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# AMBER

INFRASTRUCTURE GROUP

June 17

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## HENLEY ON THAMES – HEALTH CAMPUS

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# TRANSFORMING THE NHS ESTATE

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- Sustainability and Transformation Plans (STP's) are now well publicised and the scale of potential change is significant
- Adding up the capital requirement across the footprints comes to £billions
- Yet the message is that there is limited public capital available and this position will remain until 2020
- It is difficult to see how the changes presented can be delivered without changes to the estate and capital spend
- Case study – Henley on Thames health campus
  - Overview
  - Structure
  - Lessons Learnt





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# TOWNLANDS HEALTH CAMPUS

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- Original community hospital was on a 6.5 acre site close to the centre of Henley-on-Thames.
- Health facility no longer fit for purpose.
- Increasing liabilities (derelict listed and aging buildings).
- Lack of capital.
- Competition launched in summer 2011 to find a development partner to deliver new community hospital – Financial Close April 2014 (procurement process experience NHS organisational change).
- Hospital and Care Home now live.
- Retirement and key worker housing construction due to commence.



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# TOWNLANDS HEALTH CAMPUS

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## OLD ENTRANCE



## Amber's approach:

- Health Campus Master Plan:
  - New Community Hospital;
  - New Care Home;
  - Retirement Housing; and
  - Key Worker Housing.
- One Planning Consent (joint names).
- Three independent commercial / financial structures.
- Careful management of interfaces.
- Continued focus on core delivery – new NHS facility.



# TOWNLANDS – ORIGINAL SITE

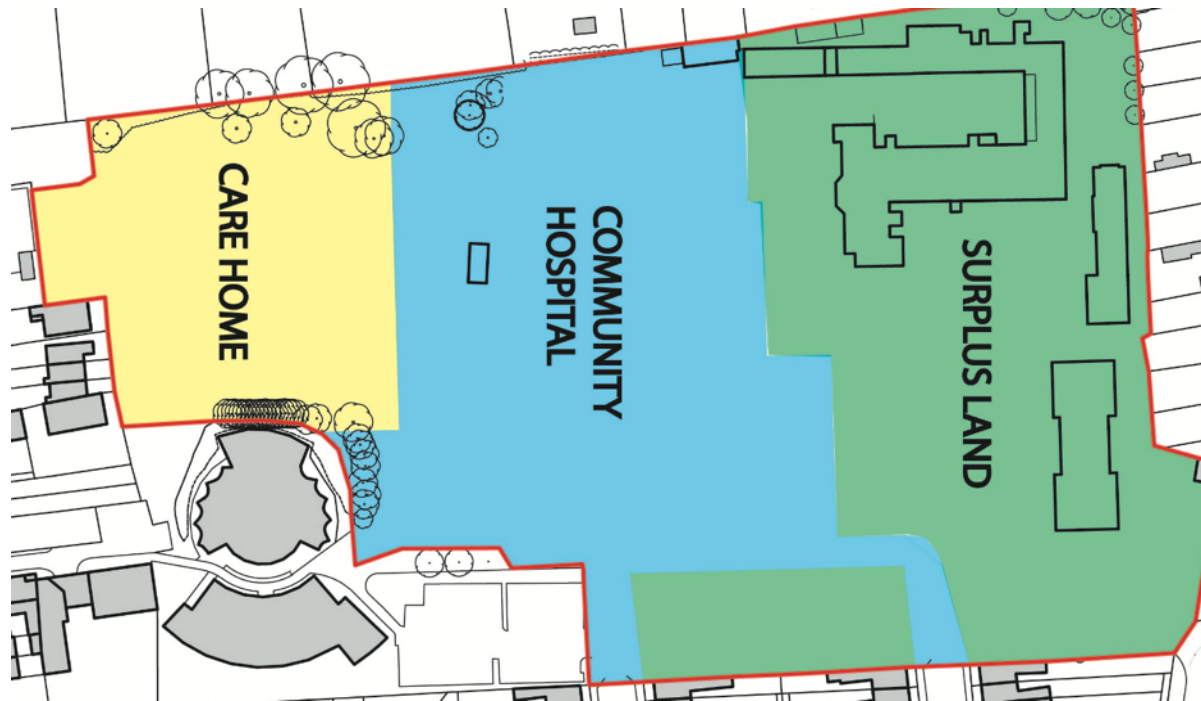


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# HEALTH CAMPUS MASTER PLAN

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Land was zoned for alternative uses and planning brief produced to ensure protection of the site as a health campus





# TOWNLANDS – HEALTH CAMPUS SOLUTION

ORIGINAL SITE SITE

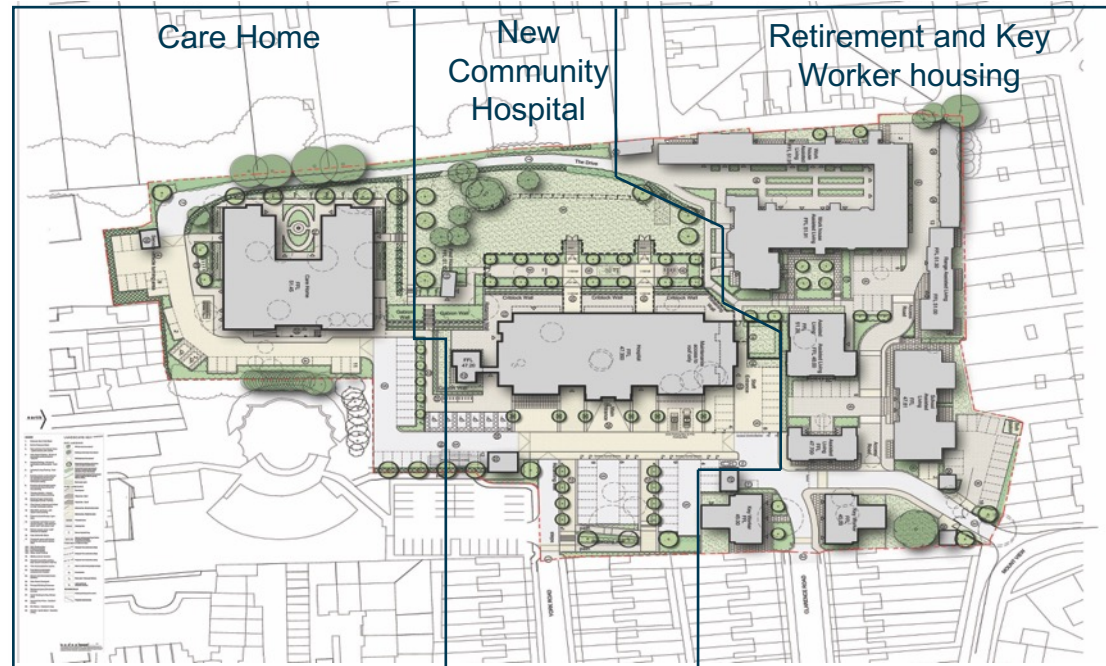


NEW COMMUNITY HOSPITAL, CARE HOME, KEY-WORKER HOUSING AND ASSISTED LIVING HOUSING



# COMMERCIALLY ROBUST STRUCTURE DEVELOPED

One Master Plan – aligned with NHS Vision for the site



## Care Home

- 64 bed
- Oxford CC, Order of St John & BPHA
- Part of Amber Master Plan for site
- Amber commercial structuring

## Hospital

- Rapid Access Care Unit (RACU)
- Ambulatory, MIU, Day patient services
- Amber capital and long-term debt
- Amber residual value risk (long-term interest in land)

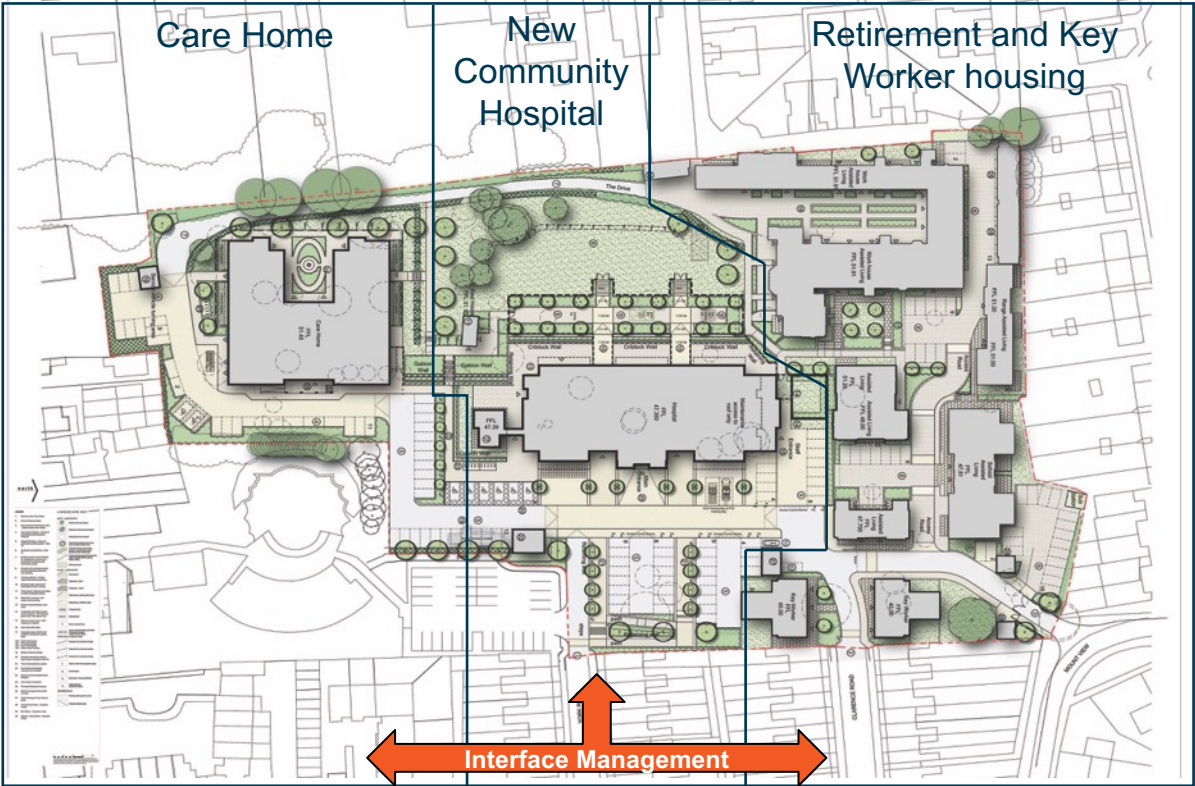
## Surplus Land Development

- 34 retirement homes for sale
- 12 key worker homes
- Amber capital
- Short term development finance
- Freehold interest in land (post hospital delivery)
- Amber capital / full development risk



# WIDER DEVELOPMENTS CONTRIBUTED £ TO CORE HEALTH FACILITY

One Master Plan – aligned with NHS Vision for the site



Cost neutral community hospital

£ £

# TOWNLANDS – NEW HOSPITAL



View from Pedestrian Approach



View from Green



New Reception



Palliative Care Bedroom



# TOWNLANDS – KEY WORKER HOUSING AND ASSISTED LIVING



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# LESSONS LEARNT

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- Access to a variety of capital sources important (these projects have a variety of requirements and differing risk profiles).
- Flexible design solution required (NHS changed desired use of facility from FC to PC).
- Project delivery skills are essential – maintaining a live hospital environment on a tight construction site.
- Careful supply chain selection and management essential, for example:
  - Single contractor for care home and hospital;
  - Specialist contractor for residential; and
  - Three architects (one for master plan).



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# LESSONS LEARNT CONTINUED

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- Joint approach to planning (NHS PS & Amber) obtained a better result (e.g. Key Worker housing, greater value for surplus land).
- Long-term approach is needed (e.g. residual value risk taken by Amber on new health facility)
- Strong, committed client team essential (NHS organisational changes caused substantial delay to the scheme).
- Freehold transfer of surplus land important (NHS PS interests ‘protected’ in transfer arrangements).
- Interface management is a major challenge and needs to be effectively delivered:
  - Financial (ring-fenced financing essential);
  - Commercial (e.g. cross default for contractor); and
  - Technical (delivery, utilities, design, management).





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# CONCLUDING REMARKS

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- Significant pools of private sector capital available for social infrastructure projects.
- Projects need to be well structured.
- Different risk profiles need to be understood (alongside equitable returns).
- Opportunities needed for investors to invest!
- Lack of public sector capital shouldn't be a barrier to project deliver as long as we have:
  - Good projects; delivered by
  - Good teams.



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