THE LONDON CANCER HUB

Development Framework
Delivery Strategy

Summer 2016

Public Version

Document Goals

This document accompanies the Development Framework for The London Cancer Hub. This version represents a snapshot (as of September 2016) of a live delivery strategy that will be kept under regular review by The London Cancer Hub Partnership. This document should be read in conjunction with the most up-to-date business case.

Its purpose is to establish, at a high level, how we are going to realise the vision as a partnership. It is a tool for business planning - not for planning decisions or fine-grain land-use designations. It will be used to support the joint estate planning processes and the overall management and monitoring of the programme.

Where this document sets out calculations, they will reflect the best available data at the time.

Note:
All maps and diagrams in the Development Framework are provided for illustrative purposes only.

All data is approximate and estimated areas are used for indicative purposes. It should not be understood as limits or caps.

Version control log

Version #	Date	Sign off
v1	September 2016	JO

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Ensuring the framework is deliverable

The delivery of The London Cancer Hub will take 20 years to be fully realised and will comprise a series of development waves (outlined opposite). As with any large-scale regeneration project, the development framework will need to be flexible and robust enough to withstand economic, social and market changes.

Over this 20-year period, the framework will be delivered by multiple organisations working closely together. All partners will be involved in delivering different parts of The London Cancer Hub, including but not limited to:

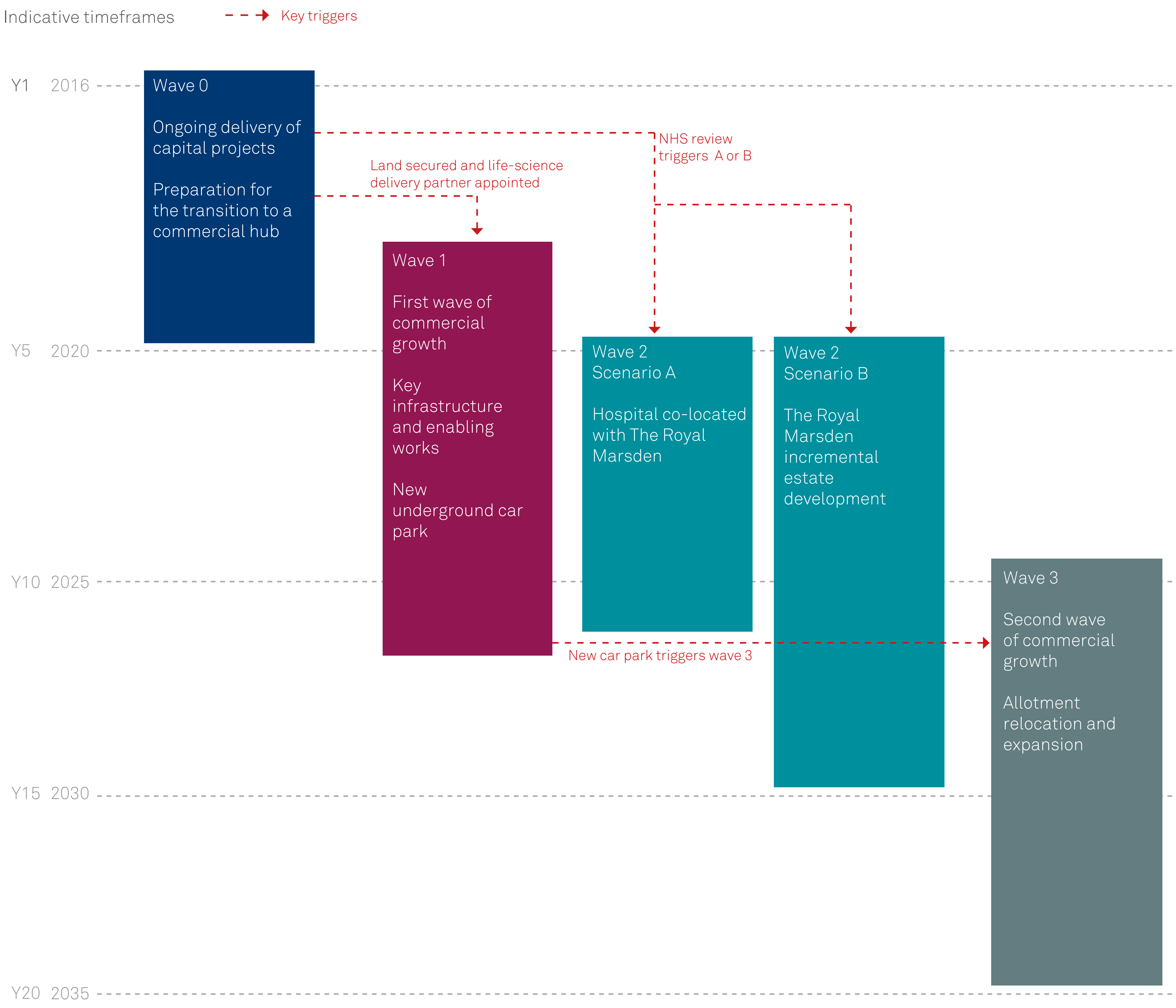
- London Borough of Sutton
- ICR
- The Royal Marsden
- Epsom and St Helier
- Life-science development partner
- Transport for London

The London Cancer Hub will require a delivery model that allows it to be commercially focused, attract public and private-sector investment and adopt a long-term view to realising economic benefits and value uplift. The partnership will need to appoint an experienced life-science development partner to bring the necessary commercial skills to realise the scheme. An agreement and framework will be established between the partners for any land swaps or changes of use.

The development waves on the right are interdependent and are likely to overlap, reflecting the likelihood that parts of the site will be developed by different partners at different paces.

Wave 2 comprises of two mutually exclusive scenarios: A and B. The choice of which option is delivered will depend on the outcome of the NHS strategic review process.

Each development wave is presented in greater detail on the following pages accompanied by delivery commentary, transport, commercial and economic assessments.



Indicative phasing strategy

Wave 0

Wave 0 comprises the completion of on-going capital projects that will form the early development of The London Cancer Hub. All these projects are either in planning or about to go on site. During this time the site will be prepared for the first wave of commercial development that will trigger wave 1. This will begin the site's rapid transformation from an inward-facing estate to a truly world leading life-science campus.

AREA AND USE SCHEDULE

School	12,390m²
ICR (CCDD)	8,000m²
The Royal Marsden (Maggie's Centre)	1,150m²
Wave 0 total	**21,540m²**

TRANSPORT AND INFRASTRUCTURE

• No additional transport infrastructure or major highway improvements are required for this wave, above and beyond what is already being provided by each development.

Total cumulative person trip generation	AM peak:1,311
Total cumulative person trip generation	PM peak: 354

COMMERCIAL AND ECONOMIC

Commercial floorspace provided	0
Private sector jobs created	0
Business rates (assumes 100% retention)	£322k
Community Infrastructure Levy	£0
Average construction jobs per annum	126
Peak construction jobs during wave	281
Estimated end-user jobs created (all sectors)	358 jobs
Direct GVA	£36.4m
Direct and Indirect GVA	£63.1m

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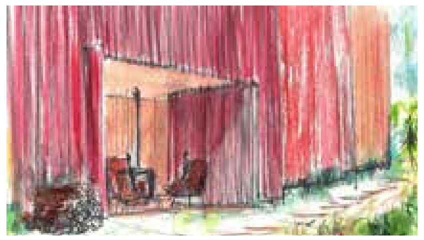
ICR - Care for Cancer Drug Discoveries building (CCDD)


Maggie's Centre


School

Indicative phasing strategy

Wave 1

This wave is a substantial development period for The London Cancer Hub, with more than 60,000m^2 of floorspace provided. This will include more than 20,000m^2 of commercial life-science and incubator space, constructed in the heart of the site. New community, leisure and retail facilities will help open up the site to the local community. Associated enabling works, public transport improvements, landscaping and a high-quality public realm will also be delivered in tandem to facilitate this level of growth.

AREA AND USE SCHEDULE	
Commercial / research	22,805m^2
Not for profit/charitable/academic	18,310m^2
ICR	12,400m^2
Patient hotel/accommodation	2,200m^2
Community/leisure/retail	5,965m^2
Wave 1 total	**61,680m^2**

TRANSPORT AND INFRASTRUCTURE	
Total cumulative person trip generation	AM peak: 2184
Total cumulative person trip generation	PM peak: 1227
Public realm and enabling works	14320m^2
Subterranean car park (part)	1,000 to 2,500 spaces
Community and leisure uses	3,600m^2

- A parking solution is required - delivered in phases, with the long-term capacity to provide up to 2,500 spaces for existing and new site users: staff, visitors and patients. Exact location, extent, phasing and funding of car park remain to be determined.
- Significant pedestrian and cyclist infrastructure will need to be provided during this wave from Belmont station along key routes into the site.
- Improvements to existing bus routes will be required to include increasing frequency and re-routing of existing services.
- Highway improvements required at key junctions.

COMMERCIAL AND ECONOMIC	
Commercial floorspace provided	22,805m^2
Life-science Incubator space	30 enterprises/130 jobs
Private sector jobs created	988 jobs
Business rates (assumes 100% retention)	£9.2m
Community Infrastructure Levy	£138k
Average construction jobs per annum	422 jobs
Peak construction jobs during wave	951 jobs
Estimated total end user jobs created (all sectors)	1908 jobs
Direct GVA	£194.3m
Direct and indirect GVA	£323.9m

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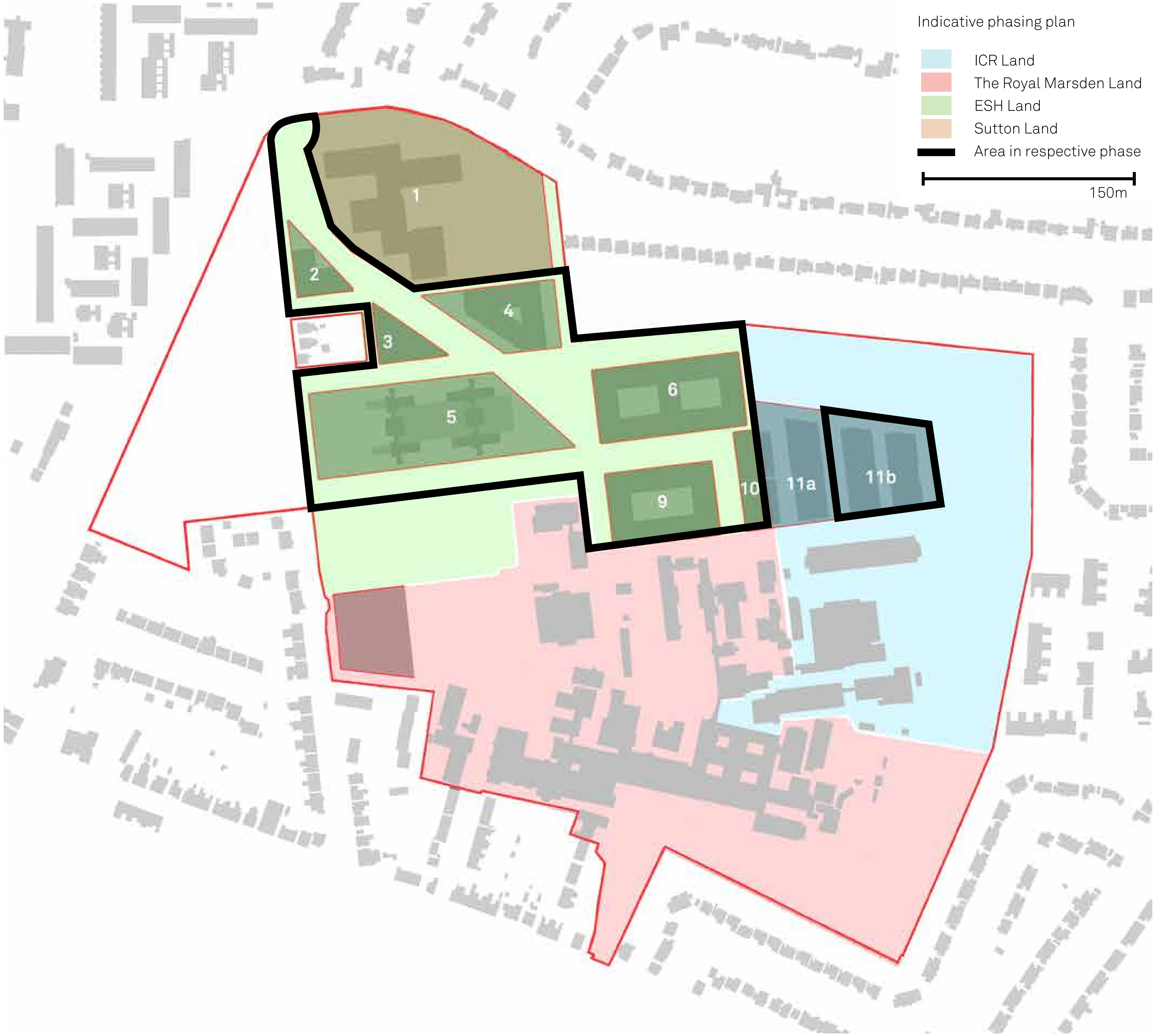

Indicative phasing strategy

Wave 2 Scenario A

Wave 2 scenario A explores the provision of a co-located hospital. The outcome and timetable are highly-dependent on the ongoing NHS planning processes. The delivery timetable remains to be decided, but the focus is likely to be on early delivery of ambulatory and emergency care, as well as ensuring the the site remains fully operational at all times. More than 150,000m² of floorspace is likely to be developed during this wave.

If the Espom and St Helier land sale proceeds, and a new general hospital site is approved for Sutton, there needs to be sufficient land made available for healthcare expansion without compromising the estate and operation of The Royal Marsden.

AREA AND USE SCHEDULE

Commercial / research	38,890m²
Not for profit/charitable/academic	0m²
ICR	5,155m²
Co-located hospital	102,630m²
Community/leisure/retail	4,915m²
Wave 2A total	**151,590m²**

TRANSPORT AND INFRASTRUCTURE

Refer to Wave 2 scenario B for transport and infrastructure commentary.

Refer to Transport Study for detailed information

COMMERCIAL AND ECONOMIC

Commercial floorspace provided	38,890m²
Private sector jobs created	1573 jobs
Business rates (assumes 100% retention)	£3.1m
Community Infrastructure Levy	£63k
Average construction jobs per annum	679 jobs
Peak construction jobs during wave	1524 jobs
Estimated total end user jobs created (all sectors)	6136 jobs
Direct GVA	£459.6m
Direct and indirect GVA	£693.7m

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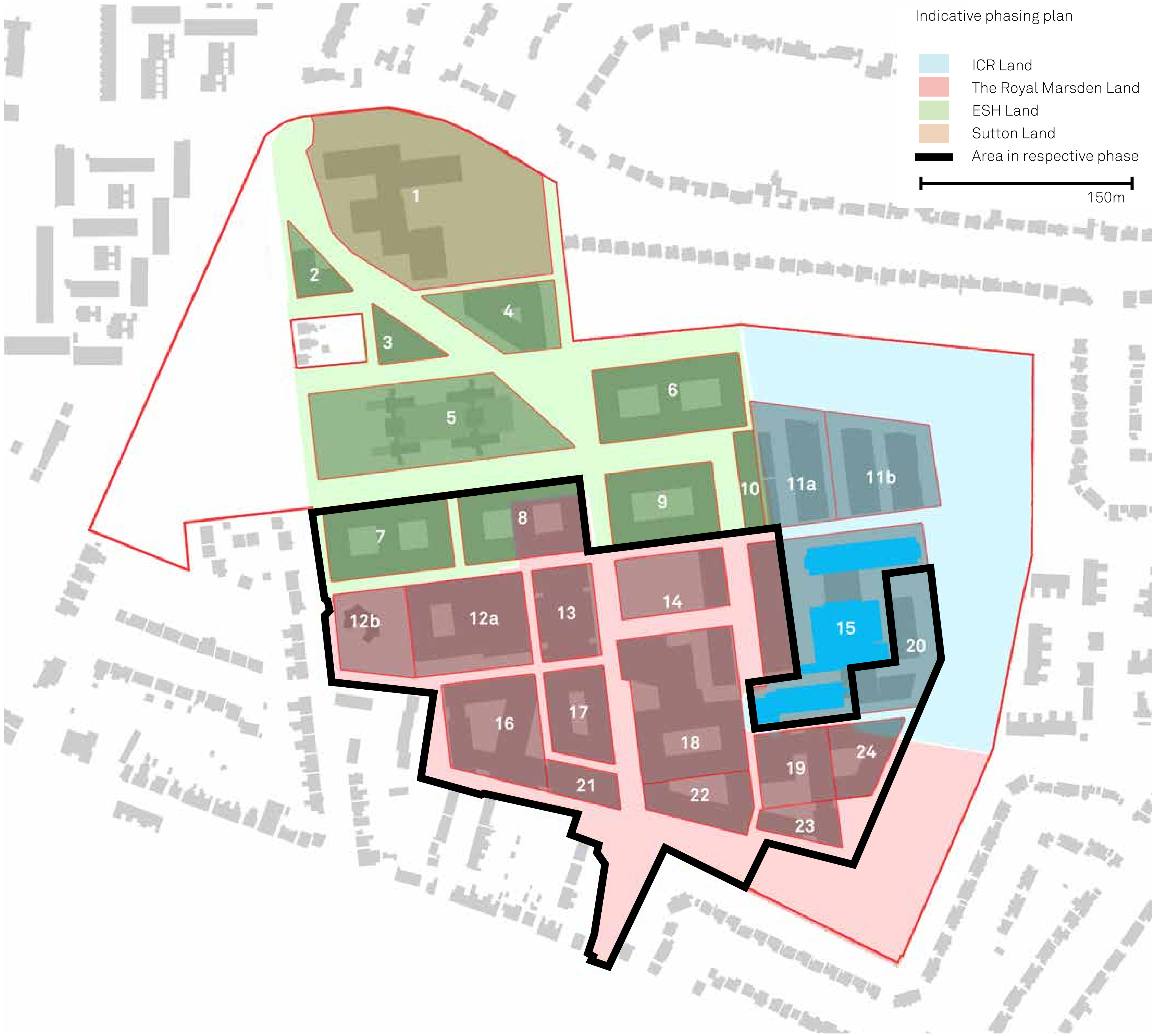

Indicative phasing strategy
Wave 2 Scenario B

Wave 2 scenario B is based on the assumption of The Royal Marsden developing its estate as per the framework in an incremental and flexible way to respond to the needs of cancer patients and funding availability.
There is potential for some commercial activity in this wave, but any loss of existing Royal Marsden healthcare land will require satisfactory replacement to ensure that land is safeguarded for future healthcare needs. This will be resolved through an agreement and framework to be established by the partners in due course. More than 150,000m² could be developed during this wave.

AREA AND USE SCHEDULE

Commercial / research	63,110m²
Not for profit/charitable/academic	0m²
ICR	5,155m²
The Royal Marsden	78,410m²
Community/leisure/retail	4,915m²
Wave 2B total	**151,590m²**

TRANSPORT AND INFRASTRUCTURE

Total cumulative person trip generation	AM peak: 5,023
Total cumulative person trip generation	PM peak: 3,960
Public realm and enabling works	3,400m²
Community and leisure infrastructure	circa 4,700m²

- A major public transport scheme will be required as wave 2 development progresses in order to support the level of growth proposed. Options are being explored, but could include twin tracking of existing railway or tram connection into the site.
- Wave 2 will trigger significant improvements to the surrounding highway network including at key junctions.
- Additional improvements to the pedestrian and cycling network may be necessary during this wave, extending the work in wave 1.

Refer to Transport Study for detailed information

COMMERCIAL AND ECONOMIC

Commercial floorspace provided	63,110m²
Private sector jobs created	2,710 jobs
Business rates (assumes 100% retention)	£3.9m
Community Infrastructure Levy	£63k
Average construction jobs per annum	340 jobs
Peak construction jobs during wave	761 jobs
Estimated total end user jobs created (all sectors)	5,943 jobs
Direct GVA	£464.3m
Direct and indirect GVA	£704.3m

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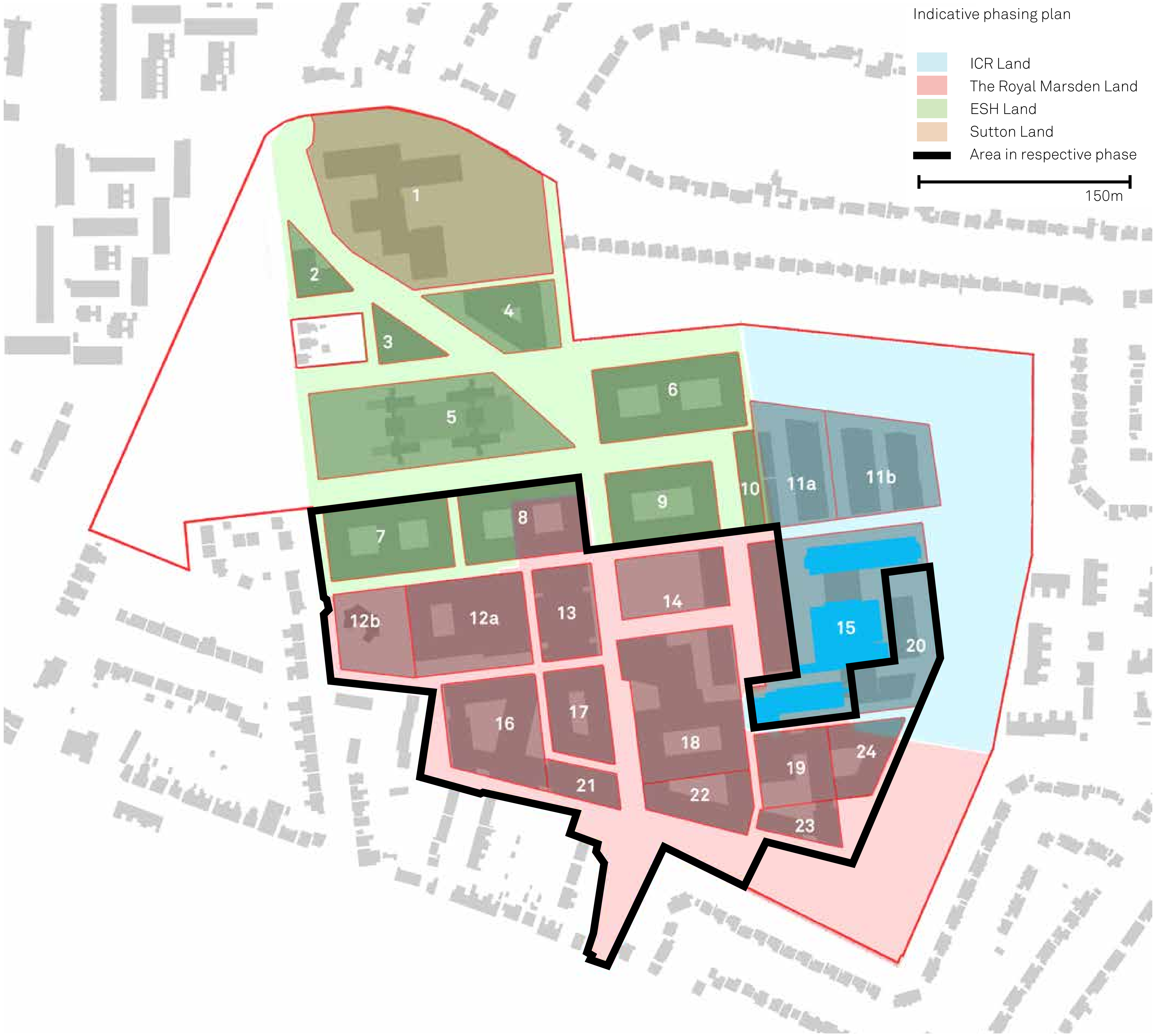

Indicative phasing strategy

Wave 3

Wave 3 will comprise of the relocation of the allotments to the covenant land and redevelopment for commercial life-science uses, comprising plots 25, 26 and 27.

The reprovided allotments will retain and enhance all of their existing features, be at least as large, and provide improved facilities for the local community. This wave will be trigged by the completion of a satisfactory parking solution in wave 1.

AREA AND USE SCHEDULE

Commercial / research	27,065m²
Not for profit/charitable/academic	0m²
ICR	0m²
Co-located hospital	0m²
Patient Hotel/accommodation	0m²
Community/retail	0m²
Wave 3 total	**27,065m²**

TRANSPORT AND INFRASTRUCTURE

Total cumulative person trip generation	AM peak: 5,694
Total cumulative person trip generation	PM peak: 4,631
Public realm and enabling works	28720m²
New larger allotment site	2,000m² - 2,500m²

• Additional highway improvements and junction works will be required during this wave to accommodate and support the development of plots 25-27.
• Additional pedestrian and cyclist infrastructure will be required, aligned with public realm works connecting to the main site.

COMMERCIAL AND ECONOMIC

Commercial floorspace provided	27,065m²
Private sector jobs created	1,026 jobs
Business rates (assumes 100% retention)	£1m
Community Infrastructure Levy	£0k
Average construction jobs per annum	105 jobs
Peak construction jobs during wave	234 jobs
Estimated total end user jobs created (all sectors)	1,026 jobs
Direct GVA	£88.5m
Direct and indirect GVA	£135.2m

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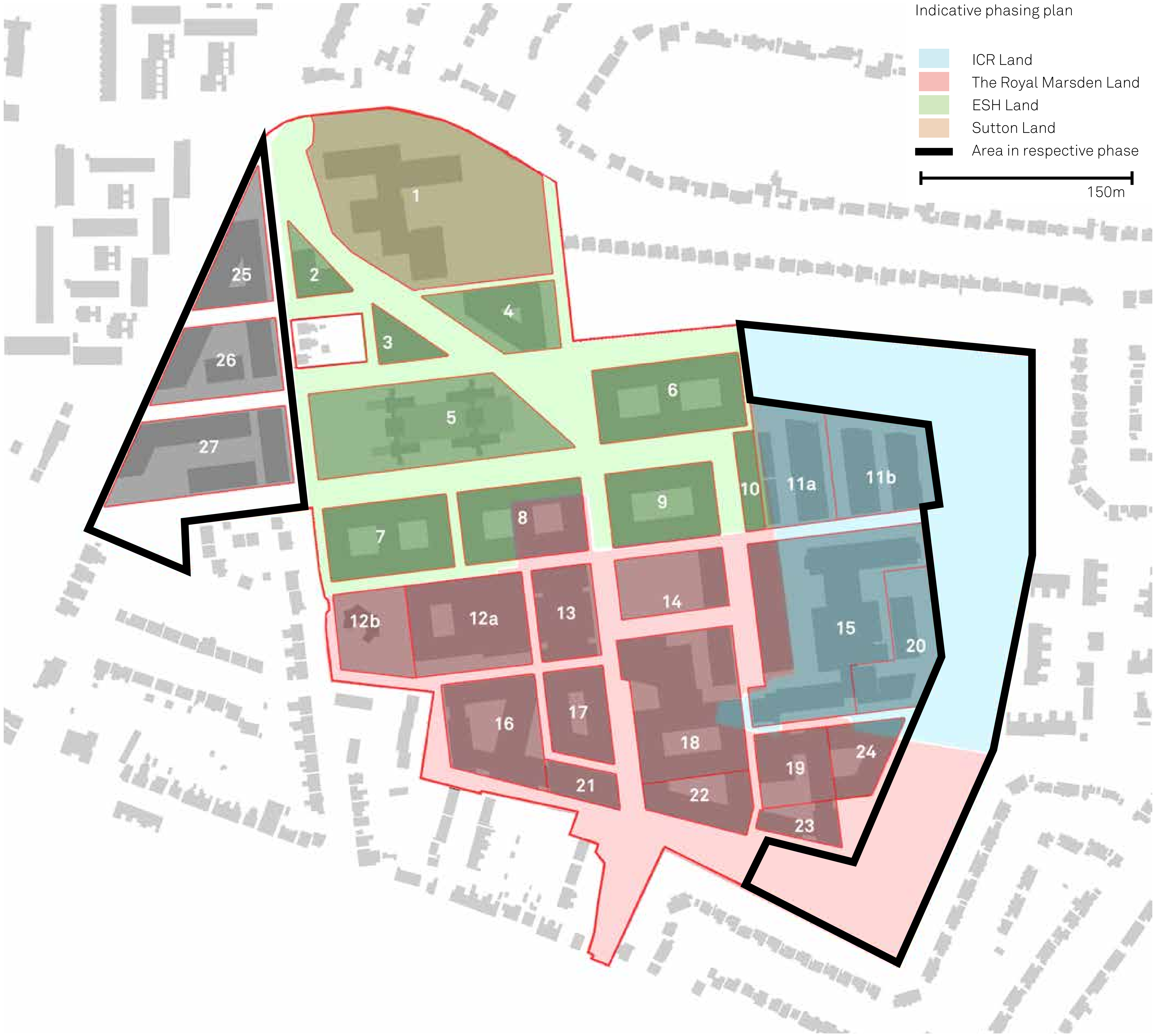

Commercial strategy

Ensuring commercial success

The commercial proposition for The London Cancer Hub is grounded in a deep understanding of the life-science sector, a sector with an estimated worth of £868 billion. The sector is global and expanding, the market in the UK is under-supplied and the opportunity for The London Cancer Hub to offer an exciting new life-science destination is there to be seized.

The commercial strategy is likely to include the creation of a Special Purpose Vehicle (SPV) which will be at the heart of a public-private partnership.

Key to the success of the London Cancer Hub is the two key anchor organisatons; The ICR and The Royal Marsden. Feedback from market research with occupiers confirms that co-location with these two organisations is the most significant pull factor for locating on the site. Other ingredients to ensure a commercial success, include:

- being part of a cluster
- successful collaboration
- access to skilled labour
- cost
- infrastructure
- commercial anchor and critical mass
- development mix
- access to funding
- amenity provision

The Development Framework provides a robust basis to deliver the commercial strategy in a co-ordinated manner. The table opposite shows how the site today currently meets these success factors and then how The London Cancer Hub proposal addresses these weaknesses.

A commercial report prepared by JLL and a Soft Market Testing report by Creative Places are both available as separate appendices.

Achieving a commercially successful life science hub	Current Situation	London Cancer Hub proposal	Commentary
Being part of a cluster	🔴	🟠/🟢	The London Cancer Hub will create a significant amount of life-science floorspace and incubator space for start-ups, helping it form a strong cluster of occupiers.
Successful collaboration	🟠	🟢	Collaboration will be facilitated through mixing of uses across the site, creation of high quality public realm and the proposed Knowledge Centre. Existing collaboration networks already on site will bring in collaboration with others.
Access to skilled labour	🟠/🟢	🟢	Driven by private sector investment the commercial life-science offer will strengthen the area's ability to attract skilled labour.
Cost	🟠/🟢	🟢	The London Cancer Hub will provide space for small biotech startups and support their growth. The cost of space to end occupiers will be competitive due to the site's location in outer London.
Infrastructure	🟠	🟢	Investment in new and improved infrastructure, including public transport, sporting and leisure facilities, technology and utilities.
Commercial anchor and critical mass	🔴	🟢	The London Cancer Hub will have the ability to provide c.100,000sqm of commercial office space. This critical mass will help to attract investors and the life sciences market as a new world class destination. The proposed Knowledge Centre will offer the opportunity for a life-science anchor with supporting research uses and amenities.
Development mix	🔴	🟢	The London Cancer Hub will provide a real mix of uses for a range of occupiers, including smaller spaces for start-ups, mixed buildings that facilitate innovation and knowledge sharing and building plots for larger institutional players. Providing biotech space next to world-class research institutions is rare in the market and will be highly sought-after.
Access to funding	🟠	🟢	The London Cancer Hub provides greater clarity and reassurance to the financial and investor market as to the commercial viability of the venture.
Amenity provision	🔴	🟢	The London Cancer Hub will have provision for sports facilities, a gym, swimming pool, doctors surgery, retail, cafes, restaurants and bars for workers and the local community.

280,000m² including
100,000m²
of commercial floorspace

More than
41,000m²
of high-quality public realm and landscaping

Investment in
incubator
space supporting the growth of innovative biotech companies

£410 million
Gross Development Value

Economic and social benefits

Realising multiple benefits for all partners

The projected economic and social benefits of The London Cancer Hub are significant and long-lasting.

The London Cancer Hub will form one of three outstanding life-science districts within London, alongside the White City Campus and the Euston Corridor – site of the Francis Crick Institute. It will also be an important component of the London-Oxford-Cambridge 'Golden Triangle' of life-science research.

The London Cancer Hub is expected to:

- create approximately 6,500 to 7,000 life-science or support jobs and a further 6,000 jobs in the site's construction;
- enable cancer innovation to increase by 40% which would deliver at least two extra cancer drugs every five years; and
- create significant local, regional and national economic growth, contributing approximately £1.2 billion each year to the UK economy.

Benefit	Wave 0	Wave 1	Wave 2 Scenario A	Wave 2 Scenario B	Wave 3	Total (A / B)	Assumptions and sources
Total end-user jobs (Private-sector jobs)	358 (0)	1908 (988)	6136 (1573)	5943 (2710)	1026 (1026)	9,428 (A) 9,235 (B) (3587 - A) (4724 - B)	Job totals calculated from CITB labour forecasting model. Assumes use as per accommodation schedule. Total includes existing jobs on site of c. 3000 which are all classified as public sector jobs.
Average construction jobs	126	121	679	340	105	353 (A & B)	Per annum over given construction period as per the phasing strategy. Jobs calculated from CITB labour forecasting model.
Peak construction jobs	281	273	1,524	761	234	1592 (A) 923 (B)	The peak number of construction jobs over that period. Jobs calculated from CITB Labour Forecasting model.
Business Rates	£322,802	£9,216,368	£3,171,904	£3,916,658	£1,076,104	£13,786,954 (A) £14,531,708 (B)	Assumes 100% retention by the local authority which will be available by 2020. Figure quoted is an annual amount payable once the development space is fully occupied. Includes rates from new car park building.
Community Infrastructure Levy	£0	£138,000	£63,600	£63,600	£0	£201,600 (A & B)	CIL is only payable on retail uses for the Development Framework. All other uses are exempt from CIL. CIL is payable to the local planning authority.
Direct Gross Value Added (Direct GVA)	£36,460,906	£194,372,453	£459,689,234	£464,397,167	£88,524,982	£779,047,575 (A) £783,755,507 (B)	Calculated from identifying Standard Industrial Classification (SIC) for each use and ONS multiplier data.
Direct and indirect GVA	£63,116,906	£323,918,280	£693,790,702	£704,361,587	£135,252,436	£1.22 billion (A) £1.23 billion (B)	

Over
£1bn
Direct & Indirect GVA

9,500
end user jobs on site across a range of professions

3,500 new
private sector jobs in life-science industries

More than
£13 million of
business rates