

PROJECT INITIATION DOCUMENT

(January 2018)

Goodman's Fields 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 1	05.01.18
0.2	Matthew Phelan	Update following legal	16 Jan 18
0.3	Matthew Phelan	Update following legal	18 Jan 18
0.4	Matthew Phelan	Update following IDSG	13 Feb 18
0.5	Matthew Phelan	Update to table 4 and 5 following 'health s106 meeting'	8 Mar 2018

Project Initiation Document (PID)

Project Name:	Goodman's Fields Health Centre		
Project Start Date:	September 2018	Project End Date:	October 2020
Relevant Heads of Terms:	Health		
Responsible Directorate:	Adults Services		
Project Manager:	Matthew Phelan, Programme lead for Healthy Environments		
Tel:	X6307	Mobile:	N/A
Ward:	Whitechapel		
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?	Yes		
Is the relevant Corporate Director aware that this project is seeking	Yes		

approval for funding?	
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	No
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')	No
S106	
Amount of S106 required for this project:	£1,329,483.21
S106 Planning Agreement Number(s):	
CIL	
Amount of CIL required for this project:	£3,494,990.79
Total CIL/S106 funding sought through this project	£ 4,824,474
Date of Approval:	

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

Organisation	Name	Title
LBTH – Place	Ann Sutcliffe	Acting Corporate Director Place (<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

Organisation	Name	Title
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
LBTH – Governance	Sophie Chapman	Planning Lawyer
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Helen Green	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	Abigail Knight	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	Acting Divisional Director Property and Major Programmes
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 for the relocation of the Whitechapel and City Wellbeing GP practices from their existing under-sized premises to a new health centre within the Goodman's Fields development at Aldgate. The new Goodman's Fields Health Centre will provide the increased capacity needed to mitigate the impact of population growth in the South West Locality of Tower Hamlets.
- 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 this development. The NHS in Tower Hamlets has a successful record in delivering health infrastructure initiatives aided by S106/CIL 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 Goodman's Fields 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 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 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:

PA number	Site	Expiry date comment	Expiry date	Funding Requirement	Amount Received	Amount applied to project
PA/11/03388	25-77 Knapp road	10 years from date of practical completion of the whole development	TBC	provision of additional health facilities	£8,611.00	2,033.79
PA/08/00305	Former Bishops Challoner School, Christian St	No expiry date mentioned		Health facilities within the vicinity of the development **	300,417.00	300,417.00
PA/11/01120	Land bounded by Limehouse Cut and St Annes Row	10 years from date of payment	03/06/2025	mitigate the demand of the additional population on healthcare facilities	£591,578.46	£94,899

PA/10/01481	60 Commercial Road	no expiry date		additional healthcare facilities in the Whitechapel wards area and/or shadwell ward area	184,859.96	184,859.96
PA/13/00862	213-217 Bow Common Road	expended or committed within 10 years from date of practical completion	TBC	towards the provision of additional health facilities	56,262.37	56,262.37
PA/14/02607	Barchester Street	All or any part of the financial contributions paid for the purposes specified within FIVE years of payment or SEVEN years in the case of sums which the council is under a binding contractual obligation to pay at the expiration of the said five years which have not been expended at that date.	08/11/2022	provision and or improvement of health care and well being facilities in the borough	171,291.00	171,291.00
PA/14/01428	Meridian Gate, Marsh Wall	in the event that all or part of any financial contribution has not been expended (or committed for expenditure) within 5 years from the date upon which it is paid, to repay the unexpended balance of such	13/12/2022	towards health facilities within the Council's administrative areas.	519,720.09	519,720.09

		contribution (or any part not already committed)				
Total						£1,329,483.21

** see map in appendix 1

Table 1: S106 planning obligations

CIL

- 2.6 This PID seeks approval for the expenditure of **£3,494,990.79** of CIL for the relocation of the Whitechapel and City Wellbeing GP practices from their existing under-sized premises to a new health centre within the Goodman’s Fields development at Aldgate.
- 2.7 In accordance with Regulation 123 of the CIL Regulations 2010 (as amended), the Council has prepared a list of infrastructure that the Council intends, will be, or may be, wholly or partially funded by CIL. This project is covered under ‘health and social care facilities’ in the Council’s Regulation 123 List.
- 2.8 On 30th January 2018, the Council’s Cabinet will consider adopting an Annual Infrastructure Statement. The Annual Infrastructure Statement (AIS) will set out the Mayor’s overall approach to investing Community Infrastructure Levy (CIL) funding up until 31st March 2019. The proposed AIS allocates a portion of CIL funding to ‘Sustainability, Leisure and Healthy Living’ Infrastructure. This funding has been provisionally set aside for projects ‘which enhance the provision of sustainability, leisure and healthy living opportunities within the borough’. Goodman’s Fields Health Centre will enhance ‘healthy living opportunities’ and as such is in accordance with the Annual Infrastructure Statement.

Grants Funding

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

3.0 Equalities Analysis

- 3.1 When making decisions, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public-sector equality duty). A proportionate level of equality analysis is required to discharge the duty.
- 3.2 Tower Hamlets has one of the lowest healthy life expectancies for both men and women in the country and health inequalities particularly for BME people are a significant challenge for our communities. Additional infrastructure for GP services will provide additional resource for the council's Public Health service (through commissioning) and local health partners to tackle these health inequalities and improve outcomes for local residents, see section 6 for further information.
- 3.3 The Whitechapel region is particularly in need of additional health infrastructure, and extending healthcare provision in this ward will particularly affect several groups who are often disadvantaged with regards to access to healthcare. According to the 2011 census, 59% of the people living in this ward are BME, the proportion of socially rented households is almost double the London average and 13% of the population are classed as long term unemployed. Health inequalities research over the past decade has strongly indicated that low income and ethnic minority households are significantly more likely to experience poorer health outcomes. The Goodman's Fields Health Centre will therefore be increasing health service availability in a location of appropriate need.
- 3.4 The Goodman's Fields 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 Goodman's Fields Health Centre to satisfy the terms of the S106 agreements set out in the table at paragraph 2.5 above.
- 4.2 PA/08/00305 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. Map 1 appended to this PID shows that this development is located a short walk from the proposed new location of Goodman's Fields Health Centre and so it is reasonable to expect residents of this development to use this health centre.

- 4.3 The S106 agreement for PA/10/01481 requires the contribution to be used towards providing additional healthcare facilities in the Whitechapel ward area and/or Shadwell ward area. Figure 1 "site locations map" shows that the proposed new location of Goodman's Fields Health Centre is in the Whitechapel ward.
- 4.4 This project also seeks to use £3,494,990.79 from the Council's CIL fund. CIL is a pounds per square metre charge on most new development, introduced by the Planning Act 2008 ('the 2008 Act') as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 ('the 2010 Regulations').
- 4.5 A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area, as set out in Regulation 59 of the 2010 Regulations.
- 4.6 Infrastructure is defined by S216 of the Planning Act 2008 to include medical facilities and therefore we are satisfied that a health centre fits within this definition and is infrastructure of that type which is vital to support the development of the Council's area.
- 4.7 It is noted that CIL monies and the contributions to be drawn from the S106 agreements are to be paid directly to an external organisation (NHS). The terms of these S106 agreements do not specify that the contributions can be paid to 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.
- 4.8 Subject to the above comments, we consider the funding for this PID to be in accordance with the CIL and the purposes for the contributions under the S106 agreements.

4.9 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.

4.10 These comments are limited to addressing compliance with the expenditure of CIL and 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 Goodman's Fields Health Centre premises will be constructed to shell and core specification by the site developer, Berkeley Homes (Capital) PLC, in fulfilment of a planning obligation under the terms of a Section 106 Agreement. The premises will comprise a gross internal area of 1,630m². The building is expected to be completed and handed over to the NHS in March 2019. The fit out works is expected to take approximately 11 months, with the health centre becoming fully operational in October 2020.

5.2 The fitted-out premises will provide 24 clinical rooms, a multi-purpose group room, counselling room and dedicated GP training rooms. The additional capacity provided in the new building will enable the GP practices to deliver an extended range of integrated primary and community health services to tackle health inequalities and improve health outcomes for their patients, in line with the objectives and goals set out in the Tower Hamlets Health and Wellbeing Strategy 2017-2020. The facility will also be equipped with the latest information technology to enable patients to access a wide range of primary care services online and to facilitate integrated working across health and social care.

5.3 The proposed development at Goodman's Fields, with the support of S106/CIL capital grants, will increase clinical capacity, access and service provision in primary care and maintain continuity of GP services in the South West Locality.

5.4 The aim of the proposal is to both overcome existing inadequacies in primary care facilities in the South West Locality and to address the requirement to improve the existing healthcare estate in Tower Hamlets.

5.5 Failure to deliver this development would create a potential risk of insufficient primary care capacity being available to meet demand for primary care services in future years arising from planned population growth in the South West Locality of

Tower Hamlets. This could result in reduced access to primary healthcare, longer waiting times for GP and nurse appointments and an increase in the volume of avoidable attendances at accident and emergency services at the Royal London Hospital.

- 5.6 The map below shows the locations of the new health facility at Goodman's fields and the existing Whitechapel and City Wellbeing GP practices premises, including the branch surgery at Portsoken Health Centre.

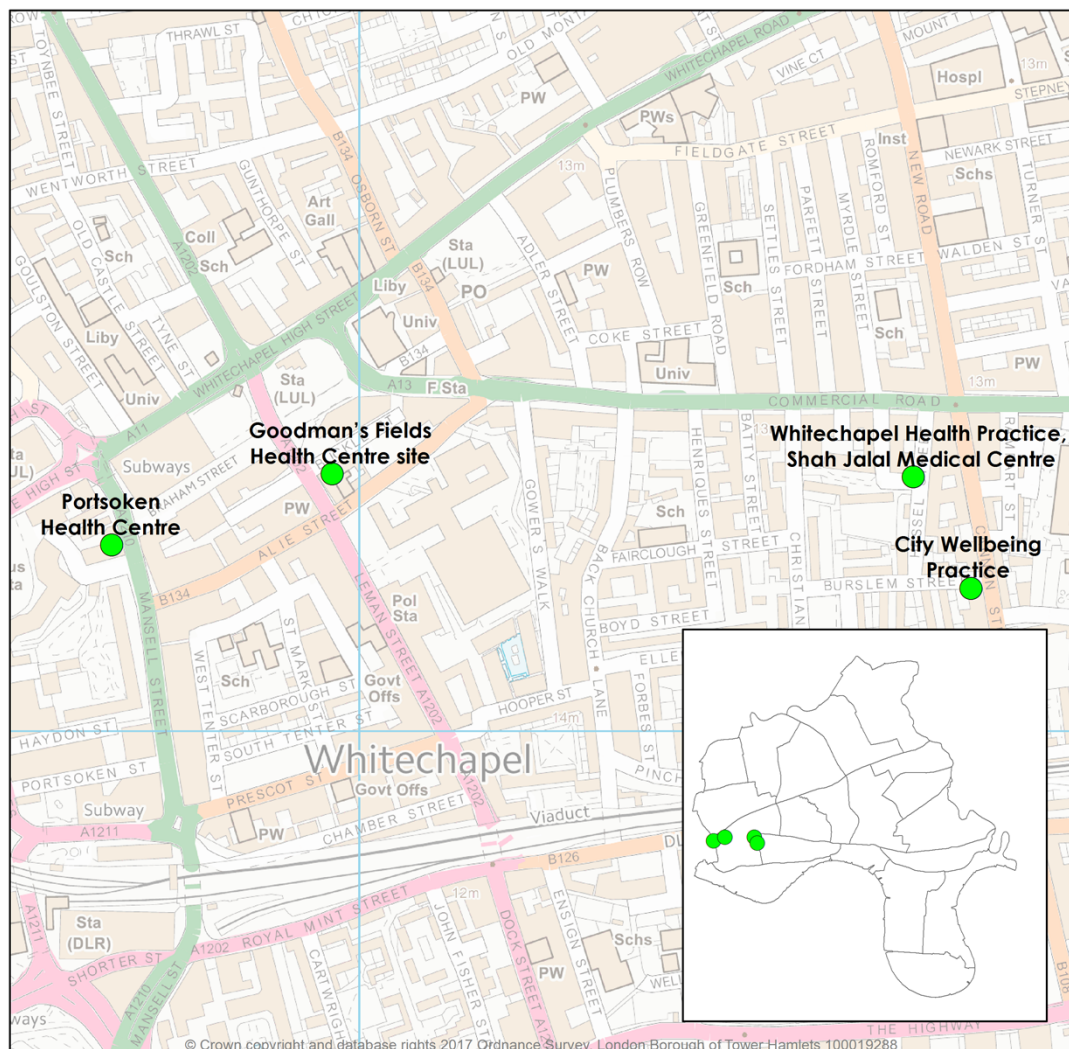


Figure 1: Site locations map

Site addresses:

City Wellbeing Practice, 129 Cannon Street Road, E1 2LX

Whitechapel Health Practice, Shah Jalal Medical Centre, 44 Hessel Street, E1 2LP

Whitechapel Health Branch Surgery, Portsoken Health Centre, 14-16 Somerset Street, E1 8AH

Goodman's Fields Health Centre site, South East Block, Goodman's Fields, E1 8EJ

6.0 Business Case

Overview/General

- 6.1 Tower Hamlets Council is working in partnership with NHS Tower Hamlets Clinical Commissioning Group to improve healthcare facilities in the Borough. Health commissioners have identified an urgent need to improve the healthcare infrastructure in the South West Locality of the borough to mitigate the impact of current and future increases in population.
- 6.2 The Whitechapel and City Wellbeing GP practices currently have a combined list size of 17,000 patients but neither of these existing practice premises have sufficient capacity to meet the expected demand for primary care services arising from planned population growth in the Shadwell, Stepney Green and Whitechapel Wards which are served by the two practices. The population in these wards is forecast to increase from 45,900 in 2018/19 to 54,360 in 2024/25.
- 6.3 The City Wellbeing Practice is now operating at full capacity and has closed its list to new patients. The Whitechapel Practice is also nearing full operational capacity, but is continuing to register new patients for the time being. Due to capacity constraints at its Whitechapel premises, the Whitechapel Practice also currently operates a branch surgery at Portsoken Health Centre in the City. The new facility at Goodman's Fields will enable the Whitechapel Practice to consolidate all of its services onto a single site.
- 6.4 The Goodman's Fields Health Centre will provide the modern facilities and clinical capacity needed to enable both the Whitechapel and City Wellbeing GP practices to grow their combined patient list to 25,000.
- 6.5 The proposed one-off capital investment in a new health facility at the Goodman's Fields development in Aldgate will enable a re-provision of the Whitechapel and City Wellbeing GP Practices within modern, fit for purpose facilities. The South West Locality has high levels of deprivation and poor health and primary care services are under increasing pressure to meet local health need.

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 South West Locality by 2021/22.¹

- 6.7 The Goodman's Fields Health Centre development will create a further 7 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 South West Locality, including exploratory proposals to develop a new health facility on the Royal London Hospital Campus.
- 6.8 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.
- 6.9 Figure 2 below shows the net increase in population in Tower Hamlets Wards to 2025².

¹ Transforming Services Together Estate Options, WEL CCGs

² LBTH Report, Potential Future Primary Healthcare Infrastructure, 2016

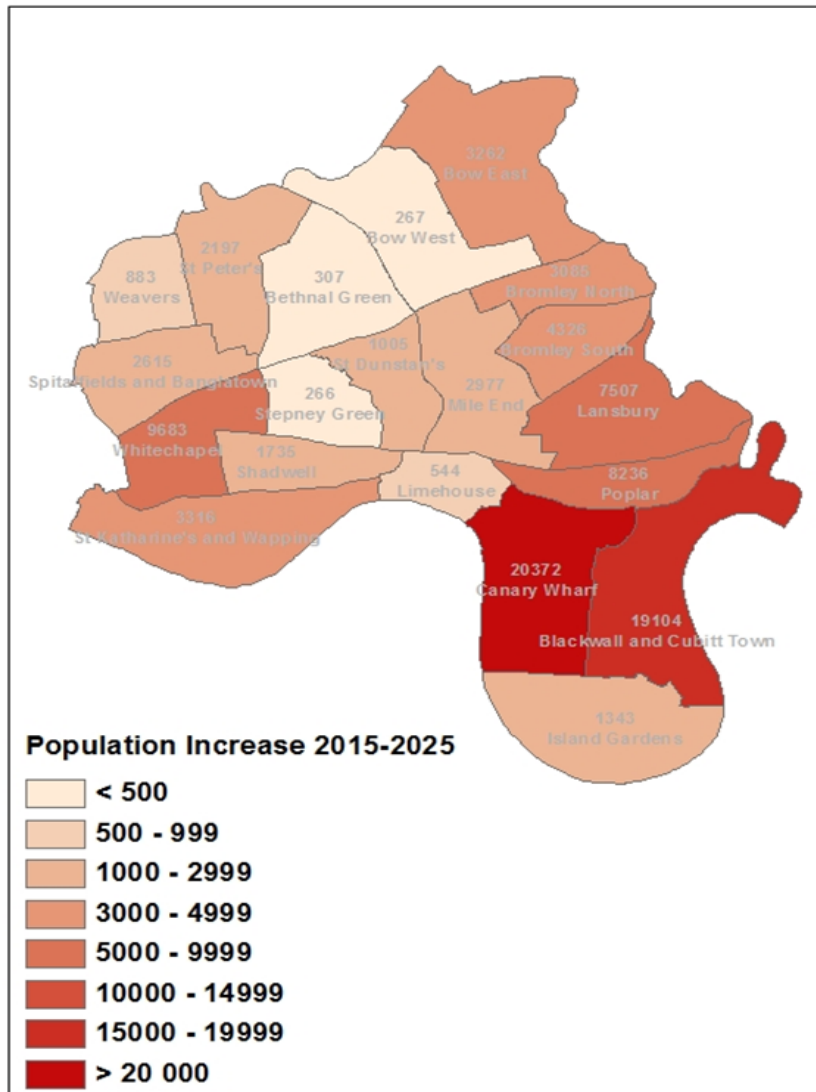


Figure 2: Heat map: net increase in population in Tower Hamlets Wards to 2025

- 6.10 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 West Locality.
- 6.11 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. The table below shows that by 2030/31, the borough will have a deficit in provision of 38 GPs unless further provision is delivered. The modelling to support this finding was based upon the Healthy Urban Development Unit Toolkit.

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

Table 2: GP workforce requirement in Tower Hamlets – 2016/2031

Project Objectives

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

- Replace the existing, under-sized accommodation currently housing the Whitechapel and City Wellbeing GP practices
- Provide a modern health facility within the Goodman's Fields 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 Goodman's Fields Health Centre development represents value for money and is affordable to the local health economy
- To ensure the health and wellbeing needs are met within the Whitechapel Ward to meet the demand for the growing population of the east of the borough.

Project Drivers

6.13 This project is aligned with the strategic priorities for improved health facilities to enable more people in Tower Hamlets to live healthily; ICT investment to facilitate smarter, integrated working; and employment initiatives to create good jobs for local residents.

6.14 Improving the physical infrastructure of Tower Hamlets is one of five priorities set out in the borough's Health and Wellbeing Strategy 2017-2020. Physical infrastructure includes the provision of good quality healthcare facilities to support the health and wellbeing of the Tower Hamlets population.

- 6.15 NHS Tower Hamlets CCG Estates Strategy identifies a requirement to development new facilities in the South West Locality to meet future demand for primary care services. The Goodman's Fields Health Centre will contribute to delivery of the extra clinical capacity that is required in the Locality.
- 6.16 To enhance the delivery of infrastructure and address the demands that development places on an area, maximising health infrastructure was prioritised through the Tower Hamlets local infrastructure fund.

Deliverables, Project Outcomes and Benefits

- 6.16 This project will:
- deliver a new, fully equipped modern health facility with 24 clinical rooms in the South West Locality
 - deliver new health infrastructure with capacity for up to 25,000 registered patients
 - provide 50,400 new patient appointment slots in the North-East Locality, based on a utilisation rate of 60%
 - upgrade ICT and medical equipment to allow patients to take more control of their care and to allow more patient monitoring to be undertaken within primary care
 - enable an expansion of the primary care workforce in the South West Locality, equivalent to 1 GP per 1,800 new patients and associated support staff
- 6.17 The purchased equipment for the new facility will include IT equipment, hydraulic examination couches, cabinetry, task chairs and other furnishings required for a fully equipped primary care medical facility.
- 6.18 It is expected that the new facility will be operational in October 2020.

Other Funding Sources

- 6.19 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 ongoing rental and service charges, the employment of clinical and administrative staff that will be required at the Goodman's Fields Health Centre.

Related Projects

- 6.20 This project builds on other capital projects that are being implemented to expand and upgrade primary care healthcare facilities in Tower Hamlets:
- Reprovision 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)
 - Reprovision 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 ground floor extension at the site, for which a PID was approved in October 2017.
 - 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 NHS Property Services will lease (the superior lease) the Goodman's Fields facility from Berkeley Homes (Capital) PLC and sublet the entire premises to Whitechapel Health and City Wellbeing GP Practices. Berkeley Homes (Capital) PLC will be responsible for external repairs, whilst it the maintenance of internal furnishings and equipment, utilities, rates and insurances will be the responsibility of the Whitechapel Health and City Wellbeing GP Practices, in accordance with the terms of the practices' lease agreements 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

- 7.5 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 Section 106/CIL capital grants. 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 lease the entire shell and core health premises at the Goodman's Fields Development for a term to be agreed between the developer, Berkeley Homes (Capital) PLC and NHSPS.
- NHSPS will sub-let the fully fitted out medical suite to Whitechapel Health and City Wellbeing GP Practices 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
- 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 development of a new health facility at Goodman's Fields. 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 S106 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/CIL monies – spread around the borough and decided according to need.

- 9.2 As the 'The City Wellbeing Practice' operating at full capacity and 'The Whitechapel Practice' nearing full capacity, failure to deliver this development would create a potential risk of insufficient primary care capacity being available to meet demand for primary care services in the South West Locality of Tower Hamlets, resulting in reduced access, longer waiting times, and an increase in the volume of avoidable attendances at accident and emergency. Therefore the risk of missing the opportunity to support this PID would far outweigh the impact to the local resident's wellbeing.
- 9.3 As of 31st December 2017, the Council had issued a total of £6.6 million in CIL Liability Notices within LIF Area 1, including £3.4 million within Whitechapel Ward. Given the amount of projected development within the area, these figures are anticipated to increase notably ahead of the proposed construction works being completed in May 2020. Whilst there are a number of infrastructure projects which this money could be spent on, there is an identified need to increase healthcare infrastructure in the area, as identified in the Infrastructure Delivery Plan, and as such, this is considered to be the best use of this CIL funding. The proposal also aligns with the Annual Infrastructure Statement which sets out the Mayor's approach for allocating and spending CIL in 2017/18 and 2018/19.
- 9.4 Furthermore, the project is strategic and will have borough-wide benefits. Collectively the current registered patient lists of both 'City Wellbeing Practice' and 'Whitechapel Practice' Patient lists total in excess of £15.8k in the Whitechapel ward alone. A further 3.2k patients are registered from Shadwell and 891 from Stepney Green and a further 2081 patients registered across 17 other wards.
- 9.5 The City and Wellbeing practice hold the head lease for their very small, unsuitable and poor quality premises and they will surrender that lease. NHS Property Services hold the head lease for the Whitechapel premises and the current plan is to surrender it, however, there has been some recent thinking about the East London Foundation Trust possibly wanting to lease these premises. In practice the investment of S106/CIL allows TH CCG to, in addition to expanding clinical capacity, modernise the health estate and co-locate/merge practices leading to higher list practices and economies of scale.

10.0 Local Employment and Enterprise Opportunities

- 10.1 NHS Tower Hamlets CCG and NHS Property Services as statutory public sector bodies will use their procurement procedures to secure any required contracts. The existing or appointed contractor will be requested to work with the council's

Economic Development Team who can support them in delivering any economic and community benefits associated with any contract.

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

11.0 Financial Programming and Timeline

Project Budget

- 11.1 Table 3 below to sets out the details of the project's budget and funding sources.

Table 3			
Financial Resources			
	Amount	Funding Source	Funding (Capital/ Revenue)
Construction cost including prelims	1,339,052	S106	Capital
Construction cost including prelims	859,083	CIL	Capital
Professional fees	329,720	CIL	Capital
Equipment, IT, project and legal costs	828,805	CIL	Capital
Contingency and inflation	787,365	CIL	Capital
VAT (less estimate for VAT recovery)	680,449	CIL	
Total	4,824,474		

Table 3: Project budget and funding sources

- 11.2 The cost estimate for construction works have been benchmarked against similar projects currently being progressed, including Sutton's Wharf and Aberfeldy Health Centres. No adjustment for location has been made as this is assumed to be within the Price and Design Risk percentage. Any monies not spent will be used for the purchase of additional equipment within the development.
- 11.3 Projected costs are estimates on the basis of the current market conditions and are benchmarked against similar projects recently delivered and currently in development e.g. William Cotton and Sutton's Wharf. It is in the nature of capital

projects that out turn cost is difficult to predict, however, allowances have been included for inflation, optimism bias and contingency. The William Cotton project was comparable and this was delivered on budget.

NHS VAT Liability

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

Project Management

- 11.5 The Project will be managed by NHS Tower Hamlets Clinical Commissioning Group. The CCG has established robust programme management arrangements to ensure consistent design and completion of S106 healthcare infrastructure schemes within the required programme and budget parameters. The programme is managed by NHS Tower Hamlets System Wide Estates and Capital Strategy Group, which is led by the Deputy Director of Commissioning Development and meets monthly. The membership of the Estates Strategy Group includes a representative from the Borough.
- 11.6 The operational delivery of this project will be managed by the Goodman’s Fields 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.

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

11.8 Project sponsor and Project Manager will meet monthly with NHS Estate project team to oversee delivery of all Health s106 related NHS Infrastructure work programmes.

Financial Profiling

11.9 Table 4 below sets out the profile of the project's expenditure over its lifetime:

Financial profiling Description	Year 2018/2019				Year 2019/2020				Year 2020/2021				Year 2021/2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Construction cost inc prelims	-	-	-	-	-	-	-	-	450,000	900,000	700,000	78,025	-	70,110	-	-
Professional fees	-	-	-	40,000	70,000	80,000	70,000	15,000	10,000	10,000	10,000	-	-	24,720	-	-
Equipment, IT, project and legal costs, contingency and inflation	-	-	20,000	15,000	15,000	15,000	70,000	50,000	70,000	160,000	265,000	140,000	-	8,805	-	-
VAT	-	-	-	-	-	-	-	-	215,000	250,000	200,000	10,449	-	5,000	-	-
Total	-	-	20,000	55,000	85,000	95,000	140,000	65,000	840,000	1,560,000	1,350,000	314,474	-	300,000	-	-

Table 4: Project expenditure profile

Outputs/Milestone and Spend Profile

11.10 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	75,000	Feb 2019
2	Contractor appointed	320,000	Nov 2019
3	Commencement on site	65,000	Jan 2020
4	Practical completion	2,400,000	Aug 2020
5	NHS commissioning	1,350,000	Sept 2020
6	Facilities open to public	300,000	Oct 2020
7	Publicity and comms	150,000	Oct 2021
8	Project final account	164,474	Oct 2021
Total		4,824,474	

Table 5: Project expenditure milestones

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

- Matthew Phelan, Programme Lead for Healthy Environments
- Danielle Solomon, Public Health Registrar

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

Table 6: Project monitoring schedule

13.2 NHS Estates Project team will meet monthly with Project Sponsor / Public Health

who will oversee delivery of all Health s106 related NHS Infrastructure work programmes.

14.0 Quality Statement

14.1 For quality assurance, the Goodman’s Fields 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 below:

Table 7							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total

Table 7							
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

Table 7: Project Risk Matrix

16.0 Key Project Stakeholders

16.1 The principal stakeholders are shown in Table 8 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	Supplier	Project Board	Monthly
Whitechapel Health Practice	Service Provider	Project Board	Monthly
City Wellbeing Practice	Service Provider	Project Board	Monthly
NHS Property Services	Building Client	Project Board	Monthly

Table 8: Principal stakeholders

17.0 Stakeholder Communications

17.1 As part of its remit, the Goodman's Fields 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 Whitechapel Health and City Wellbeing practices are fully informed in a timely manner about the arrangements for the relocation to the new premises at Goodman's Fields

Target audience

- Staff at Whitechapel Health and City Wellbeing Practices
- Registered patients of Whitechapel Health and City Wellbeing Practices
- Whitechapel Health and City Wellbeing Practices' Patient Participation Groups
- Tower Hamlets Healthwatch
- London Borough of Tower Hamlets
- Ward Councillors
- Tower Hamlets CVS
- NHS England
- GP practices in the South West Locality
- Local MP
- Local Medical Committee
- Local Pharmaceutical Committee

- Tower Hamlets CCG
- NHS Property Services
- Local media

18.0 Project Approvals

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

Project Closure

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

Appendices

[Amend as necessary]

Appendix A: Recorded Corporate Director's Action Form;

Appendix B: Risk Register;

Appendix C: Project Closure Document

Project Closure Document

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

5.	Closure of Cost Centre I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> • Staff employment terminated • Contracts /invoices have been terminated/processed 	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
7.	Project Documentation I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>					
8.	Lessons learnt				
	<ul style="list-style-type: none"> • Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i> 	----- -----			
	<ul style="list-style-type: none"> • Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i> 	----- -----			
	<ul style="list-style-type: none"> • Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i> 	----- -----			
	<ul style="list-style-type: none"> • Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i> 	----- -----			
	<ul style="list-style-type: none"> • Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i> 	----- -----			
	<ul style="list-style-type: none"> • Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i> 				

	<p>-----</p> <p>-----</p>		
9.	<p>Comments by the Project Sponsor including any further action required <i>[Use to summarise project delivery and any outstanding actions etc]</i></p> <p>-----</p> <p>-----</p>		
10.	<p>The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.</p>		
	Sponsor (Name)		Date
	Project Manager (Name)		Date

Appendix 1



Map 1. Distance of Bishop Challoner development to Health Centre (315m)