some projects identified within the MHI PID such as ‘Harford’ and ‘Whitechapel’ schemes have not proceeded beyond feasibility study and surveys due to it not being possible to obtain the necessary approvals.

The reduced total cost of the Maximising Health Infrastructure PID Programme is £1,871,948.

## **Recommendations:**

The Grants Determination Sub-Committee is recommended to:

1. Approve the change note that grant funds £1,871,948 to NHS Tower Hamlets CCG to deliver increased capacity, access and service provision in primary care and maintain continuity of local GP services.

### **1. REASONS FOR THE DECISIONS**

- 1.1 Tower Hamlets is one of the most deprived boroughs in the country and the population is expected to reach nearly 315,000 by 2020<sup>1</sup>. Both the NHS Tower Hamlets Commissioning Strategic Plan 2012 – 2015 and the Tower Hamlets 2016 - 2020 Health and Wellbeing Strategy highlight the development of health premises and the refurbishment of facilities as key to supporting both the integration and localisation of services linked with local area partnerships. The Commissioning Strategic plan describes the course of action to improve health outcomes for the local population and has a commitment to improve the quality of life for everyone in the borough by working in partnership with key stakeholders including the London Borough of Tower Hamlets.
- 1.2 Rapid population growth, stimulated by new residential development, is driving increased demand for healthcare provision in the affected localities. The proposed new health facilities and expansion will help build the extra clinical capacity that will be required to meet the increased demand for primary care.
- 1.3 Given the difficulties in obtaining new premises and the space and financial constraints on primary care services, the capital investment will enable GP Practices to increase their appointments and clinical capacity.
- 1.4 Funding of the Project was initially approved by Cabinet in 2016.

### **2. ALTERNATIVE OPTIONS**

- 2.1 Do nothing; this would not achieve the objective to increase capacity, access and service provision in primary healthcare, and would additionally leave the impact of development across the Borough upon health services unmitigated.
- 2.2 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.

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<sup>1</sup> GLA Population Project, 2014 round , Short Term Trend

### 3. DETAILS OF REPORT – Maximising Health Infrastructure

3.1. Tower Hamlets CCG undertook an exercise to identify any additional capacity that could be provided in existing premises, primarily by converting non clinical space to clinical space. 11 GP Practices (following feasibility this dropped to 9 practices) were identified that could make improvements to their premises in order to increase capacity and access to provide more clinical appointments to the local population. A one off capital investment is sought to allow these Practices to undertake the necessary improvement works.

3.2. Primary care premises are a key enabler to improving access to primary care services and the Tower Hamlets Commissioning Strategy Plan and Improving Health and Wellbeing Strategy, owned by various partners including Tower Hamlets CCG and Tower Hamlets Council, have given a commitment to support the development and refurbishment of facilities to enable services to be integrated and localised, reducing the need for hospital visits.

#### 3.3. Deliverables, Project Outcomes and Benefits

The table below provides an update on intended outcomes and progress towards delivery:

Practice	Proposed Works	Proposed equipment	Benefit	Estimated Total Cost £ including contingency	Update
Aberfeldy Practice	-Conversion of office space into clinical space  -creation of an enclosed section in the waiting area to house a patient pod to allow patients to record medical data including BP, BMI etc that will save appointment time.	-Patient pod	-Clinical appointments to be increased by up to 40 per day  -Patient pod will free up consultation time for clinicians to focus on specific health areas	£393,431	Completed  This scheme has cost £160,581 more than the initial estimate due to the complexity of the works and additional IT costs.

<b>Practice</b>	<b>Proposed Works</b>	<b>Proposed equipment</b>	<b>Benefit</b>	<b>Estimated Total Cost £ including contingency</b>	<b>Update</b>
Barkantine Health Centre	-Creation of 5 new consulting/ treatment rooms		-Provision of all services on one site  -Clinical appointments to be increased by up to 200 per day	£426,018	Completed  This scheme has cost £254,818 more than the initial estimate due to the complexity of the works and additional IT.
Blithehale Health Centre	-Conversion of available space into clinical consulting room		-Clinical appointments to be increased by up to 40 per day  -Increase in space to accommodate GP trainee	£53,061	Project due to be completed in 2018/19  This project is forecast to cost £30,461 more than the initial estimate due to additional IT.
Hartford Health Centre	Works no longer planned subsequent to further feasibility discussions.			Fees and surveys associated with the feasibility: £15,698	The project will not now progress because surveys indicated that it would not be feasible to undertake as planned. This project has underspent by £94,302

<b>Practice</b>	<b>Proposed Works</b>	<b>Proposed equipment</b>	<b>Benefit</b>	<b>Estimated Total Cost £ including contingency</b>	<b>Update</b>
Island Health	<ul style="list-style-type: none"> <li>-Creation of better functioning clinical rooms</li> <li>-Conversion of coffee room into counselling room</li> <li>-Creation of meeting room space to facilitate clinical discussions and multidisciplinary meetings</li> </ul>		<ul style="list-style-type: none"> <li>-Clinical appointments to be increased by up to 120 per day</li> <li>-Dedicated area for counselling services</li> <li>-Dedicated area for team meetings and clinical discussions</li> <li>-Services will be provide on one floor which will improve communication, morale and impact positively on patient care</li> </ul>	£112,229	<p>Completed</p> <p>This project has cost £133,971 less than the initial estimate due to value engineering and cost savings.</p>
Jubilee Street Practice	<ul style="list-style-type: none"> <li>-Conversion of large community room into clinical area to undertake telephone triage and / or face to face consultations</li> </ul>		<ul style="list-style-type: none"> <li>-Consultations to be increased by up to 160 per day to include both face to face and telephone consultations</li> <li>-Practice will have the ability to expand to expand their list by up to 5,000 patients</li> </ul>	£133,962	<p>Completed</p> <p>This project has cost £13,362 more than the initial estimate because of additional IT.</p>

<b>Practice</b>	<b>Proposed Works</b>	<b>Proposed equipment</b>	<b>Benefit</b>	<b>Estimated Total Cost £ including contingency</b>	<b>Update</b>
Limehouse Practice	<ul style="list-style-type: none"> <li>-Restructure of current premises to create additional clinical space</li> <li>-rehouse teams within the Practice to increase efficiency and economies of scale</li> <li>-create a more welcoming environment for patients</li> </ul>	Fit out of clinical space	<ul style="list-style-type: none"> <li>-Increase in consultations by up to 40 additional appointments per day</li> <li>-Increased capacity to accommodate surgery needs</li> <li>-Improved staff moral which will impact positively on patient care</li> </ul>	£199,370	<p>Project due to be completed in 2018/19</p> <p>This project is forecast to cost £29,370 more than the initial estimate due to the project requiring decant and phasing of the works.</p>
Mission Practice	<ul style="list-style-type: none"> <li>-Creation of new consulting room by relocating communication room</li> <li>- Installation of multimedia equipment</li> </ul>	-multimedia equipment	<ul style="list-style-type: none"> <li>-clinical appointments to be increased by up to 40 per day</li> <li>-dedicated area for educational sessions, clinical discussions and multidisciplinary meetings</li> </ul>	£249,521	<p>Completed</p> <p>This project has cost £118,921 more than the initial estimate due to the complexity of the works and IT.</p>

Practice	Proposed Works	Proposed equipment	Benefit	Estimated Total Cost £ including contingency	Update
Spitalfields Practice	<ul style="list-style-type: none"> <li>-Conversion of a large room into two clinical rooms</li> <li>-Conversion of a store room into a therapy room</li> </ul>	<ul style="list-style-type: none"> <li>-Digital recording equipment to assist in training of doctors</li> <li>-Health assessment machine to measure height, weight and BP</li> </ul>	<ul style="list-style-type: none"> <li>-clinical appointments to be increased by up to 80 per day</li> <li>-Provision of additional services eg. Diagnostics</li> <li>-improved health and wellbeing with dedicated onsite therapy room</li> <li>-health assessment machine will free up consultations for clinicians to spend time on other specific areas</li> <li>-Less waiting times for patients</li> </ul>	£167,525	<p>Project due to be completed in 2018/19</p> <p>This project is forecast to cost £39,475 less than the initial estimate due to value engineering and cost savings.</p>
Wapping Group Practice	<ul style="list-style-type: none"> <li>-Extension of a room to undertake minor surgery, warfarin clinics and patients BMI</li> </ul>	<ul style="list-style-type: none"> <li>-Health assessment machine</li> </ul>	<ul style="list-style-type: none"> <li>-Clinical appointments to be increased by up to 40 per day</li> <li>-Extension of services to patients to reduce onward referrals to hospital</li> <li>-Health assessment machine will free up consultations for clinicians to spend time on other specific areas</li> </ul>	£104,641	<p>Project due to be completed in 2018/19</p> <p>This project is forecast to cost £32,674 less than the initial estimate due to value engineering and cost savings.</p>

Practice	Proposed Works	Proposed equipment	Benefit	Estimated Total Cost £ including contingency	Update
Whitechapel Health	-Conversion of office to a clinical room  -Ground floor baby changing facility			Fees and surveys associated with the feasibility: £16,483	Project will not now progress because growth will be supported via the Goodman's Fields project. This project has underspent by £132,017.

3.4. The s106 contributions funding the project are outlined in the attached PID and are set out below.

<b>Table 1</b>			
<b>Financial Resources</b>			
Description	Amount	Funding Source	Funding (capital/revenue)
Construction Cost	£832,177	S106 Contribution	Capital
Furniture & Fixings	£95,925	S106 Contribution	Capital
Equipment incl ICT	£242,571	S106 Contribution	Capital
Legal costs	£35,000	S106 Contribution	Capital
Project Management, Design and Surveys	£329,245	S106 Contribution	Capital
Contingency (3.9%)	£73,000	S106 Contribution	Capital
VAT	£264,030	S106 Contribution	Capital
<b>Total</b>	<b>£1,871,948</b>		

3.5 The expected timelines are as below;

<b>Table 3</b>	
Milestones	Key Date
Contracts tendered	Q2 2017
Contracts for remaining works awarded	Q3 2018/19
Remaining building works commence on site	Q3 2018/19
Project completion	Mar 2019



#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

4.1 This report outlines a change note to the Maximising Health Infrastructure project. Funding of £2,603,358 for the project using section 106 resources was originally agreed at Grants Determination Sub-Committee in March 2017 and Cabinet in 2016.

4.2 The change note requests the funding requirement reduces to £1,871,948, which will continue to be funded from section 106 resources. The unused section 106 resources will be utilised for other relevant capital projects.

4.3 Funding will only be released once satisfactory completion of works is confirmed. The project budget contains a contingency item of £73,000 which will only be utilised if officers are fully satisfied with the evidence provided to support the claim. Any unused contingency sum will be available for reallocation to other projects.

#### **5. LEGAL COMMENTS**

5.1 The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (the Best Value Duty). The recommendations in this report appear to be in accord with that obligation.

#### **6. ONE TOWER HAMLETS CONSIDERATIONS**

6.1. The proposed buildings and improvements will increase capacity and access to provide more clinical appointments to all service users in the local population. These enhancements will benefit service users, in particular those who are more reliant upon health services including families with children, older people and those with complex health issues (including the disabled).

6.2. The project will not adversely affect people with protected characteristics.

#### **7. BEST VALUE (BV) IMPLICATIONS**

7.1. The delivery of this project ensures the Council meets its s106 obligations and spends funds in accordance with the agreement.

7.2. The project directly supports the Health and Wellbeing Board strategy to improve and develop local services; it also supports the Tower Hamlets Commissioning Strategic Plan 2012 – 2015.

7.3. Additionally, through investing in primary care services, preventative steps are being taken to reduce demand upon hospital services which can often be more costly, thus supporting best value.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

8.1. There are no implications.

## **9. RISK MANAGEMENT IMPLICATIONS**

9.1. There is a risk that if the project is not approved, the benefits identified for the project relating to increased and improved access to local services, improved patient experience, increased GP registrations in the area will not be realised.

9.2. In addition if this is not approved then as it is proposing the delivery of works in accordance with S106 requirements then there is a risk of non-fulfilment of S106 requirements, particularly those which are time sensitive.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1. There are no crime or disorder implications.

## **11. SAFEGUARDING IMPLICATIONS**

11.1. There are no safeguarding implications

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- NONE

## **Background Documents**

### **Officer contact details for documents:**

#### Author

Matthew Phelan – Healthy Environment Programme Lead, Public Health

E: [matthew.phelan@towerhamlets.gov.uk](mailto:matthew.phelan@towerhamlets.gov.uk)

#### Programme Sponsor

Somen Banerjee – Director of Public Health

E: [somen.banerjee@towerhamlets.gov.uk](mailto:somen.banerjee@towerhamlets.gov.uk)