

GRANTS SCRUTINY SUB-COMMITTEE

Thursday, 30 November 2017 at 6.30 p.m.

C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London,
E14 2BG

SUPPLEMENTAL AGENDA

This meeting is open to the public to attend.

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see the main agenda.

5 .3 IDF: Approval of the Allocation of S106 and CIL Funding for the Following NHS Projects: Wellington Way Health Centre (New Build Extension); Aberfeldy Village Health Centre and Suttons Wharf Health Centre

3 - 114

Cabinet Decision – Grants Determination Sub-Committee 5 th December 2017	 TOWER HAMLETS
Report of: Denise Radley, Director, Health, Adults and Community	Classification: Unrestricted
IDF: Approval of the Allocation of S106 and CIL Funding for the Following NHS Projects: Wellington Way Health Centre (New Build Extension); Aberfeldy Village Health Centre; and Suttons Wharf Health Centre	

Originating Officer(s)	Danielle Solomon, Public Health Specialty Registrar Abigail Knight, Associate Director Public Health
Wards affected	Bethnal Green, Bow West, Bow East, Mile End, Bromley, Bromley, Bromley South, Blackwall and Cubitt Town and St Peters
Key Decision?	Yes
Community Plan Theme	A healthy and supportive community

Reasons for Urgency

The NHS Infrastructure projects have already gone through the Section 106 Process, meaning that they have been out for public consultation and have been approved by the Mayor and Cabinet. The Grants process ensures that the funding already approved via s106 can be passed to the CCG in order to commence building. If this process is delayed, it will prolong the need for increased health infrastructure within Tower Hamlets.

Executive Summary:

This report relates to the release of up to £7,454,475.06 of section 106 resources to NHS Tower Hamlets Clinical Commissioning Group (CCG) to deliver increased capacity, access and service provision via a number of premises improvements across primary care to enhance local GP services. This funding is divided into; £1,493,700 for Wellington Way Health Centre, £3,119,421 for Aberfeldy Village Health Centre and £2,841,354.06 for Suttons Wharf Health Centre.

Project funding for the delivery of this project has been secured through a number of Section 106 contributions as approved by cabinet in September 2017.

Population growth in Tower Hamlets will increase demand for primary care services. Primary care has been tasked with helping to 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 is necessary in order to respond to this requirement and to allow an increase in consultations with primary healthcare professionals.

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 capital investment to improve primary care facilities and increase access to primary care is therefore appropriate through this route.

Recommendations:

The Grants Determination Sub-Committee is recommended to:

1. Approve the grant funding of £7,454,475.06 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 2020¹. Both 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 The projects will allow a greater level of service to be offered to patients; including 43,200 new patient appointment slots in the North-East Locality for Wellington Way, 36,000 new patient appointment slots in the North-West Locality for Suttons Wharf and 86,400 new patient appointment slots in the South-East Locality for Aberfeldy Village.
- 1.5 Finances will be spent in accordance with the s106 obligation and will deliver projects identified and agreed with the contributors in compliance with the s106 agreement.

¹ GLA Population Project, 2014 round , Short Term Trend

1.6 Funding of the Project was approved by cabinet in September 2017.

2. ALTERNATIVE OPTIONS

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

3. DETAILS OF REPORT – Aberfeldy Village

3.1. The shell and core health facility within the Aberfeldy New Village development is scheduled for completion and hand over to the NHS in June 2019. S106 funding is sought to undertake the fit out of the shell and core premises to enable a reprovision for the Aberfeldy GP Practice. The fit-out works are expected to take approximately 12 months.

3.2. The Aberfeldy Practice will occupy a gross internal area of 1,181 m² spread across the ground and first floors of the Aberfeldy New Village development at East India Dock Road, E14 0HR, which is situated less than 500 metres for the existing Aberfeldy Practice premises at 2A Ettrick Street, E14 0PU. As well as providing a new health facility, the Aberfeldy New Village development will comprise residential units, retail, a community centre and a faith centre. The development is being led by Aberfeldy New Village LLP, a joint venture partnership between Poplar HARCA and Willmott Dixon. The map below shows the locations of the new health facility and the existing Aberfeldy Practice premises.

3.3. The existing Aberfeldy Practice premises are severely under-sized and lack the physical capacity to accommodate the additional doctors and nurses that will be needed to meet the future needs of the population in the South-East Locality. The Aberfeldy Practice's current clinical workload, measured by GP and nurse contacts is approximately 57,500 contacts per annum, and the utilisation rate of clinical space is now running at 100% during opening hours, with only very limited room for further expansion within the footprint of the existing practice premises.

3.4. To ease the immediate pressures on the Aberfeldy GPs, there are currently plans to carry out alteration works to create a new consulting room within the existing Ettrick Street building and to install a portacabin to provide a second clinic room on the grounds of the premises. Two additional clinical rooms will enable the Practice to continue to take on new patients over the next two years, rather than having to close the patient list. The planned alteration works and portacabin are being funded as part of the maximising existing health infrastructure project. However, the provision of two more consulting rooms at Ettrick Street is only a temporary, short term solution. Additional health infrastructure will be required to meet rising demand resulting from rapid population growth in the Locality over the next five years and beyond.

3.5. The proposed new health centre would provide the modern facilities and clinical capacity needed to enable the Aberfeldy Practice to register new patients who will move into the catchment area over the next five years, serving the population of the Lansbury, Limehouse, and Poplar and Blackwall and Cubitt Town Wards, within the South-East Locality.

3.6. The fitted-out Aberfeldy Village Health Centre premises will provide up to 21 clinical rooms, compared to nine rooms at the existing surgery. A counselling/interview room and a large multi-purpose group room will also be provided at the Aberfeldy Village site. The new facility 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

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

Description	Amount	Funding Source	Funding (Capital/ Revenue)
Construction costs	£1,810,000	s106	Capital
Project contingency / optimism bias	£206,600	s106	Capital
Professional fees	£272,000	s106	Capital
Furniture & equipment	£250,000	s106	Capital
IT	£90,000	s106	Capital
Project development & legal	£50,000	s106	Capital
VAT (less estimate for VAT recovery)	£439,821	s106	
Total	£3,119,421		

3.8 The expected timelines are as below;

ID	Milestone Title	Baseline Delivery Date
1	NHS Business Case	Sep – 18
2	Contracts appointed	Jul – 19
3	Contracts start on site	Oct – 19
4	Contracts end on site	Apr – 20
5	NHS Commissioning process start	Jul – 20
6	Facilities open to	Oct – 20

	Public	
7	Project Final Account	Mar - 21

3.9 The funding will only be released to TH CCG once confirmation is received that the works have been satisfactorily completed. The oversight for the delivery of this project and general monitoring of healthcare capacity will be undertaken by the Tower Hamlets Together Capital and Estates group, which has representatives from the Council, TH CCG, Barts Health and the East London Foundation Trust.

4. DETAILS OF REPORT – Wellington Way

4.1. This project will involve the construction and fit out of a new ground floor, single storey extension to the newly refurbished Wellington Way Health Centre. The development will provide six additional clinical rooms at the Wellington Way site. The proposed development is intended to contribute to delivery of additional clinical capacity that will be required to meet the primary healthcare needs of the population of the Bow West, Bow East, Mile End, Bromley and Bromley South Wards.

4.2. The Merchant Street and Stroudley Walk GP practices currently have a combined registered list of 9,666 patients². The extra clinical capacity provided by the new build extension will enable the two practices to expand their combined patient list by a further 5,000 over the next five years to 2021/22. The new facility will be fully integrated with the existing health centre building, enabling patients to access a wider range of community and specialist health services that will be provided from the site.

4.3. The new build extension will comprise a gross internal area (GIA) of 245.9 m². With the extension included, the health centre will have a total GIA of 1,192.6 m². The extension will be of a timber frame construction and situated on a part of the site that is currently used as a car park. Drop-off and disabled parking will continue to be provided at the site.

4.4. The structure of the extension will be specifically designed for future proofing, allowing for the option of building upwards, above the ground floor extension, at a later stage to create additional clinical capacity on the first-floor level, should there be a requirement to expand the facility in future years.

² Registered Patient List at 31st January 2017, recorded by THCCG

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

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

4.6. The expected timelines are as below;

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

4.7. The funding will only be released to TH CCG once confirmation is received that the works have been satisfactorily completed. The oversight for the delivery of this project and general monitoring of healthcare capacity will be undertaken by the Tower Hamlets Together Capital and Estates group, which has representatives from the Council, TH CCG, Barts Health and the East London Foundation Trust.

5. DETAILS OF REPORT – Suttons Wharf

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 re-provision 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 plans 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 Blithehale Health Centre, which serves as the Hub for the North-West Locality. There are, however, already capacity pressures at the Blithehale 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.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 This report relates to the release of up to £7,454,475.06 of section 106 Capital funding to NHS Tower Hamlets Clinical Commissioning Group (CCG) to deliver increased capacity, access and service provision via a number of premises improvements across primary care to enhance local GP services.

6.2 Funding for this request was originally approved at September Cabinet and therefore has been included in the Local Authority's S106 Capital Plan.

6.3 This request for use of Capital funds is compliant with the S106 terms of use.

7. LEGAL COMMENTS

7.1 Section 106 Planning Obligations are secured pursuant to section 106 of the Town and Country Planning Act 1990. They are a mechanism whereby development proposals which would otherwise not be acceptable can be made acceptable in planning terms. They can impose financial and non-financial obligations on a person or persons with an interest in the land, and become binding on that interest.

7.2. As a contract, the Council is required to spend any monies received under a section 106 agreement in accordance with the terms of the agreement. It is therefore important to assess those provisions when allocating monies to a particular project. The Legal department has carried out this exercise in respect of this project and considers that the proposed use of the monies is in accordance with the purpose for which the monies were taken under the relevant agreements.

7.3. This report concerns the approval of grant funding of £7,454,475.06 to be provided to the NHS Tower Hamlets Clinical Commissioning Group ("the CCG") to deliver increased capacity, access and service provision via a number of premises improvements.

7.4. The grant is to be provided out of contributions received by the Council pursuant to fifty two (52) section 106 agreements, which were required to be used towards medical and health facilities within the borough. As the

agreements do not specify a particular project which the contributions must be used for, or set out an organisation to which the contribution is to be paid, the Council is not under a legal duty to provide the payment to the CCG. It is however noted that, given the responsibilities and functions of the CCG, the Council will almost always need to pass section 106 contributions which are to be used towards health facilities to them. Even so, this payment is considered discretionary and to be a grant.

- 7.5. From the information provided it appears that the grants are capable of being supported under the Council's powers, specifically under section 76 of the National Health Service Act 2006 whereby the Council has the power to make payments to a clinical commissioning group towards expenditure (either capital or revenue) incurred by them in connection with their prescribed functions (including medical services).
- 7.6. The Council has a duty under Section 3 of the Local Government Act 1999 to ensure that it makes arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This project follows work undertaken by the CCG to identify any additional capacity that could be provided in existing premises. Through this work one (1) GP practice was identified that could make improvements in order to increase capacity and provide more clinical appointments and two (2) GP Practices were identified that could be re-provided as new facilities at different locations in order to better serve members of the public. The project will be managed in accordance with the Department for Health guidance and up to date health building note, and progress reporting will be to the CCG led Tower Hamlets – Estates Strategy Group. The project is considered to achieve best value.
- 7.7 The Treaty on the Functioning of the European Union (“the Treaty”) provides that certain government activities may be prohibited because they give an advantage in a selective way to certain entities (broadly speaking organisations that put goods or services on a market), which might affect competition within between Member States. Such activities may amount to prohibited state aid, or may be state aid which is either expressly allowed by the Treaty, or which may be allowed, dependent on the circumstances. Payments to a public body can amount to state aid where the organisation is engaged in economic activity (putting goods or services on the market). This is not considered to be the case here, and the assistance is not considered to distort (or have the potential to distort) competition because the CCG are exercising a statutory function in respect of the provision of medical services which does not bring them into competition with other organisations. As such the payment will not strengthen them as recipient relative to competitors and accordingly, we do not consider that this grant gives rise to any state aid issues.
- 7.8 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 and information relevant to this is contained in section 8 of the report (One Tower Hamlets Considerations) and at paragraphs 3 of the PIDs (Background Documents).

8. ONE TOWER HAMLETS CONSIDERATIONS

8.1. 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).

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

9. BEST VALUE (BV) IMPLICATIONS

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

9.2. The project directly supports the HWB strategy to improve and develop local services; it also supports the Tower Hamlets' Commissioning Strategic Plan 2012 – 2015.

9.3. 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.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1. There are no implications.

11. RISK MANAGEMENT IMPLICATIONS

11.1. 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.

11.2. 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.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

12.1. There are no crime or disorder implications.

13. SAFEGUARDING IMPLICATIONS

13.1. There are no safeguarding implications

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

Background Documents

- PID Wellington Way Health Centre (New Build Extension)
- PID Aberfeldy Village Health Centre
- PID Suttons Wharf Health Centre

Officer contact details for documents:

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PROJECT INITIATION DOCUMENT

(August 2017)

Aberfeldy Village 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:	Aberfeldy Village Health Centre		
Project Start Date:	January 2018	Project End Date:	October 2020
Relevant Heads of Terms:	Health		
Responsible Directorate:	Adults Services		
Project Manager:	Abigail Knight Associate Director Public Health (Children & Families)		
Tel:		Mobile:	
Ward:	Poplar / Blackwall & Cubitt Town		
Delivery Organisation:	NHS Tower Hamlets Clinical Commission 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:	Aberfeldy General Practice / 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:	£3,119,421
S106 Planning Agreement Number(s):	PA/10/02093 PA/06/02068 PA/13/02644 PA/09/02100 PA/06/02101 PA/07/03282 PA/11/00798 PA/11/01120 PA/11/00829 PA/07/02193 PA/10/02340 PA/11/01640 PA/10/00925 PA/12/02023 PA/09/00326 PA/10/02769 PA/13/02938 PA/13/02108 PA/11/03388
<u>CIL</u>	
Amount of CIL required for this project:	£0
Total CIL/S106 funding sought through this project	£3,119,421
Date of Approval:	

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

Organisation	Name	Title
LBTH – Place	Ann Sutcliffe	Divisional Director Property and Major Programmes (<i>Interim Chair</i>)
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Acting Service Head for Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
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	Marissa Ryan-Hernandez	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Head of Asset Management
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader

Related Documents

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

CONTENTS

1.0	Purpose of the Project Initiation Document.....	8
2.0	Section 106/CIL Context.....	8
3.0	Equalities Considerations	12
4.0	Legal Comments.....	12
5.0	Overview of the Project.....	13
6.0	Business Case	14
7.0	Approach to Delivery and On-going Maintenance/Operation	20
8.0	Infrastructure Planning Evidence Base Context	21
9.0	Opportunity Cost of Delivering the Project.....	21
10.0	Local Employment and Enterprise Opportunities.....	21
11.0	Financial Programming and Timeline	22
12.0	Project Team.....	24
13.0	Project Reporting Arrangements.....	24
14.0	Quality Statement	25
15.0	Key Risks	25
16.0	Key Project Stakeholders.....	26
17.0	Stakeholder Communications	27
18.0	Project Approvals.....	28

1.0 Purpose of the Project Initiation Document

- 1.1 This project initiation document sets out proposals for the relocation of the Aberfeldy General Practice, in the South-East Locality, to the Aberfeldy New Village Development in Tower Hamlets. Rapid population growth, stimulated by new residential development, is driving increased demand for healthcare provision in the Locality. The proposed new health facility at Aberfeldy Village will help 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 Aberfeldy Village 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.
- 2.4 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 at Obligations and undertakings for the following developments as listed below:

Planning Application	Site Address	Date Received	Expiry Date	Expiry Date Note	Funding Requirements	PA Amount Received	Amount Requested
PA/13/02108	Suttons Wharf South	08/07/2014	no expiry date	no expiry date	Health care facilities in the borough	10,157.00	10,157.00
PA/11/00829	Greenheath Business Centre, 31 Colts Lane	23/10/2012	23/10/2022	10 years from date of practical completion of the development	Provision of additional health facilities	57,240.00	57,240.00
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	£19,082.50
PA/07/02193	32 -42 Bethnal Green Road	10/05/2012	10/05/2022	10 years from date of receipt	Mitigate the demand of the additional population on healthcare facilities	313,548.00	313,548.00
PA/11/01640	16-23 Salter Street	08/03/2013	08/03/2023	10 years from date of practical completion of the development	Provision of additional health facilities	22,185.00	22,185.00
PA/10/00925	Fulneck 150 Mile End Road	08/08/2012	08/08/2022	10 years from date of practical completion of the development	To mitigate the demand for additional healthcare facilities in the borough	68,821.61	68,821.61
PA/12/02023	Limehouse Basin Moorings	01/05/2013	01/05/2023	10 years from date of commencement (i.e. when permission is first implemented)	Health facilities in the borough	24,355.00	24,355.00
PA/09/00326	Gun Wharf, 241 Old Ford Road, London, E3	12/06/2014	12/06/2024	10 years from date of receipt	Provision of health facilities within LBTH	231,582.68	231,582.68
PA/10/02769	Oakfield House, Gale street	21/06/2013	21/06/2023	10 years from date of practical completion of the development	Additional healthcare facilities in the borough	14,730.94	14,730.94
PA/11/03388	25-77 Knapp road	27/06/2013	27/06/2023	10 years from date of practical completion of the development	Provision of additional health facilities	£8,611.00	£6,577.21
PA/10/02340	64 Tredegar Road	26/02/2015	26/02/2025	10 years from date of practical completion of the development	Provision of healthcare in the borough	£37,800	£37,800
PA/11/00798	45 Millharbour	09/01/2015	09/01/2020	5 years from date of practical completion of the development	Additional healthcare facilities in the borough	£172,260.00	£172,260.00

PA/08/01120	Land bounded by Limehouse Cut and St Annes Row	03/06/2015	03/06/2025	10 years from date of payment	Mitigate the demand of the additional population on healthcare facilities	£591,578.46	£591,578.46
PA/06/02101	Building C, Providence Tower	01/04/2015	01/04/2020	5 years after payment made	Towards mitigating the impact and effects of the development on providing new medical facilities in the administrative area of the PCT and will use its reasonable endeavours to ensure that the medical facilities contribution is expended within the Blackwall and Cubitt Town Ward	£524,096.39	£524,096.39
PA/09/02100	Brownfield Estate	24/07/2013	24/07/2023	10 years from date of payment	Provision of or the improvement to health and social care facilities within the councils administrative areas	£170,052.00	£64,823.09
PA/07/03282	Indecon Court - Phase 2	04/02/2014	04/02/2024	10 years from date of payment	Mitigate the demand of additional population on health care facilities in the borough	76,973.12	76,973.12
PA/06/02068	Crossharbour	02/06/2017	13/06/2022		The Council covenants to use the 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	2,838,343.56	714,160.00
PA/10/02093	Tweed house, Teviot Street	26/02/2015	TBC	10 years from practical completion	Additional health care facilities in the councils administrative area (which shall be prioritised by the Council towards	£100,974	£100,974

					schemes in the East India & Lansbury & BBB wards)		
PA/13/02644	Former London Arena, 26 Limeharbour	13/06/2017	13/06/2022	5 years after payment has been made	“The Council covenants to use the 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.”	163,375.00	163,375.00

2.5 The CCG has explored various options for developing additional clinical capacity in the Blackwall and Cubitt Town Ward within the South East Locality. However, only one of the two GP surgeries that are located in the ward, the Island Health Practice, was able to successfully adapt its premises to create a new treatment room, as part of the Maximising Existing Health Infrastructure Project. The CCG was unable to identify any potential sites within the ward to accommodate a new health facility that would have sufficient capacity to meet future demand resulting from the rapid population growth in the Locality. However, the proposed development of the Aberfeldy Health Centre in the neighbouring Lansbury Ward will have the capacity to register patients who reside in Blackwall and Cubitt Town Ward.

2.6 The Aberfeldy Practice’s existing catchment area already covers part of Blackwall and Cubitt Town Ward and the surgery’s registered list includes a significant proportion of residents from that ward. The Practice’s current catchment area boundary is shown at Figure 1 below.

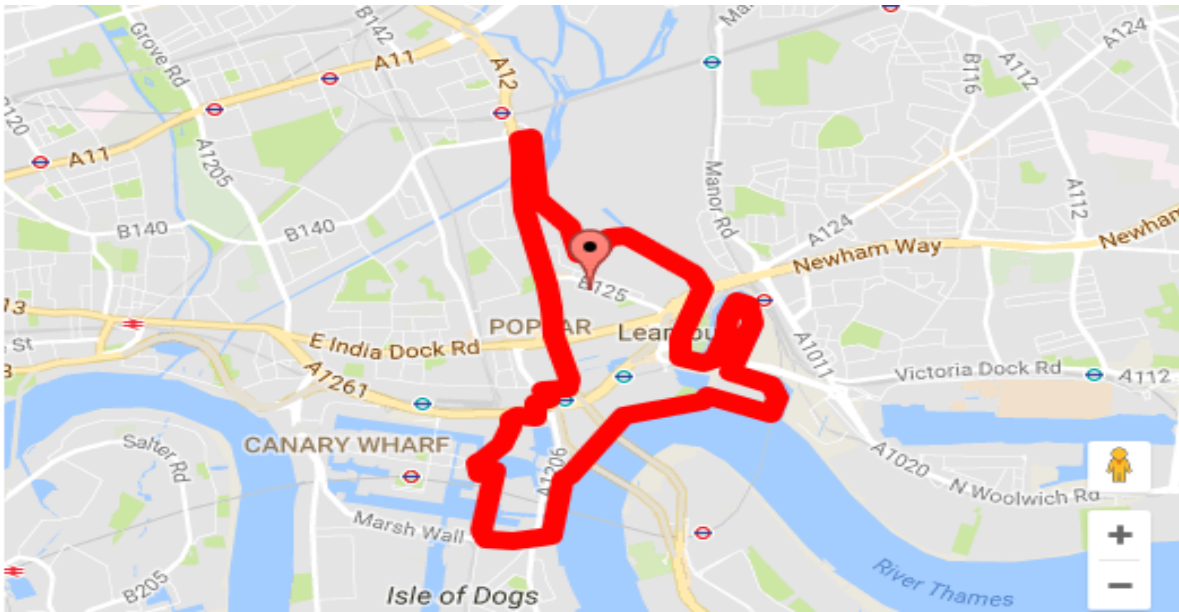


Figure 1: Aberfeldy Practice Boundary

2.7 Despite the current capacity pressures, the Practice will continue to register new residents who move into Blackwall and Cubitt Town Ward. A significant number of the residents at the New Providence Wharf development, for example, have now registered with the Practice. The current distribution of the Aberfeldy's Practice population is shown at Figure 2, where each number represents the number of patients registered with the Practice. The intensity of the colour purple represents areas with the highest proportion of patients.

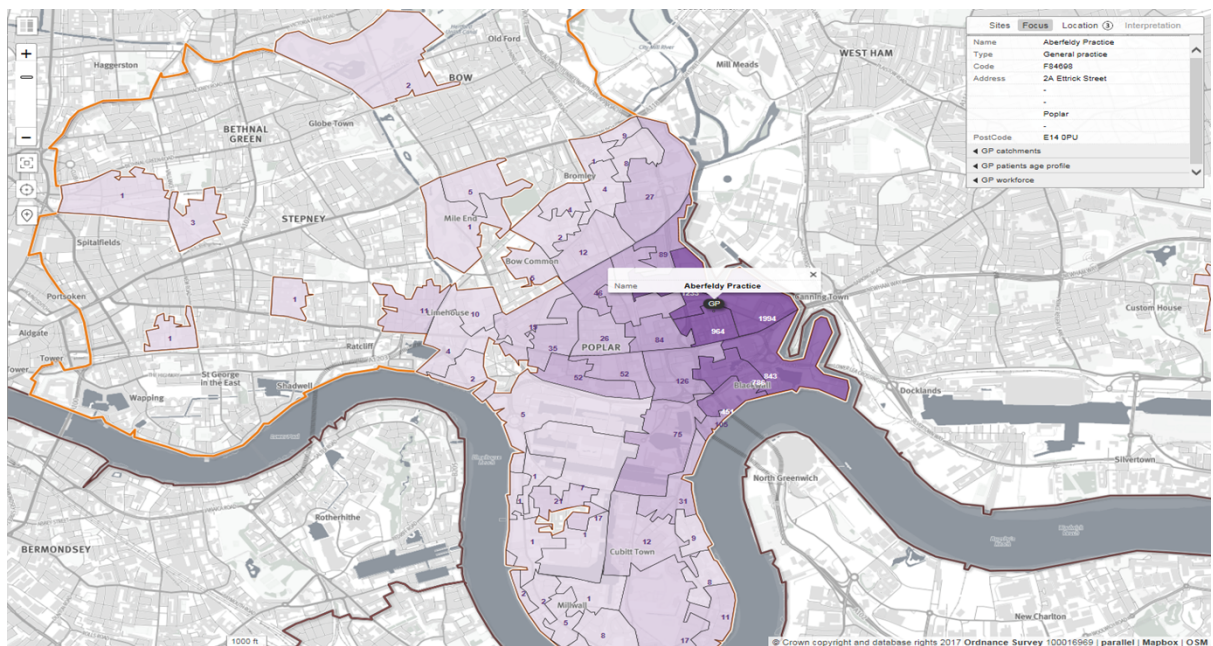


Figure 2: Scatter and Heat Map with patients registered at the Aberfeldy Practice

- 2.8 It is the intention that the Aberfeldy Practice will continue to register patients from areas with significant population growth within its catchment boundary, given the lack of capacity elsewhere. This will include patients from planned residential developments that lie within Blackwall and Cubitt Town Ward.

CIL

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

3.0 Equalities Analysis

- 3.1 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public-sector equality duty). A proportionate level of equality analysis is required to discharge the duty.
- 3.2 Tower Hamlets has one of the lowest healthy life expectancies for both men and women in the country and health inequalities particularly for BME people are a significant challenge for our communities. Additional infrastructure for GP services will provide additional resource for the council's Public Health service (through commissioning) and local health partners to tackle these health inequalities and improve outcomes for local residents, see section 6 for further information.
- 3.3 The proposed health facility at the Aberfeldy New Village 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 Aberfeldy 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 majority of 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 undertake the fit

out of the shell and core premises of the new Aberfeldy Village Health Centre which shall replace the Aberfeldy General Practice. The effect of this will not only increase capacity but enable the NHS to provide more services than it is able to at the current premises. It is therefore clear that this project is aligned with the terms of the majority of the s106 agreements.

- 4.2 It is noted that the contributions to be drawn from the s106 agreements for PA/07/02193, PA/08/00042 and PA/07/03282 all require the money to be spent on mitigating the demand of the additional population on healthcare facilities. Given that the purpose of S106 is to address impacts arising from developments to allow planning permission, our view is that it was intended the monies be used to provide for facilities to address the increased number of residents generated by these schemes. As such we recommend that further justification is given as to how this project will actually mitigate the impacts on current facilities caused by those specific developments; or, if that is not possible, there could be a risk that the Council is not using the monies in accordance with those agreements. If this project will not address those impacts then we would advise that funding is sourced from other sources.
- 4.3 Officers should be advised that the contributions to be drawn from PA/06/02101, PA/06/02068 and PA/13/02644 all require the Council to use reasonable endeavours to ensure that the medical facilities contribution is expended within the Blackwall and Cubitt Town Ward. Whereas, Legal Services notes that the Aberfeldy Village Health Centre will be located in the Lansbury Ward. Unless it can be demonstrated that the Council has exhausted such endeavours, it could be vulnerable to risk of challenge that it is not using the contribution for the purpose for which it was intended. As stated, expenditure in the Lansbury Ward is not an absolute requirement but is qualified by the Council using reasonable endeavours to ensure the contribution is used in the required way. Legal Services has been advised that NHS Property Services has not scheduled any health schemes to be brought forward before these contributions are due to expire and so whilst the money will not be spent in the stipulated ward, it shall still be used towards providing new medical facilities. Furthermore, Lansbury is the neighbouring ward to Blackwall & Cubitt Town and so it would not be unreasonable to expect residents living in these developments to use the Aberfeldy Village Health Centre. It is recommended that the Council discusses its intentions for the contributions with the developers who were the original parties to the s106 agreements. This will alert the Council as to whether there are likely to be any challenges made as to how the contributions are spent.

- 4.4 It is noted that these contributions 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.
- 4.5 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 health facility within the Aberfeldy New Village development is scheduled for completion and hand over to the NHS in June 2019. S106 funding is sought to undertake the fit out of the shell and core premises to enable a re-provision for the Aberfeldy GP Practice. The fit-out works are expected to take approximately 12 months.
- 5.2 The Aberfeldy Practice will occupy a gross internal area of 1,181 m² spread across the ground and first floors of the Aberfeldy New Village development at East India Dock Road, E14 0HR, which is situated less than 500 metres from the existing Aberfeldy Practice premises at 2A Etrick Street, E14 0PU. As well as providing a new health facility, the Aberfeldy New Village development will comprise residential units, retail, a community centre and a faith centre. The development is being led by Aberfeldy New Village LLP, a joint venture partnership between Poplar HARCA and Willmott Dixon. The map below shows the locations of the new health facility and the existing Aberfeldy Practice premises.

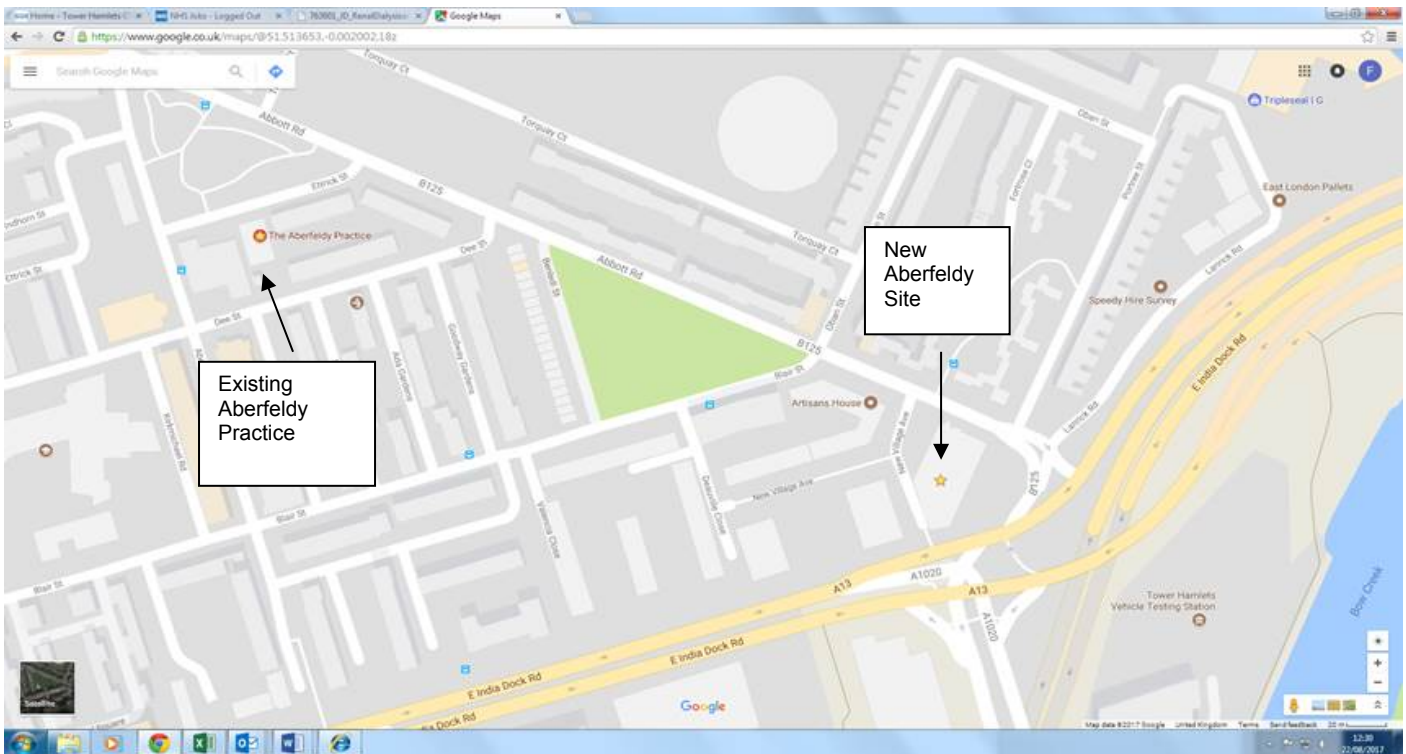


Figure 3: Locations of existing Aberfeldy Practice premises and the new health facility

- 5.3 The existing Aberfeldy Practice premises is severely under-sized and lacks the physical capacity to accommodate the additional doctors and nurses that will be needed to meet the future needs of the population in the South-East Locality. The Aberfeldy Practice’s current clinical workload, measured by GP and nurse contacts is approximately 57,500 contacts per annum and the utilisation rate of clinical space is now running at 100% during opening hours, with only very limited room further expansion within the footprint of the existing practice premises.
- 5.4 To ease the immediate pressures on the Aberfeldy GPs, there are currently plans to carry out alteration works to create a new consulting room within the existing Ettrick Street building and to install a portacabin to provide a second clinic room in the grounds of the premises. Two additional clinical rooms will enable the Practice to continue to take on new patients over the next two years, rather than having to close the patient list. The planned alteration works and portacabin are being funded as part of the maximising existing health infrastructure project. However, the provision of two more consulting rooms at Ettrick Street is a temporary, short term solution only. Additional health infrastructure will be required to meet rising demand resulting from rapid population growth in the Locality over the next five years and beyond.
- 5.5 The proposed new health centre would provide the modern facilities and clinical

capacity needed to enable the Aberfeldy Practice to register new patients who will move into the catchment area over the next five years, serving the population of the Lansbury, Limehouse, Poplar and Blackwall and Cubitt Town Wards, within the South-East Locality.

- 5.6 The fitted-out Aberfeldy Village Health Centre premises will provide up to 21 clinical rooms, compared to nine rooms at the existing surgery. A counselling/interview room and a large multi-purpose group room will also be provided at the Aberfeldy Village site. The new facility 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.

6.0 Business Case

Overview/General

- 6.1 The South-East Locality in Tower Hamlets is forecast to experience the largest population growth in the Borough. This anticipated growth will present significant challenges for primary care services that are already facing pressures in meeting the healthcare needs of the existing population. There is now an urgent need to develop new healthcare infrastructure to meet the needs of the growing population within the Locality.
- 6.2 Aberfeldy is one of nine GP practices situated in the South-East locality which comprises the GP networks 7 and 8. The Aberfeldy Practice sits within the Poplar and Limehouse Network (Network 7). This area has high levels of deprivation and poor health. Network 7 is expected to see significant population growth of up to 10,000 additional residents by 2021/22. Projected population growth in Network 7 in the 0-19 age range is higher than across the borough as a whole¹.

The Aberfeldy Practice has a registered list size of 6,953² patients accommodated in 370m² of space. The current list growth is approximately 6% per annum, but this is set to rise rapidly by approximately 20% to more than 8,500 over the next 18 months when the first phase of the Aberfeldy New Village redevelopment is completed. With current utilisation being at full capacity, the existing premises lack the facilities for further expansion of the clinical workforce.

¹ South East locality maternity and child health profile

² Registered Patient List at 31st January 2017, recorded by THCCG

- 6.3 With the anticipated rise in population and increased demand for new patient registrations, a premises solution is essential to enable the Aberfeldy Practice to provide primary care on a sustainable basis over the next five to ten years. It is vitally important that this practice is relocated to modern, fit for purpose premises given the anticipated increase in its list size.
- 6.4 The strategic need can be identified as follows:
- The Aberfeldy Practice has high excess demand in comparison to current capacity
 - The Practice is operating out of cramped premises which impacts on the Practice resources and primary care services
 - The population of the area is set to increase by approximately 10,000 additional residents by 2021/22
 - The size of the current premises does not comply with recommended NHS guidance with respect to the number of patients registered with the Practice
 - The area is one of significant deprivation and life expectancy in Network 7 is lower than the rest of Tower Hamlets.³

Demand Modelling

- 6.5. NHS Tower Hamlets Clinical Commissioning Group has developed a model with clinicians to enable projection of future demand for primary care services. The modelling methodology, 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 twenty-seven additional clinical rooms in primary care to meet demand within the South-East Locality by 2021/22⁴.
- 6.6 Predicted future capacity requirement is mainly driven by population growth, as the CCG's modelling projects relatively minimal infrastructure growth being required from shifting activity out of hospital into primary care.
- 6.7 Tables 1 and 2 below shows the population growth forecast for Network 7 and the South-East Locality.⁵ Figure 1 shows the net increase in population in Tower Hamlets Wards to 2025⁶.

³ South East locality maternity and child health profile

⁴ Transforming Services Together Estate Options, WEL CCGs

⁵ LBTH Report, Potential Future Primary Healthcare Infrastructure, 2016

⁶ Ibid

Table 1: Network 7 Population Growth Projection by Ward

Aberfeldy Health Centre Development Poplar and Limehouse Network (Network 7) Population Growth Projection by Ward				
Ward	2015/16	2018/19	2021/22	2024/25
Lansbury	16,957	18,569	22,005	24,256
Limehouse	6,758	6,863	7,190	7,306
Poplar	7,746	9,239	12,559	15,234
Total	31,461	34,671	41,754	46,796

Table 2: South-East Locality Population Growth Projection by Ward

Aberfeldy Health Centre Development South East Locality (Networks 7 & 8) Population Growth Projection by Ward				
Ward	2015/16	2018/19	2021/22	2024/25
Lansbury	16,957	18,569	22,005	24,256
Limehouse	6,758	6,863	7,190	7,306
Poplar	7,746	9,239	12,559	15,234
Canary Wharf	13,565	19,858	28,436	33,013
Blackwall & Cubitt Town	16,235	23,446	30,850	34,709
Island Gardens	15,236	15,912	16,418	16,533
Total	76,497	93,887	117,458	131,051

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

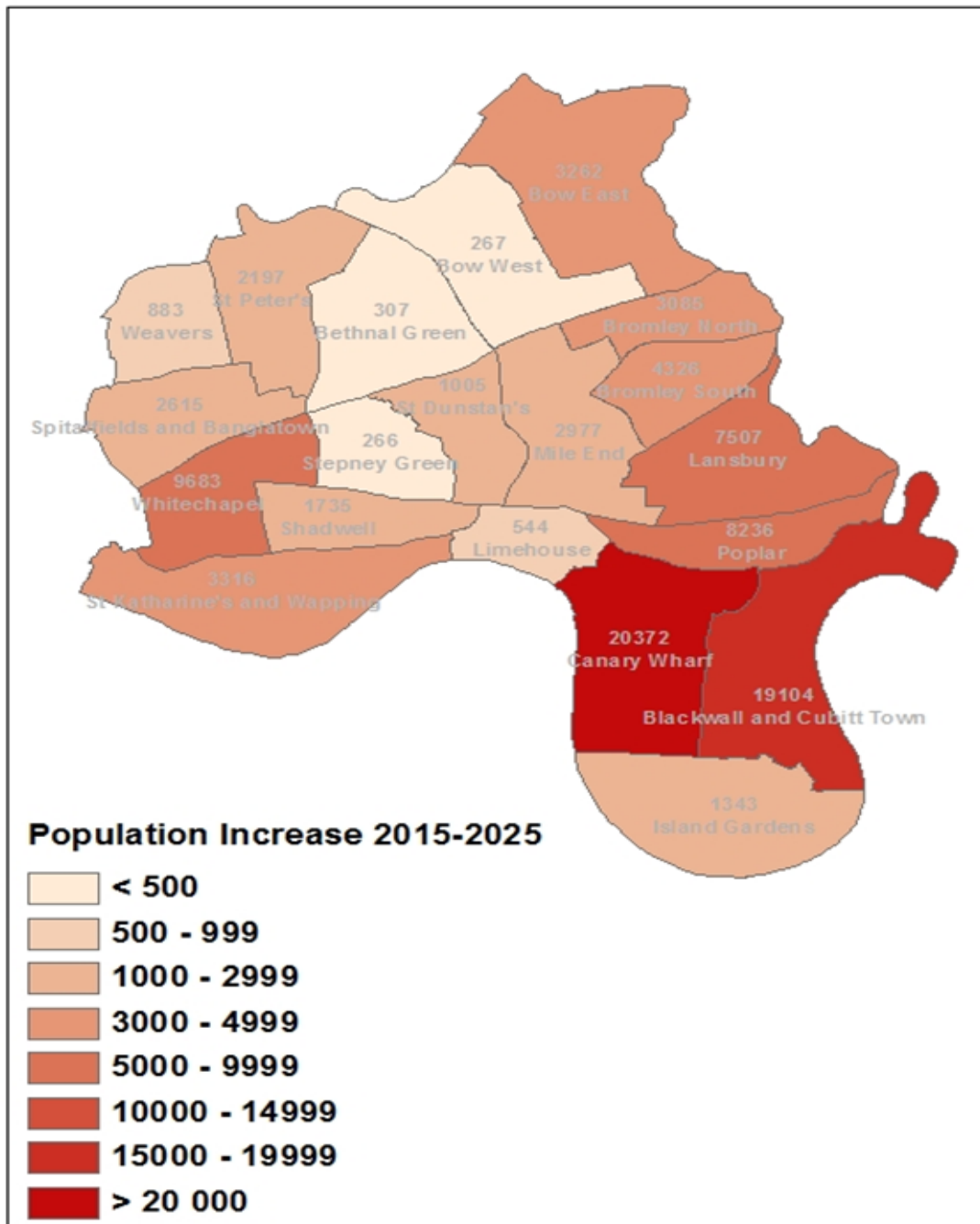


Figure 4: Population Growth in Tower Hamlets 2015-2025

- 6.8 The Aberfeldy Village Health Centre would deliver 12 of the twenty-seven clinical rooms that are required for the South-East Locality by 2022.
- 6.9 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, including outline proposals to develop a new health facility at

Wood Wharf.

6.10 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 3 below describes that by 2030/31, the borough will have a deficit in provision of 38 GPs unless further provision is delivered.

Table 3

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

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

- Replace the existing, under-sized accommodation currently housing the Aberfeldy Practice
- Provide a modern health facility within the Aberfeldy New Village 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 Aberfeldy Health Centre development represents value for money and is affordable to the local health economy

Project Drivers

6.12 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 Aberfeldy Village Health Centre development.

- 6.13 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 Aberfeldy Village Health Centre development will contribute to delivery of the extra clinical capacity that is required in the Locality.

Deliverables, Project Outcomes and Benefits

6.14 This project will:

- deliver a new, fully equipped modern health facility with up to 21 clinical rooms in the South-East Locality. The purchased equipment will include IT equipment, hydraulic examination couches, cabinetry, task chairs and other furnishings required for a fully equipped primary care medical facility.
- deliver new health infrastructure with capacity for up to 17,000 registered patients (the existing practice premises has capacity for a maximum of 9,000 patients)
- provide 86,400 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

6.15 It is expected that the new facility will be operational by October 2020

Other Funding Sources

6.16 £2,200,000 will be sourced from NHSPS capital to fund the purchase of a 125-year lease for the shell and core premises from Aberfeldy New Village LLP.

Related Projects

6.17 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, including two temporary consulting rooms at the existing Aberfeldy Practice

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 Aberfeldy Practice, in accordance with the terms of their 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. NHS Tower Hamlets CCG has agreed to fund the revenue costs for the increased charges for rent, business rates and IT licences. The Aberfeldy Practice will meet the increased costs for service charges.

Procurement

- 7.4 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 Aberfeldy New Village Development for a term of 125 years at premium agreed between Aberfeldy New Village LLP and NHSPS
- NHSPS will sub-let the fully fitted out medical suite to the Aberfeldy Practice via a full repairing, insurance lease agreement for an initial 30-year term
- NHS Tower Hamlets CCG will procure furnishings and IT equipment for the fitted out medical suite, with capital funding provided via a Section 106 capital grant
- The lease agreement for the existing Aberfeldy Practice premises will be assigned to Aberfeldy New Village LLP when the practice takes up occupation of the new facility. Under this agreement, Aberfeldy New Village LLP will assume full responsibility for all future liabilities associated with the disposal of the existing Aberfeldy Practice premises. The portacabin could potentially be relocated as a temporary provision at another site.
- 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 Evidence Base (2016) to help meet the need for primary healthcare facilities in the borough. This includes the provision of a new healthcare facility to rehouse the Aberfeldy Practice. This project is a top officer priority as it will meet increasing need in the shorter term.

8.2 See also section 6.5 illustrating Demand Modelling, to illustrate evidence base.

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, see section 6 above.

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

Table 4			
Financial Resources: Cost Plan at July 2017			
Description	Amount	Funding Source	Funding (Capital/ Revenue)
Construction costs	£1,810,000	s106	Capital
Project contingency / optimism bias	£206,600	s106	Capital
Professional fees	£272,000	s106	Capital
Furniture & equipment	£250,000	s106	Capital
IT	£90,000	s106	Capital
Project development & legal	£50,000	s106	Capital
VAT (less estimate for VAT recovery)	£439,821	s106	/
Total	£3,119,421		

11.2 The cost estimate for construction works have been forecast by recognised cost

consultants i.e. 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 CCG 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 4 above. It should be noted that it is the CCG’s standard practice to draw down S106 grant monies on a quarterly basis in arrears against actual expenditure, but only after any VAT liabilities have been calculated.

Project Management

- 11.4 The Project will be managed by NHGS Tower Hamlets Clinical Commissioning Group. The CCG has established robust programme management arrangements to ensure consistent design and completion of S106 healthcare infrastructure schemes within the required programme and budget parameters. The programme is managed by NHS Tower Hamlets System Wide Estates and Capital Strategy Group, which is led by the Deputy Director of Commissioning Development and meets monthly. The membership of the Estates Strategy Group includes a representative from the Borough.
- 11.5 The operational delivery of this project will be managed by the Aberfeldy Village Health Centre Project Board, which reports into and is accountable to NHS Tower Hamlets System Wide Estates and Capital Strategy Group. Membership of the Project Board comprises officers from NHS Tower Hamlets CCG, NHS England, the

London Borough of Tower Hamlets, NHS Property Services and representatives from the Aberfeldy Practice, including patient representatives.

11.6 The Project Board will manage project delivery against programme milestones and the benefits realised against project objectives and the benefits sought. Project evaluation will be an integral part of the overall project management, contract management and commissioning processes.

11.7 Table 5 below sets out the details of the project's cost plan structure.

Table 5			
Cost plan structure		% of works	% of total
Construction cost	1,810,000		56.31%
Professional fees	272,000	15.03%	8.46%
Equipment, IT, project development & legal costs	390,000	21.55%	12.13%
Optimism bias contingency	206,600	11.41%	6.43%
VAT	535,720	29.60%	16.67%
Total	3,214,320		

Financial Profiling

11.8 Table 6 below sets out the profile of the project's expenditure over its lifetime.

Table 6												
Financial Profiling												
Description	Year 2018/19				Year 2019/20				Year 2020/2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Construction cost including prelims							362,000	724,000	543,000	90,500		90,500
Professional fees		27,200	27,200	54,400	81,600	13,600	13,600	13,600	13,600	-	-	27,200
Equipment, IT, project and legal costs	10,000	10,000	10,000	10,000	30,000	30,000	30,000	30,000	120,000	50,000	30,000	30,000
Contingency and inflation							50,000	50,000	50,000	50,000		6,600
VAT							115,000	240,000	170,000			10,720
Total												
		47,200			213,200	43,600		1,628,200	896,600	190,500		195,020
design	stage 1	stage 2	stage 3	stage 4	tender							
works						stage 5						
defects liability period and retention release									stage 6			

Outputs/Milestone and Spend Profile

11.9 Table 7 below sets out key events (milestones) as the projects moves through its lifecycle.

Table 7			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
1	NHS Business Case	47,200	Sep-18
2	Contractors appointed (contract Signed)	213,200	Jul-19
3	Contractors Start on site	43,600	Oct-19
4	Contractors end on site	1,628,200	Apr-20
5	NHS commissioning process start	896,600	Jul-20
6	Facilities open to Public	190,500	Oct-20
7	Project final account	195,020	Mar-21
Total		3,214,320	

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 8			
Group	Attendees	Reports/Log	Frequency

Table 8			
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 Aberfeldy 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 9 below:

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 being undertaken	Alternative premises requirement or reduction of service provision	Project management discussion with developer in order to minimise disruption of service	1	1	1
4.	Slippage on building works causing overrun		Project overrun	Project management and penalties built in	1	1	1
5.	ICT equipment not required specification / incompatible with existing infrastructure		Inability to fully utilise new equipment	Only equipment meeting the necessary specification will be ordered	1	2	2

16.0 Key Project Stakeholders

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

Table 10			
Key Stakeholders	Role	Communication Method	Frequency
NHS Tower Hamlets CCG	Supplier	Project Board	Monthly
Aberfeldy Practice	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 Aberfeldy 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 Aberfeldy Practice are fully informed in a timely manner about the arrangements for the relocation to the new premises at Aberfeldy New Village Development

Target audience

- Staff at the Aberfeldy Practice
- Registered patients of Aberfeldy Practice
- Aberfeldy Practice 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 ✓	
		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 ✓	
		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 ✓	
		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
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓	
		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
	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> 		
9.	<ul style="list-style-type: none"> Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i> 		
	Comments by the Project Sponsor including any further action required <i>[Use to summarise project delivery and any outstanding actions etc]</i>		
10.	The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.		
	Sponsor (Name)		Date
	Project Manager (Name)		Date

PROJECT INITIATION DOCUMENT

(August 2017)

Wellington Way Health Centre (New Build Extension)

Version Control

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

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

Project Initiation Document (PID)

Project Name:	Wellington Way Health Centre (New Build Extension)		
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:	Mile End		
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?	Yes		
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	No		

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

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

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

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

Related Documents

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

CONTENTS

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

1.0 Purpose of the Project Initiation Document

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

2.0 Section 106/CIL Context

Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.2 CIL is a £ per square metre charge on most new development. In April 2015, the council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the [Council's Regulation 123 List](#).
- 2.3 On the 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 developments in the table below:

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

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

CIL

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

3.0 Equalities Analysis

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

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

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

4.0 Legal Comments

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

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

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

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

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

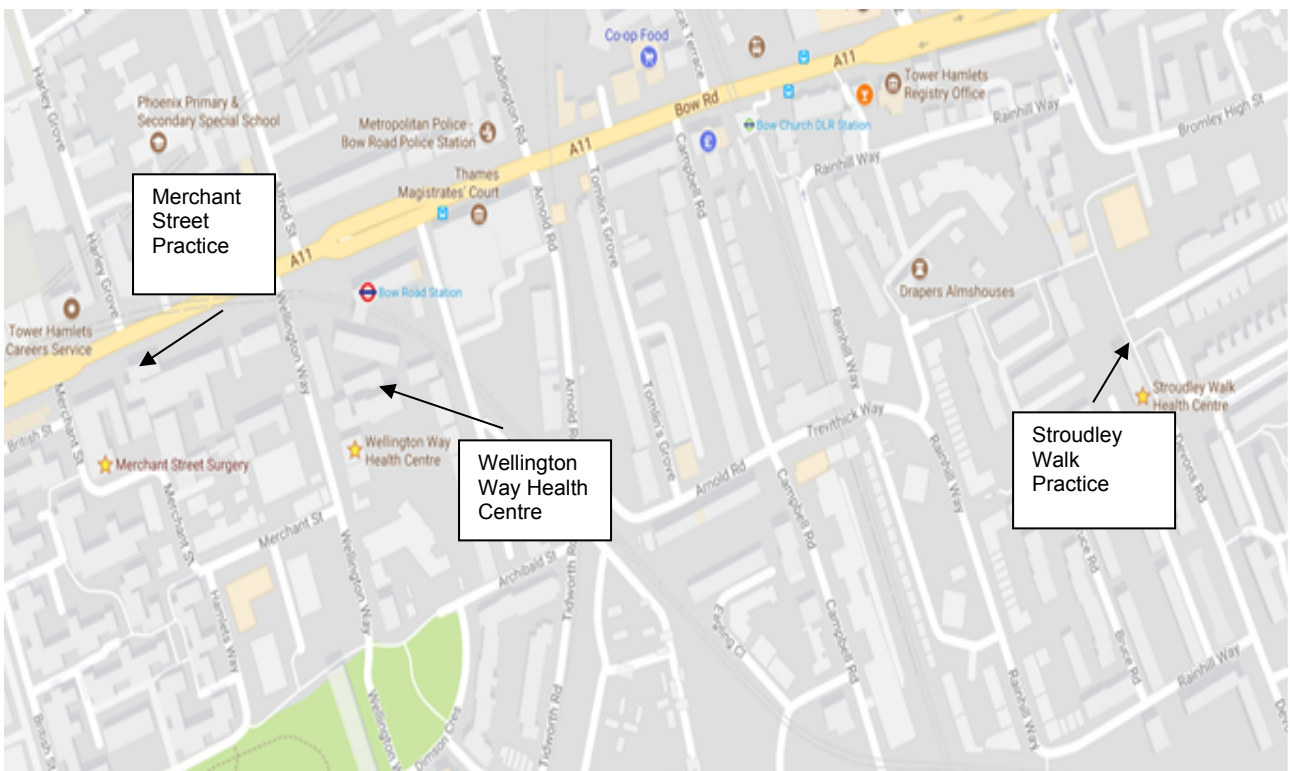
5.0 Overview of the Project

- 5.1 This project will involve the construction and fit out of a new ground floor, single storey extension to the newly refurbished Wellington Way Health Centre. The development will provide six additional clinical rooms at the Wellington Way site. The proposed development is intended to contribute to delivery of additional clinical capacity that will be required to meet the primary healthcare needs of the population of the Bow West, Bow East, Mile End, Bromley and Bromley South Wards.
- 5.2 The Merchant Street and Stroudley Walk GP practices currently have a combined registered list of 9,666 patients¹. The extra clinical capacity provided by the new build extension will enable the two practices to expand their combined patient list by a further 5,000 over the next five years to 2021/22. The new facility will be fully integrated with the existing health centre building, enabling patients to access a wider range of community and specialist health services that will be provided from the site
- 5.3 The new build extension will comprise a gross internal area (GIA) of 245.9 m². With the extension included, the health centre will have a total GIA of 1,192.6 m². The

¹ Registered Patient List at 31st January 2017, recorded by THCCG

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

- 5.4 The structure of the extension will be specifically designed for future proofing, allowing for the option of building upwards, above the ground floor extension, at a later stage to create additional clinical capacity on the first-floor level, should there be a requirement to expand the facility in future years.
- 5.5 An architectural drawing (No. M744_006.PL1) showing the area of the planned refurbishment and the location of the new build extension proposed in this PID is included with the appendices.
- 5.6 The map below shows the locations of the new health facility and the existing Globe Town Surgery premises.



6.0 Business Case

Overview/General

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

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

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

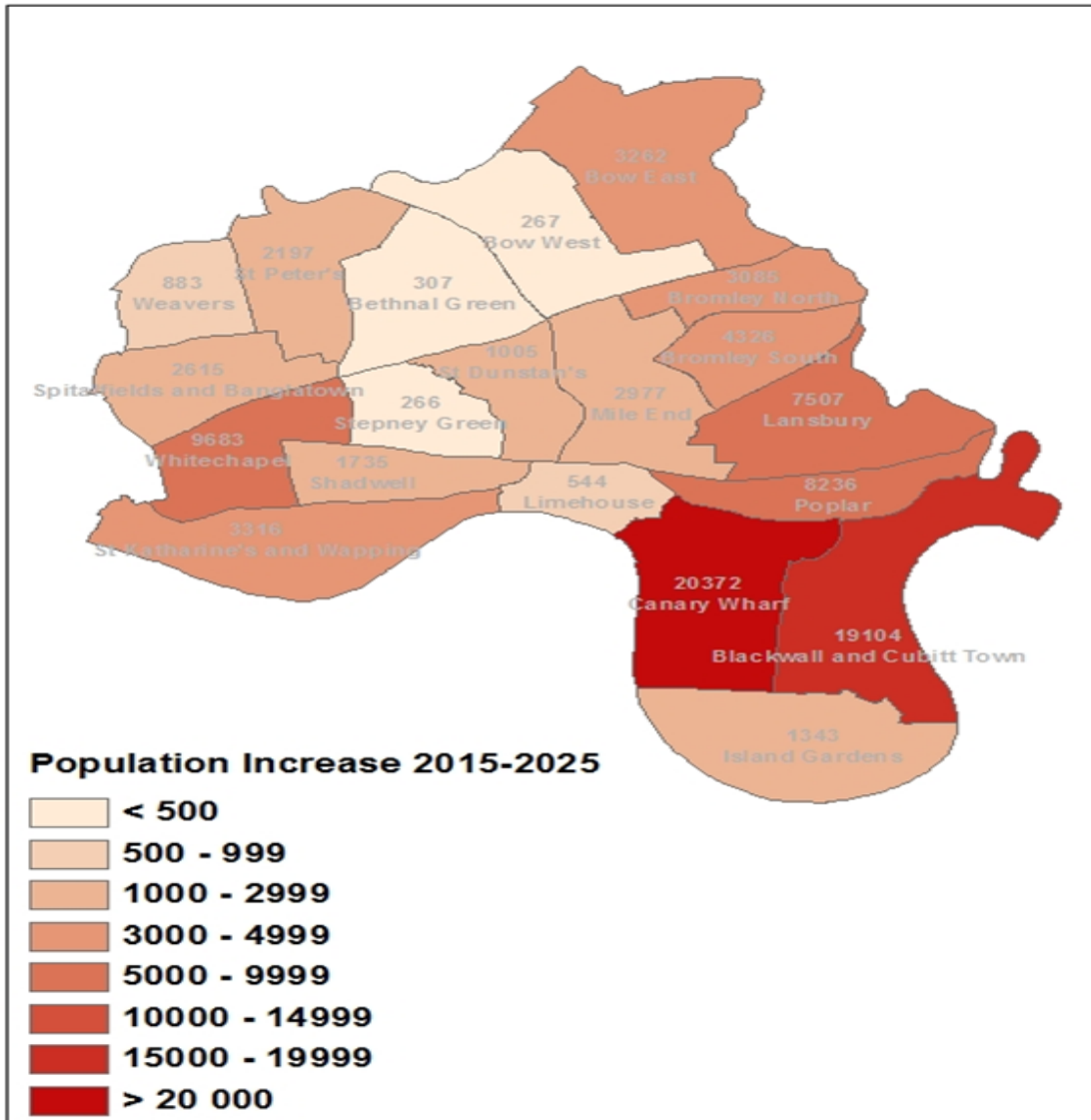
Demand Modelling

- 6.3. NHS Tower Hamlets Clinical Commissioning Group has developed a model with clinicians to enable projection of future demand for primary care services. The modelling exercise, which takes account of population growth and planned shifts in outpatient activity from hospital to primary care, has identified a requirement for the provision of eighteen additional clinical rooms in primary care to meet demand within the North-East Locality by 2021/22.² The recently completed William Cotton Place project has produced three additional clinical rooms for the Locality and the planned refurbishment of the existing Wellington Way building will produce a further three clinical rooms, over and above current provision. The proposal to add a new extension at the Wellington Way Health Centre will create a further six clinical rooms. Together these projects will deliver eleven of the eighteen clinical rooms that are required for the North-East Locality.
- 6.4 Future clinical capacity requirement is mainly driven by population growth, as the model projects relatively minimal infrastructure growth being required from shifting activity out of hospital into primary care.

² Transforming Services Together Estate Options, WEL CCGs

6.5 Figure 1 below shows the net increase in population in Tower Hamlets Wards to 2025³.

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



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

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

³ LBTH Report, Potential Future Primary Healthcare Infrastructure, 2016

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

Table 1

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

Project Objectives

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

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

Project Drivers

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

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

Deliverables, Project Outcomes and Benefits

6.11 This project will:

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

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

Other Funding Sources

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

Related Projects

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

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

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

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

7.0 Approach to Delivery and On-going Maintenance/Operation

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

Procurement

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

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

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

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

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

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

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

8.0 Infrastructure Planning Evidence Base Context

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

9.0 Opportunity Cost of Delivering the Project

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

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

10.0 Local Employment and Enterprise Opportunities

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

11.0 Financial Programming and Timeline

Project Budget

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

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

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

NHS VAT Liability

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

Project Management

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

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

Financial Profiling

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

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

Outputs/Milestone and Spend Profile

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

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

12.0 Project Team

12.1 Information regarding the project team is set out below:

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

13.0 Project Reporting Arrangements

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

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 Wellington Way Health Centre refurbishment and new

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

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

15.0 Key Risks

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

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

Table 6

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

16.0 Key Project Stakeholders

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

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

17.0 Stakeholder Communications

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

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

Target audience

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

18.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.			
Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director	Somen Banerjee		

Project Closure

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

Appendices

[Amend as necessary]

Appendix A: Recorded Corporate Director's Action Form;

Appendix B: Risk Register;

Appendix C: Project Closure Document

Project Closure Document

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	
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		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	
		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> <hr/> <hr/>				
	<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> <hr/> <hr/>				
	<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> <hr/> <hr/>				
	<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> <hr/> <hr/>				
	<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> <hr/> <hr/>				
<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> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Sponsor (Name)</td> <td style="width: 40%;"></td> <td style="width: 15%;">Date</td> <td style="width: 15%;"></td> </tr> <tr> <td>Project Manager (Name)</td> <td></td> <td>Date</td> <td></td> </tr> </table>			Sponsor (Name)		Date		Project Manager (Name)		Date	
Sponsor (Name)		Date									
Project Manager (Name)		Date									

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			

CONTENTS

1.0	Purpose of the Project Initiation Document.....	7
2.0	Section 106/CIL Context.....	7
3.0	Equalities Considerations	11
4.0	Legal Comments.....	11
5.0	Overview of the Project.....	13
6.0	Business Case.....	14
7.0	Approach to Delivery and On-going Maintenance/Operation	20
8.0	Infrastructure Planning Evidence Base Context	21
9.0	Opportunity Cost of Delivering the Project.....	21
10.0	Local Employment and Enterprise Opportunities.....	21
11.0	Financial Programming and Timeline	22
12.0	Project Team.....	25
13.0	Project Reporting Arrangements.....	25
14.0	Quality Statement	25
15.0	Key Risks	26
16.0	Key Project Stakeholders.....	27
17.0	Stakeholder Communications	27
18.0	Project Approvals.....	28

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

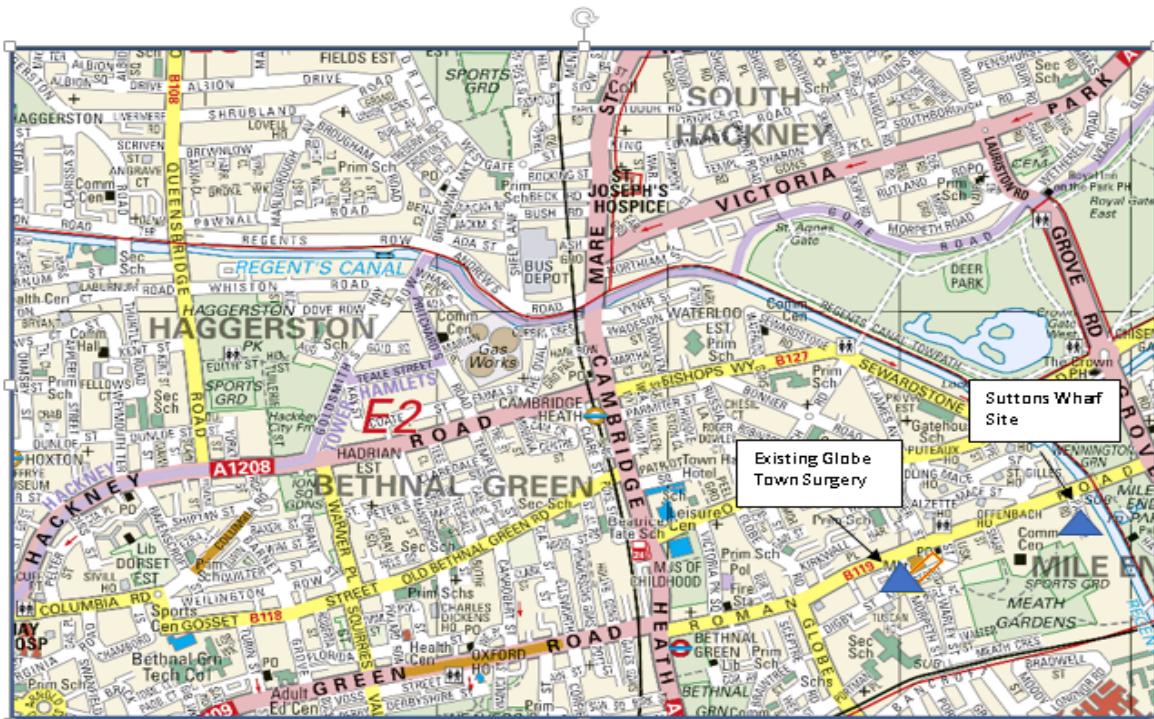
advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

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 Blithehale Health Centre, which serves as the Hub for the North-West Locality. There are, however, already capacity pressures at the Blithehale 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

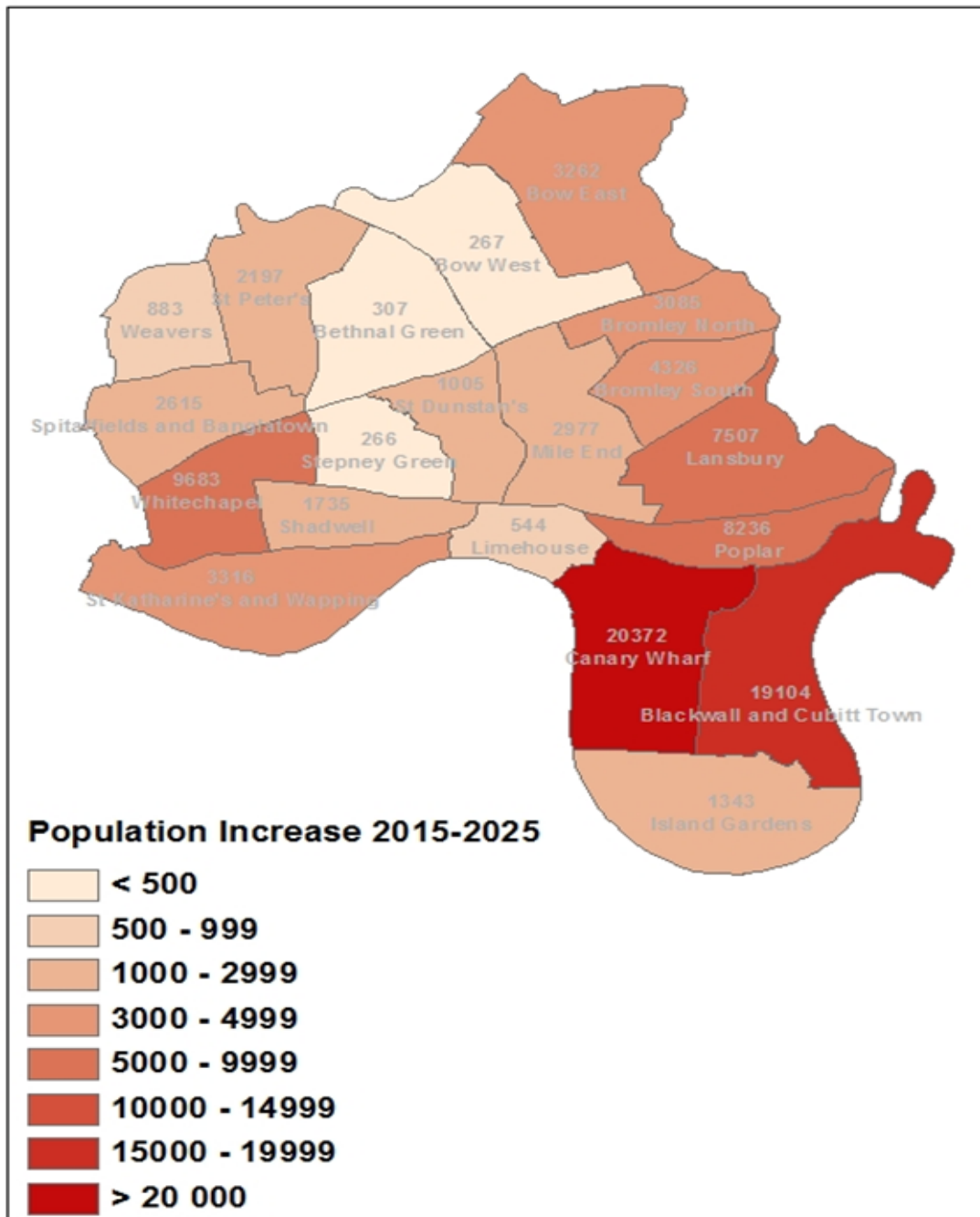
6.6 NHS Tower Hamlets Clinical Commissioning Group has developed a model with clinicians to enable projection of future demand for primary care services. The modelling exercise, which takes account of population growth and planned shifts in outpatient activity from hospital to primary care, has identified 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 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		No	
		Yes		No	
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		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	
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> 				
	<hr/> <hr/>				
	<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> 				
	<hr/> <hr/>				
<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> 					
<hr/> <hr/>					
<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> 					
<hr/> <hr/>					
<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> 					
<hr/> <hr/>					
<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

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