

Briefing note on the estates strategy for East London Health & Care Partnership (North East London STP) and, City & Hackney CCG.

Introduction

In order to achieve efficiencies detailed by the Five Year Forward View, all parts of the health service need to work with greater co-operation, as well as working collaboratively with Local Authorities to join up health and care services. Estates are a crucial enabler for our system-wide delivery model. Care should be delivered in fit-for-purpose buildings that meet the capacity challenges of a growing population and the clinical delivery model.

The vision at both CCG and STP level is to develop good quality and cost-effective estates infrastructure which meets the complex needs of a growing, aging, diverse and relatively transient population. Our estates need to be flexible, to support the delivery of new models of care over the long term and, working with Local Authority partners, explore opportunities to co-locate services, and derive better economic value from public land/property such as creation of much needed housing units.

In June 2015 new Department of Health guidance required CCGs to work with their member practices and partners, and the two NHS Property Companies to develop a Local Estates Strategy. The strategy is expected to be dynamic and iterative, and refreshed at least annually. The STP estates strategy derives from the London Estates Board which is enabled by powers devolved in the 2017 London Health and Care Devolution Memorandum of Understanding.

City & Hackney CCG produced draft Estates strategy in 2015 which has now been refreshed (2018) in light of various developments including:

- Hackney in 2015 announced as one of five pilot areas in London following successful submission of a joint proposal backed by ten of the borough's key health/social care providers and commissioners
- Primary care commissioning delegation from NHS England to the CCG in April 2017;
- Integrated commissioning between the CCG and London Borough of Hackney; and between the CCG and the City of London Corporation;
- The City & Hackney Out of Hospital delivery model – Neighbourhood model;
- Development of the East London Health and Care Partnership (i.e. the STP) Estates Board, and the London Estate Board (LEB)

Both the STP and CCG Estates Strategies are key supporting strategies for plans to deliver new models of care in acute, community and primary care settings. The estates strategy is informed by the service requirements and have been developed by engaging with stake holders across the board from Providers, to Commissioners, to Local Authority colleagues, and to the NHS Property Companies.

Key drivers for change are:

- Population, health needs and regeneration: The population is projected to increase by 8million people by 2032. Life expectancy in the U.K. is improving and the number of people who will live with one or more long term health conditions that limits their lifestyle also increasing. The Department of Health estimates that by 2018, there will be 2.9 million people with 3 long-term conditions (from 1.8 million in 2012), and their health care will require £5 billion additional expenditure (Dept of Health, 2012). The number of people living with dementia is also set to double over the next 30 years and the rate of diabetes to increase by 30% by 2025 affecting 4 million people.
- The NHS England, Five Year Forward View (5YFV): integrated agenda & new care models over the next 5 years.
- Service transformation: E.g. 'Neighbourhood' model in City & Hackney
- Digital transformation: Digital offer is under development and set to include online, telephone & video consultation.
- Financial pressure: unsustainable financial pressures within the system – shrinking funds and growing needs.

Estates strategy - East London Health & Care Partnership (North East London STP)

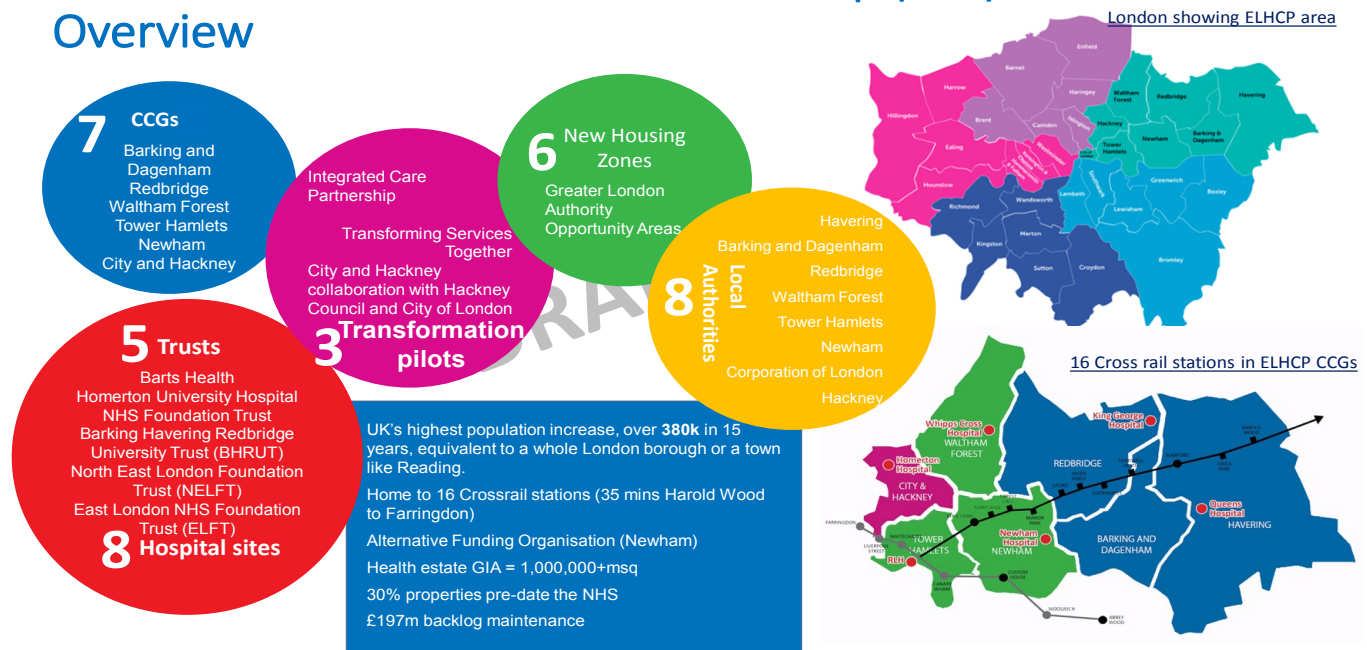
The ELHCP estates strategy document is expected to be published after 4th October, following discussions at the London Estates Board.

The ELHCP Strategic Estates Plan (SEP) is a system wide estates plan, designed to begin the development of an estate-based response to the main STP transformation themes.

It does not replace or duplicate existing organisations’ estates strategies/plans across the footprint. It focuses on common themes, identifying where collaboration is either desirable – helping to achieve economies of scale, to share scarce resources or to share best practice; or essential. Where possible, the aim is to plan for buildings that make cross-organisational data sharing and co-location work.

Fig.1

East London Health & Care Partnership (STP) Overview



The condition of North East London estates is highly variable. It is of mixed-age, quality and fitness for purpose. Around 33% of the estate was built before 1948 and 35% built between 1949 and 1984. Backlog maintenance across the STP run into hundreds of millions of pounds (Acute sector @ cost c£197m) and c£8m annual costs on void/unused space.

Fig. 2

Opportunities and challenges

- unprecedented growth and change - an additional 384,000 patients adding pressure to an already overloaded health and social care system.
- Regeneration brings an opportunity to redesign integrated buildings for the future as part of major new developments.



GROWTH

Over 384k population growth
126k in 5 years
 Equivalent to size of Eastbourne
262k in 10 years
 the size of Plymouth
384k in 15 years
 the size of Middlesbrough
5% of council wards
 account for over 35% of population growth

REGENERATION

6 New housing zones
16 New Crossrail Stations
6 GLA Opportunity Areas
35 mins Direct train Havering to City
Isle of Dogs
 has hyper-dense housing, denser than Tokyo similar to Hong Kong

CURRENT ESTATE

1,000,000+ m² GIA space
1 in 3 of our estate predate the NHS
10% was built in the last 12 years
£197m backlog maintenance
8% Primary Care
16% Community
76% Acute (£88m Whipps Cross)

¹ GLA 2016 Housing led projections © GLA 2016-based Demographic Projections

² <https://www.citypopulation.de/UK-EnglandUA.html>



Within North East London, City & Hackney is a designated Integrated Care System however, the estates issues across the patch have many similarities.

Fig.3

Common themes across ELHCP



Population growth, quality of service, and workforce are common challenges throughout Integrated Care Systems

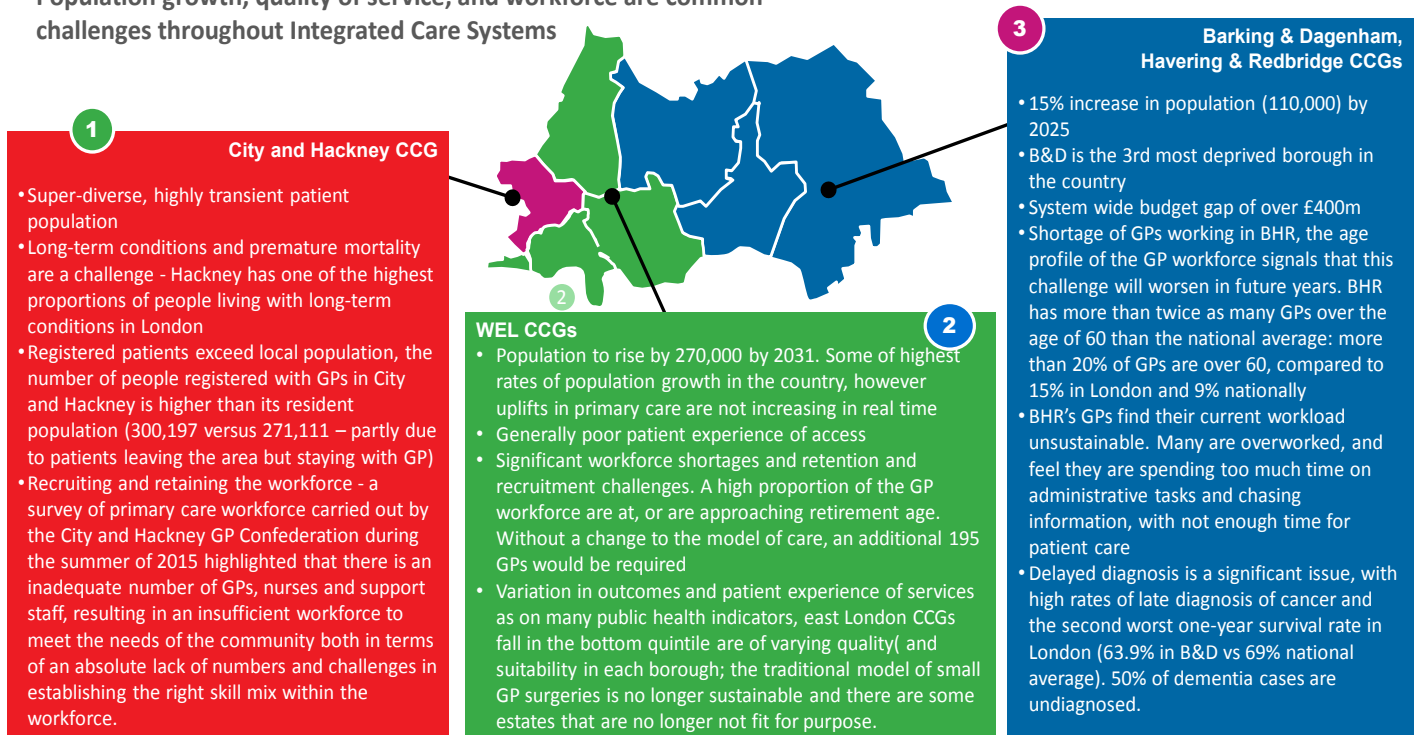
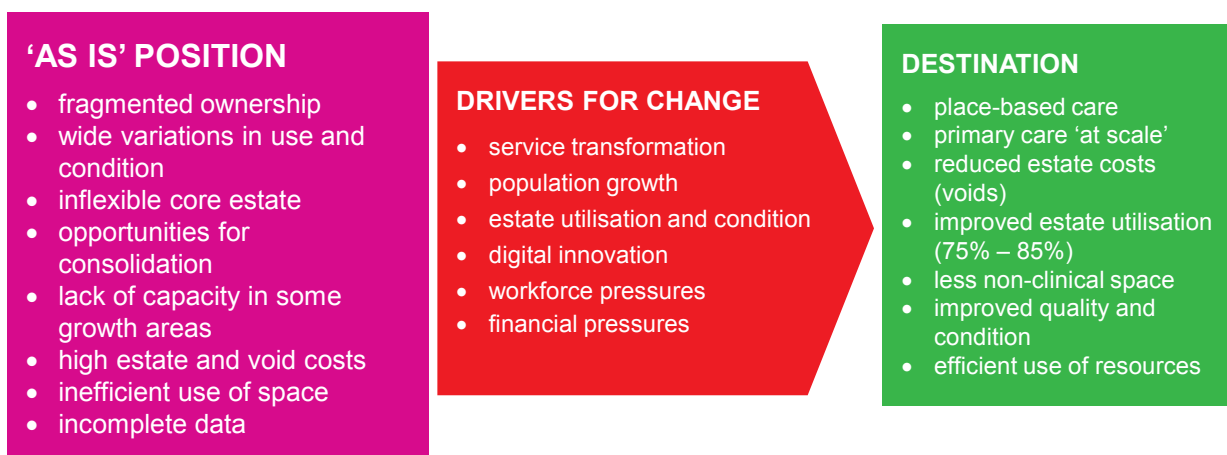


Fig 4 outlines where we are and where we need to be within the next 15years time. In developing the strategy, the gap between where we are and where we want to be is analysed to plan how this can be achieved.

Fig.4

Where do we need to be in 15 years time?



How to get to the above destination point

ELHCP plans to achieve the endpoint above is via the London devolution plan which argues for capital receipts to be recycled locally i.e. London receipts to be recycled within London.

Governance will be via the ELHCP Estates structure where local decision-making will take place through CCG Governing boards, Provider Trust boards, Local Authority Health and Wellbeing boards and Joint Health Overview/Scrutiny Committees. The estate structure includes 4 work streams areas:

- Utilisation and productivity (including data management and back-office consolidations)
- Disposals
- Capital pipeline and programme management
- Additional capacity

Projects will be delivered by individual lead organisations, with the STP Estates Team providing strategic assurance and oversight to ensure a consistent approach and leadership for system-wide programmes. See below in Fig.5

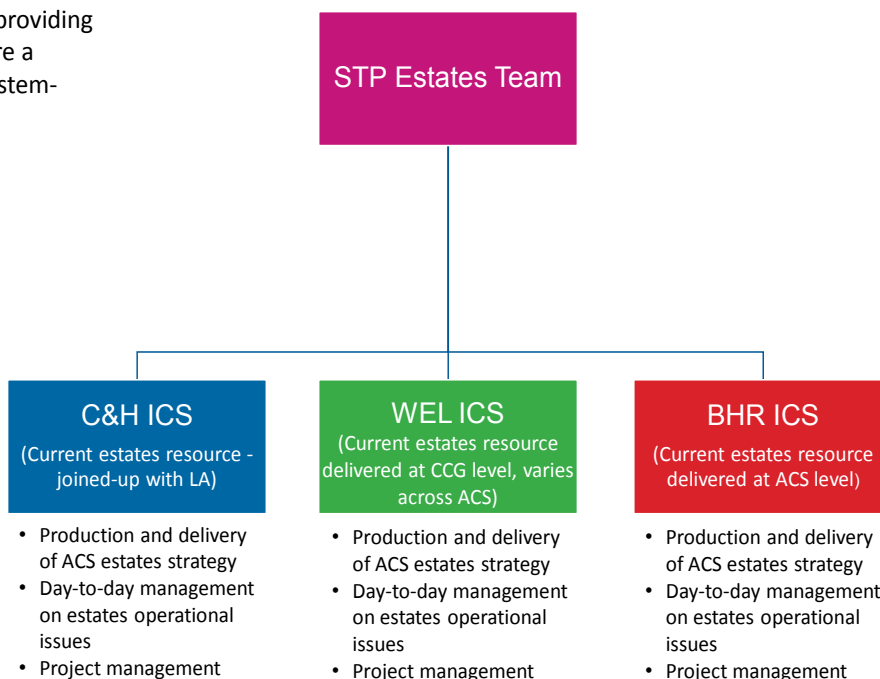
Fig. 5

Centralised partnership estates team



Projects will be delivered by individual lead organisations, with the STP Estates Team providing strategic assurance and oversight to ensure a consistent approach and leadership for system-wide programmes.

- Producing and delivering the STP estates strategy
- Strategic planning and leadership for system-wide programmes
- Strategic assurance and oversight
- Implementation of consistent strategies and policies
- Information and knowledge sharing
- Core team provide oversight and expertise for three ‘once for all’ workstreams covering the STP footprint:
 - improved utilisation
 - new capacity planning
 - disposals and investment planning



Estates strategy - City & Hackney CCG.

City & Hackney CCG draft Estates strategy of 2015 has now been updated for 2018 to reflect developments including primary care commissioning delegation from NHS England to the CCG; integrated commissioning between the CCG and London Borough of Hackney as well as the City of London Corporation; the City & Hackney Out of Hospital delivery model – Neighbourhood model; development of the ELHCP (STP) Estates Board and the London Estate Board.

The CCG estate strategy relates to community and primary care estates. Whilst the CCG does not hold a budget for Primary Care Capital, it has a key role in prioritising primary care capital requirement in bids to NHS England, as well as working in partnership with other public bodies such as Local Authorities to progress alternative means of capital investment in non-acute healthcare estates. Such estate plans generally have resource implications for the CCG in terms of reimbursable estates costs for GP Practices and community providers, plus, CCGs are responsible for meeting the rental costs of void spaces (NHS PS & LIFT buildings).

Strengthening service delivery at the local level is a key objective in achieving the NHS Plan. This requires well-designed and located primary care facilities. The CCG is collaborating with Providers, as well as Hackney Council and the City of London Corporation via the STP forum and the City & Hackney Estates Enabler Group – collaboration at this scale is not without challenges however, works are progressing. The Enabler Group has the following key objectives: to deliver

- Fit-for-purpose estates to support service transformation and, deliver better health and care outcomes
- Place based care and provision of primary care at scale
- Improve operational efficiency of the estate e.g. co-locate community-based services, optimise estate utilisation and reduce voids
- Quality estate to ensure space is functional and enhance patients'/service user experience
- Pressing need for housing in London with all public sector organisations under pressure to release sites

The **current challenges** in City and Hackney for the estates strategy to help support, may be summarised as follows:

1. Health & wellbeing:

- Estimated annual population growth of close to 3% in Hackney, and over 5% for the City
- Health inequalities are high, with many residents challenged by poor physical and mental health driven by factors such as smoking and childhood obesity. Hackney also has a significant population, approximately 70,000(*) with a long term condition.

(*)<http://www.cityandhackneyccg.nhs.uk/Downloads/About%20Us/Programme%20Boards/Long%20Term%20Conditions/What%20is%20a%20Long%20Term%20Condition.pdf>

2. Care & quality:

- Poor quality estates and backlog maintenance requirements: A significant portion of the estates is ageing and facing considerable quality/backlog maintenance costs. The 2015 review by the City & Hackney GP Confederation (commissioned by the CCG) at that point in time, determined that 42% (>2 out of every 5) Practice premises requires significant redevelopment investment.
- Lack of flexibility and capacity issues: These include estates in converted residential premises which have been extended to the limit of the flexibility of the building/space and poor accessibility e.g. facilities over 1 story which do not have lift access.

There are also over-specified spaces that do not easily lend themselves to adaptation without significant investment – e.g. care-taker flats in the CCG void spaces at Somerford Grove, Wick Health centre and, St. Leonard's Hospital basement level space again void space given accessibility issues and narrow corridors that constrain use of the space for clinical; purposes.

The GP Confed report indicated that as at 2015, about 50% of the GP practices were fully or over-utilised – this before factoring in the projected population growth and out of hospital care strategy.

3. Sustainability:

- Poor utilisation for sites such as Kenworthy Road Health Centre and St. Leonard’s Hospital. Kenworthy H.C. is a LIFT building for primary care and dental use however, there is significant under-utilisation of this facility. The CCG as Primary Care Co-commissioners since last year, along with Hackney Council strategic estates partners, have worked to improve utilisation of this facility. Outcome of efforts thus far will see the void (unoccupied space) of 75% halved with most of the remaining void relating to dental (NHS England responsibility). St. Leonard’s hospital is the most strategic site in City and Hackney community and primary care, serving both the Hackney and, City of London population. The voids here, (c25%) largely relate to spaces unfit for use due to poor/dilapidated condition and poor space flexibility.
- Over-utilised space – 50% per GP Confed report means sustainability of facilities to meet demand/needs is unsustainable at current level and requires investment and planning.
- Lack of funds for improvement plus, need to reduce operational costs and find efficiencies

4. Lack of incentives for unified strategic estate planning/rationalisation across health and care partners:

- With the exception of Foundation Trusts, capital receipts from NHS land sales are returned to the DHSC (Dept. Health & Social Care) rather than retained locally for reinvestment.
- Sales receipts from NHS PS premises are also not retained for local re-investment, they are recycled nationally.
- There are no re-investment or benefit shares for GP owned Premises sales although the cost of the premises are reimbursed by NHS Commissioner organisations via notional rent or capital re-payment.

5. Fragmented ownership arrangements: impact decision making:

- NHS estate ownership is highly fragmented, involving NHS Trusts, local authorities, property companies, GPs and private parties. This results in distributed decision-making and, given the diverse interests and ownership arrangements, often impacts the ability to enact change at pace. Below is C&H GP Practice ownership:

Primary Care Estate Ownership	No. of Practices	%
Other 3rd Party/ Private	18	40%
GP Owned (Owner Occupier)	15	33%
NHS Property Services Freehold	7	16%
Homerton NHS FT	3	7%
Community Health Partnership (LIFT Building)	1	2%
London Borough of Hackney	1	2%
Total	45	100%

* Wick Practice and Whiston Rd each have additional branch sites.

* Tollgate & Springfield although now merged, still currently operating from the existing 2 sites.

Fig.6

City & Hackney CCG – Estates Vision

VISION To develop good quality and cost-effective estates infrastructure which meets the complex needs of a growing, diverse and relatively transient population.
Our estates will need to be flexible, to support the delivery of new models of care over the long term.

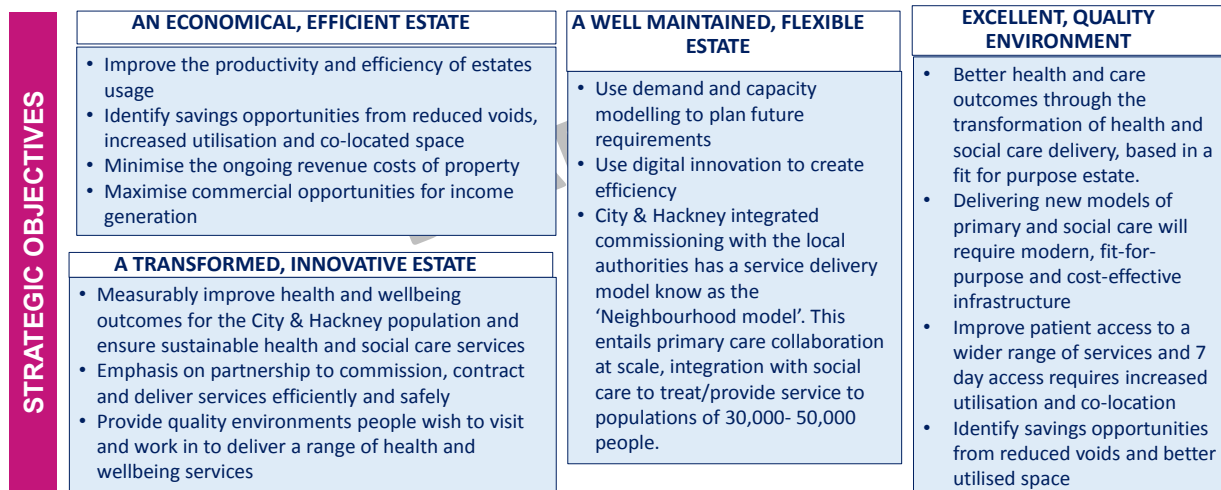
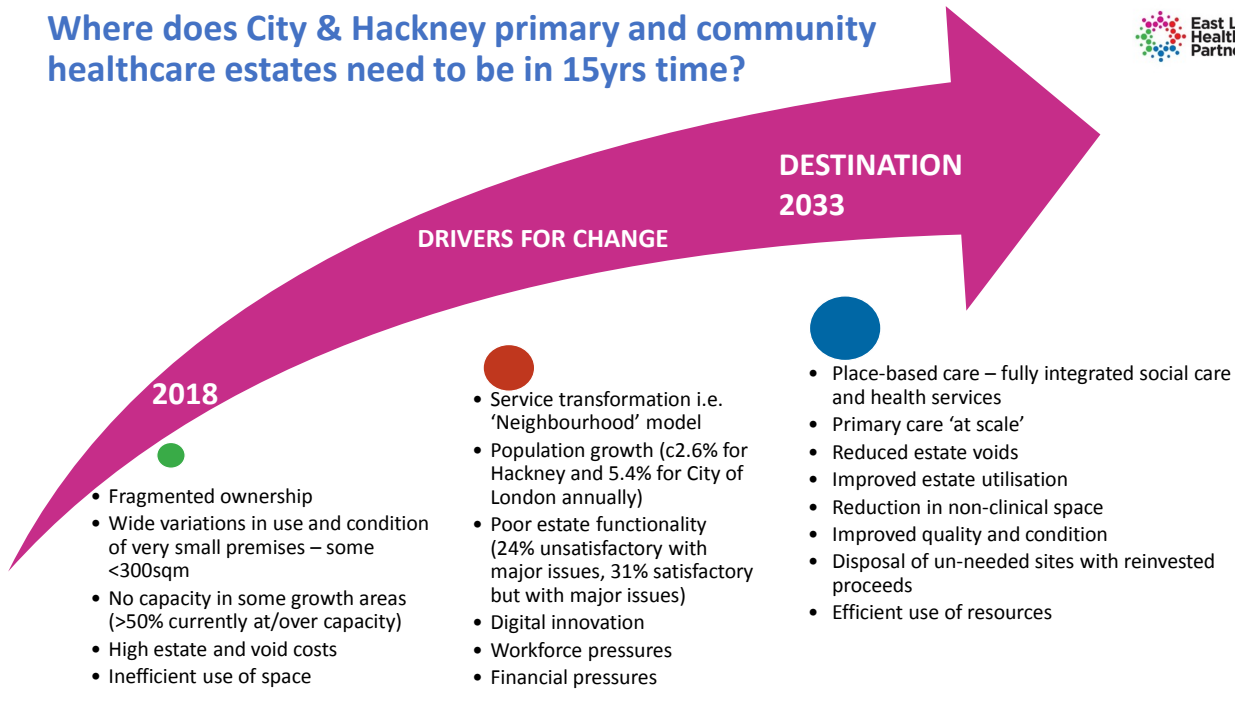


Fig. 7

Where does City & Hackney primary and community healthcare estates need to be in 15yrs time?



How to get to the above destination point

The City & Hackney CCG estates strategy much like the ELHCP (STP) strategy is framed around:

- Utilisation and productivity monitoring and analysis - through comprehensive data collection and analysis
- Additional capacity planning -through joint infrastructure planning with the local authorities and Provider partners
- Governance structure within City and Hackney – Estates Enabler Group which comprises of health and social care commissioners, providers including the voluntary sector, and a patient representative. The purpose of the group was to deliver the vision outlined in the City & Hackney Devolution Proposal.
- Capital funding strategy however, was already articulated in the successful bid by Hackney that saw it approved as one of five devolution pilots in 2015. This is summarised in fig 8 below:

Fig.8

Hackney Devolution Pilot – Estates Ask

- In December 2016, the CCG Chief Financial Officer and Hackney Council Chief Executive presented detailed estates proposal to the Treasury which was well received however, formal response has yet to be received.

Hackney Estates Board commitment to managing the capital budget and delegation of business cases

- Rationale:
- In order to progress schemes at pace and in line with local priorities and to support wider STP initiatives, a local decision making body is vital who will be tasked with making decisions on capital investments, ensuring the capital control total is not exceeded.
 - If it is feasible to go further and align the capital control system of the NHS with the system of borrowing powers in local authorities, this would be desirable, but may be a longer term aim.

Asset ownership

Rationale:

- This is a key enabler for successful integration of health and social care in the longer term.
- It is noted it is likely that this will require significant legislative change and may be a later stage of the devolution powers that are granted, although this will severely limit progress.

Retention of capital receipts

Rationale:

- The Hackney devolution Programme is committed to improving its estate and supporting health and social care infrastructure and different financing models will be considered for each business case depending on the asset ownership status for that scheme.
- The premise behind making rapid progress on estate development and housing expansion is **that the ownership is fully aligned with the bodies responsible for commissioning and implementing the changes with equal powers vested in local health and local authority bodies.**
- Non-alignment will lead to delays, a lack of incentives and undeliverable timelines as the integration agenda cannot be delivered. In developing a business case for each scheme it is vital that the local health economy can:
 - recycle any capital receipts, or
 - where ownership is outside the control of Hackney devolution partners, that some reinvestment of capital can be negotiated.
- Both these asks focus on NHS estates only as the Council own the majority of their buildings from where services are delivered and therefore do not need any additional powers.

Benefits of the proposed Hackney capital investment model include:

- Reduced capital costs (and therefore costs of capital) through earlier delivery of schemes
- Access to new markets (funds, construction, supply chains)
- Opportunity to create an off balance sheet accounting position
- Shared risks and rewards, with scope for further risk transfer
- Shared objectives between partners
- Lower cost of capital by utilising the council's borrowing powers and more favourable interest rates

Conclusion

In responding to the FYFV, it is recognised at both CCG and STP level, the importance of considering how the built environment facilitates the delivery of modern for health and care services that are fit for the now and tomorrow.

The strategic approach focuses on:

- Estates that support the clinical and service model
- working with practices/populations to retain the local and neighbourhood aspects of general practice whilst developing the ability to offer more comprehensive, wide ranging services e.g. to support primary care at scale;
- Enhance partnership working through the consolidation of multipurpose premises and shared space, supporting the delivery of multifaceted services by a multi-disciplinary integrated workforce across healthcare, social care and voluntary sector providers
- Support where appropriate, co-location of health, social care and community services in general, in high quality, more effective properties which provide the functionality and where possible, share back office functions thus creating improvements in quality and efficiencies of working at scale
- Facilitating new ways of working which support the digital roadmap principles and creates expansion of digital technology to offer online, telephone or video consultations between patients and health/social care professionals
- Work to rationalise premises where appropriate, improve utilisation and minimise voids

The detailed ELHCP (STP) Estates strategy is expected to be published early next month, October 2018 while the CCG strategy will follow suit shortly after – it is currently going through sign off process.

Amaka Nnadi, September 2018
City & Hackney CCG