

Appendix E
PROJECT INITIATION DOCUMENT

Wellington Way Health Centre

Project Initiation Document (PID)

Project Name:	Wellington Way Health Centre		
Project Start Date:	November 2016	Project End Date:	June 2017
Relevant Heads of Terms:	Health		
Responsible Directorate:	Adults Services		
Project Manager:	Tim Madelin		
Tel:		Mobile:	
Ward:	Mile End		
Delivery Organisation:	NHS Tower Hamlets CCG/ NHS Property Services		
Funds to be passported to an External Organisation?	Yes		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	No		
Supplier:	CCG		
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	No		
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or	No		

through Full Council? ('Yes' or 'No')	
S106	
Amount of S106 required for this project:	£3,119,000
S106 Planning Agreement Number(s):	PA/08/01763 - £460,222.7 PA/05/01647 -£1,887,078.05 PA/07/01201 - £500,000 PA/09/00203 -£271,699.25
CIL	
Amount of CIL required for this project:	£0
Total CIL/S106 funding sought through this project	£3,119,000
Date of Approval:	October 2016

Distribution List

Organisation	Name	Title
LBTH – D&R	Aman Dalvi	Corporate Director
LBTH – D&R	Owen Whalley	Service Head – Major Project Development
LBTH – D&R	Chris Holme	Finance, D&R
LBTH - D&R	Andy Scott	Service Manager – Economic Development
LBTH – D&R	Matthew Pullen	Infrastructure Planning Team Leader
LBTH – D&R	Helen Green	S106 Programme Coordinator
LBTH – Legal	Gillian Dawson	Principal Planning Lawyer
LBTH Legal	Marcus Woody	Planning Lawyer
LBTH - D&R	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH - CLC	Tope Alegbeleye	Senior Support Services Manager, S&R

Organisation	Name	Title
LBTH CLC	Thorsten Dreyer	Strategy & Business Development Manager - Culture, Public Realm and Spatial Planning
LBTH Public Health	Tim Madelin	Senior Public Health Strategist
LBTH ESCW	Pat Watson	Head of Building Development

Related Documents

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

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1.0 Purpose of the Project Initiation Document

1.1 This Project Initiation Document (PID) will define the Wellington Way 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 pooled 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.

1.2 Within the context of increasing financial challenges it is becoming ever more difficult for the NHS to fund new health centres. It is vital that alternative funding sources are pursued to cross-subsidise much needed developments; S106 funds are one such essential source.

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 an 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 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 an LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

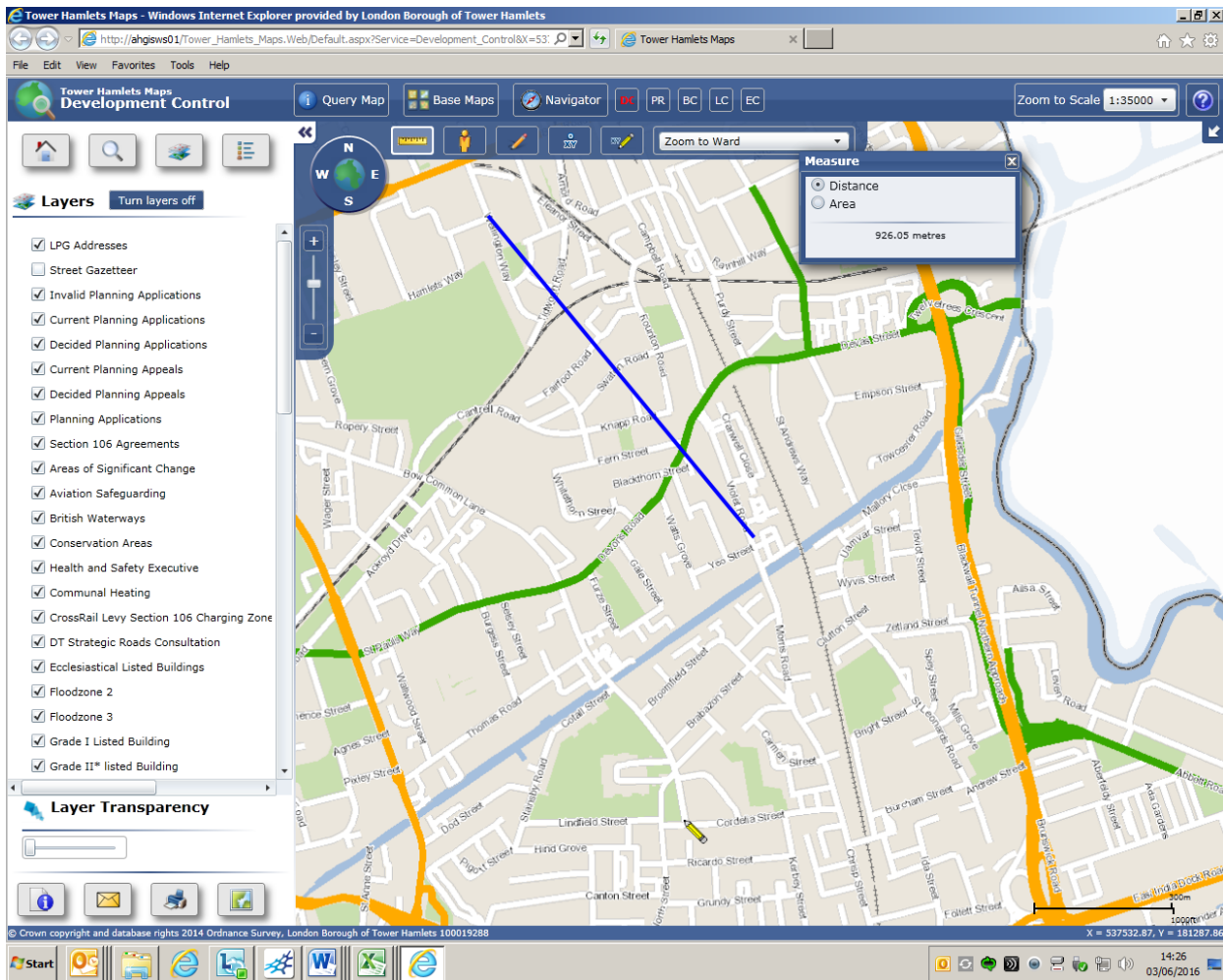
- 2.5 The Directorate of Development and Renewal in Tower Hamlets Council has put in place a corporate structure, leading to a transparent process for assessment, negotiation, agreement, expenditure and monitoring of section 106 resources.
- 2.6 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Deed creating Planning Obligations and undertakings for the following:

PA/05/01647 Caspian Works And, 1-3 Yeo Street (Caspian Wharf), London, E3

- 2.7 The s106 agreement dated 3 May 2007 required the developer to pay to the Council the “Healthcare contribution” of £1,597,879.00 to *‘increase the number of patient places in General Practitioners (GPs) Surgeries in the local area’*.
- 2.8 This contribution was received index linked in 3 x instalments of £639,151.60, £112,517.96 and £1,135,408.49 dated 02/07/12, 16/07/12 and 13/12/2012. The contribution is required to be expended or committed for expenditure for the purposes for which that sum of money was paid within 5 years or such longer period as agreed between the parties.
- 2.9 It is proposed to use the full £1,887,078.05 contribution.

PA/08/01763 Caspian Works And, 1-3 Yeo Street (Caspian Wharf), London, E3

- 2.10 The s106 agreement dated 29 January 2009 required the developer to pay to the Council the “Healthcare contribution” of £626,860.22 to *‘increase the number of patient places in General Practitioners (GPs) Surgeries in the local area as soon as reasonably practicable’*.
- 2.11 This index linked contribution was received in 2x instalments of £250,774.08 and £442,328.68 dated 12/10/2011 and 13/12/2012 respectively. The contribution is required to be expended or committed for expenditure for the purposes for which that sum of money was paid within 5 years or such longer period as agreed between the parties. This money has remained in the account as it is geographically restricted but following the Wellington Way facility coming forward, which is in the local area, it is now reasonably practicable to allocate the contribution to this project.
- 2.12 It is proposed to use the residual balance of this contribution, £460,222.70



Distance from Caspian Wharf development to Wellington Way Health Centre (926m)

PA/07/01201 61-75 Alie Street

- 2.13 The s106 agreement dated 14 March 2008 required the developer to pay the sum of £500,000 as a contribution towards the health care facilities to mitigate the demand of additional population on medical facilities.
- 2.14 This contribution was received in 2x instalments of £250,000 dated 14/12/11 and 13/11/13.
- 2.15 The expiry date for this contribution is 10 years from date of payment; 14/12/2021 and 13/11/2023 respectively.
- 2.16 It is proposed to use the full £500,000 contribution.

PA/09/00203 2 Gladstone Place

- 2.17 The s106 agreement dated 7 August 2009 required the developer to pay to the council £293,324 for '*the provision of health care facilities*'. This contribution was received 09/03/2012. The expiry date for this contribution is 10 years from date of receipt; 09/03/2022
- 2.18 It is proposed to use £271,699.25 of this contribution.

3.0 Legal Comments

- 3.1 Legal will be satisfied that the funding for this PID complies with the terms of the S106 agreements for the schemes PA/05/01647, PA/08/01763 and PA/7/01201 listed in section 2.0 above, so long that the project will result in increased GP patient places for the residents of the areas in which those developments are located. These are specific conditions for those payments.
- 3.2 Subject to that point, we consider that this PID is in accordance with the purposes for the payments in all of the agreements summarised in section 2.0 above. It reflects the parties' intentions when those agreements were entered, that the monies would be used by the Council to increase GP placement capacity or (in the case of the agreement for PA/09/00203 2 Gladstone Place) new health care facilities.
- 3.3 These comments are limited to addressing compliance with the terms of the s106 agreement (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.

4.0 Overview of the Project

- 4.1 This project, to the existing Wellington Way health facility will provide a suitable, fit for purpose, primary care premises catering to the populations of the Bow West, Bow East, Mile End, Bromley North and Bromley South Wards. This facility will work in collaboration with the St Andrews facility to provide some specialist local services.
- 4.2 This project will involve the conversion and fit out of the existing community health services facility into a new dedicated GP surgery facility. The existing community health services will move to Mile End hospital following some enabling works. The new development will allow the integration of the Merchant Street Practice and Stroudley Walk Practice into the new facility. The current Merchant Street facility is deemed inadequate for the services it provides and the landlord wishes to take back possession of the facility. The current Stroudley Walk Practice is located in a building scheduled for redevelopment.
- 4.3 NHS property services have estimated that after conversion and fit out, the facility

will serve a list size of c.12, 000 patients, which is an uplift of c. 2,000 patients from the current provision.

4.4 The Wellington Way building and site is owned by the NHS. This negates the risk that the building 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.

5.0 Business Case

5.1 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.

5.2 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.

5.3 NHS Tower Hamlets Clinical Commissioning Group advised that both the current Merchant Street and Stroudley Walk practices are in need of urgent replacement. The Merchant Street premises are in extremely poor condition and do not comply with modern healthcare standards, whilst the Stroudley Walk building is situated within a regeneration area and is due to be demolished. With limited future lifespan and no potential for future expansion or development, neither of these practices are able to meet the demands of an increasing population. The Wellington Way proposals to relocate these surgeries will provide a modern fit for purpose primary care facilities as well as creating some additional capacity and have been endorsed by the NHS Strategic Capital and Estates Meeting as the best option for addressing the current premises issues at these surgeries and meeting the demands on these practices.

5.4 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 -	Projected Population	Demand (GP's)	Deficit / Surplus	Deficit / Surplus (% of
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	FTE)				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

6.0 Approach

- 6.1 In April 2013 NHS North East London and the City was subsumed by NHS England London Area Team and NHS Tower Hamlets Clinical commissioning Group. Both organisations are committed to maintaining and continuing to develop local borough based work and partnerships already in place.
- 6.2 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. Funding is required to redevelop the existing premises to enable a re-provision for the Merchant Street and Stroudley Walk Practices.

7.0 Infrastructure Planning Evidence Base Context

- 7.1 This project is referred to in the Infrastructure Delivery Framework Evidence Base and is ranked as the equal top priority health project.

8.0 Deliverables

- 8.1 This document describes a project to help deliver a new health facility, enabling the integration of two existing facilities and increasing the list size of the area by 2,000.

9.0 Local Employment and Enterprise Opportunity

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

10.0 Programme Timeline

- 10.1 Project Budget

Table 2

Financial Resources			
Description	Amount	Funding Source	Funding (capital/revenue)
Wellington Way Construction costs (including 10% contingency)	£1,811,700	S106 Contribution	capital
Core Design / Professional / Statutory Fees	£228,597	S106 Contribution	capital
Specialist Advisory Design Costs	£53,250	S106 Contribution	capital
Furniture, IT, project and legal costs	£314,360	S106 Contribution	capital
Enabling works at Mile End Hospital (estimated)	£191,260	S106 Contribution	capital
Vat	£519,833	S106 Contribution	capital
Total including VAT	£3,119,000		

NB. As this project is managed by the CCG, there are no internal LBTH project management fees.

10.2 Financial Profiling

Table 3					
Financial Profiling					
Description	17/18				Total
	Q1	Q2	Q3	Q4	
Wellington Way Construction costs			£1,087,020	£1,087,020	£2,174,040
Core Design / Professional / Statutory Fees	£137,158	£137,158			£274,316
Specialist Advisory Design Costs		£63,900			£63,900
Furniture, IT, project and legal costs				£377,232	£377,232
Enabling works at Mile End Hospital (estimated)		£229,512			£229,512
Total	£137,158	£567,728	£1,654,748	£3,119,000	£3,119,000

10.3 Outputs/Milestone and Spend Profile

Table 4			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
1	Outline Business case	£67,000	26/09/2016

Table 4			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
	approved by NHS England		
2	Full Business Case Approval	£33,000	14/11/2016
3	Contractors appointed (contract Signed)	Incl.	05/12/2016
4	Contractors Start on site		27/12/2016
		£2,914,000	
5	Contractors end on site	£105,000	12/06/2017
6	NHS commissioning process start	Incl.	13/06/2017
7	Facilities open to Public		26/06/2017
Total		£3,119,000	

11.0 Project Team

11.1 Information regarding the project team is set out below:

- Project Sponsor – Somen Banerjee
- Project Manager (LBTH) – Tim Madelin
- Project Manager (NHS) – Henry Black, Robert Lee

12.0 Project Reporting Arrangements

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

13.0 Quality Statement

13.1 The development will be subject to full design by an approved health service architectural practice in accordance with Department of Health guidance, to ensure modern standards of hygiene and care are achieved in the new facility. The design solution will be subject to scrutiny and approval by the local NHS infection control and Nursing Teams.

14.0 Key Project Stakeholders

14.1 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 6			
Key Stakeholders	Role	Communication Method	Frequency
NHS Tower Hamlets CCG	Commissioner	NHS Capital and Estates Meeting	Monthly
NHS England	Commissioner	NHS Capital and Estates Meeting	Monthly
Merchant Street GP Practice	GP's	NHS Project Team	Monthly
Stroudley Walk GP Practice	GP's	NHS Project Team	Monthly

15.0 Stakeholder Communications

15.1 All Stakeholders will be invited to join the project team and contribute accordingly to the design solution and subsequent success of the project.

16.0 Key Risks

16.1 The key risks to this project are provided in the Table 7 below:

Table 7							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
1	The ability to agree design with project team.	Lack of clarity over requirements.	Project overrun.	Regular project team meetings and agreement of clear specification.	1	3	3
2	Securing planning consent.	Failure to accord with planning policy.	Project overrun.	Pre-application discussions with LBTH Planning.	2	4	8
3	Problems with construction.	Failure to plan	Project overrun.	Appropriate engagement with	2	2	4

Table 7

Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
		adequately.		all relevant stakeholders.			