Estates Utilisation Roadmap

A Guide to Optimising London's Health and Care Estates

London Estates Delivery Unit (LEDU)

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INTRODUCTION

What are we trying to achieve?

Across the NHS in London there is substantial underutilised estate which represents a significant financial burden to the system. Recent capital efficiency assessments suggest there is around £1.5billion locked into underutilised NHS assets. We believe that a coordinated approach to estate management within STPs and across London will provide an effective solution to resolving this financial pressure.

The roadmap aims to provide a methodical approach to addressing issues with utilisation in a consistent and effective manner across London.

What is the roadmap?

This roadmap has been developed following feedback provided by the London STP estates leads at a workshop in October 2019. It sets out a best-practice approach to optimising estate utilisation through establishing defined strategy and objectives, understanding the estate fully and implementing the appropriate measures to deliver efficient estate utilisation.

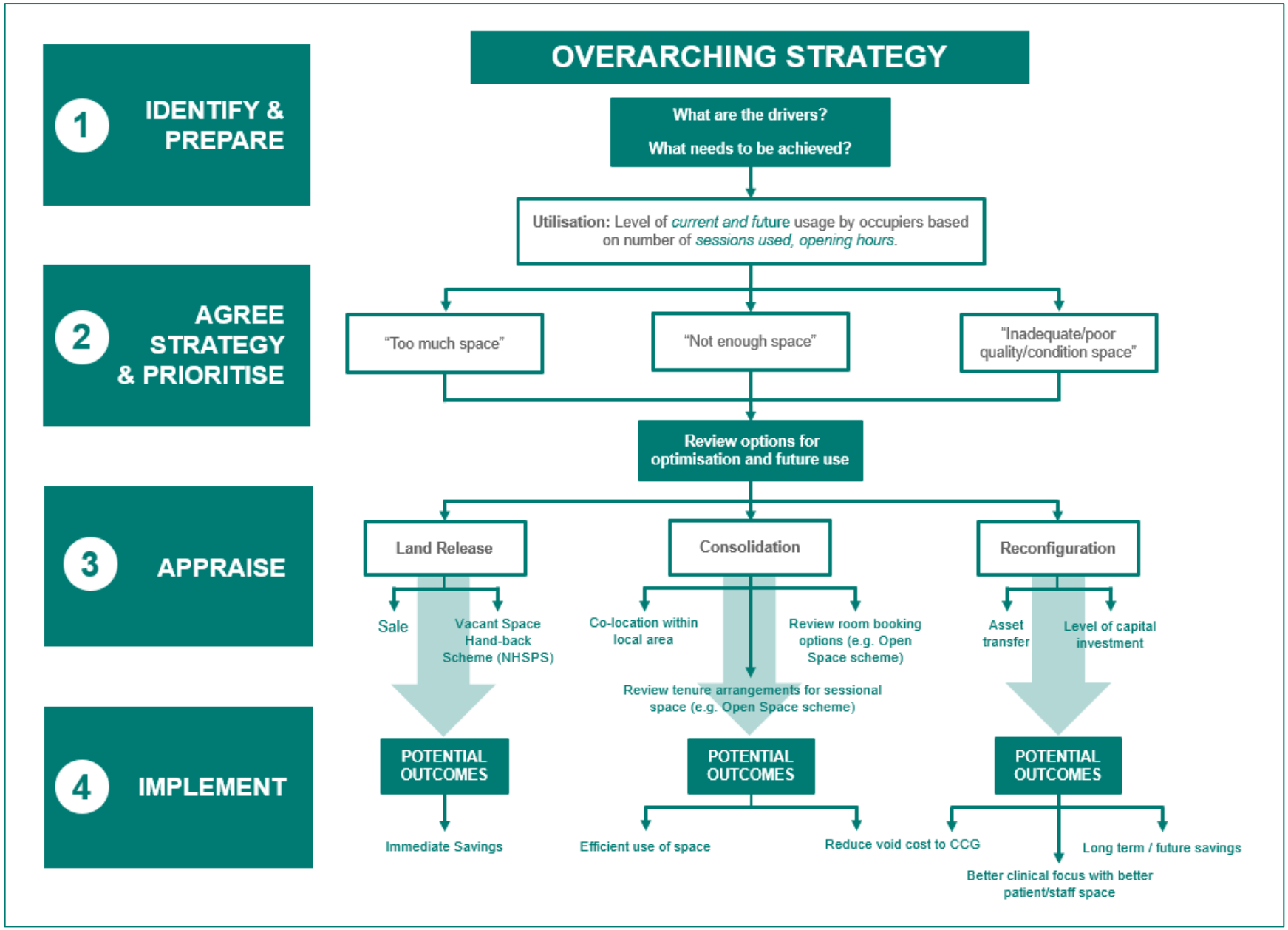
How can it be used?

The following roadmap sets out a broad methodology for estate optimisation, with the following sections of the booklet providing detail regarding how to approach each step. To use this guide, identify at which stage your project is on the roadmap tree and then refer to the appropriate page in the booklet. At the end of this booklet there is a checklist which should be used to assess progress through the optimisation process.

There are a number of assumptions which must be considered when reviewing this roadmap:

- This roadmap is intended as a guidance document, not a mandated and prescriptive methodology.
- Some of the actions may be best carried out with support from the LEDU in order to facilitate a standardised approach across London.
- The roadmap helps to identify and scope the potential opportunity across the estate. Specific assets will need to be assessed individually in terms of their requirements and opportunity for better utilisation.
- STP-wide approaches should align with Primary Care Network (PCN) / Integrated Care System (ICS) strategies.
- This roadmap will support the creation of centres of excellence in coordinated and well-utilised estate.

INTRODUCTION



1 IDENTIFY & PREPARE

What are the drivers?

What needs to be achieved?

Establish the ***key priorities and actions*** (consider ***local service requirements, local NHS strategy,*** and the ***Long Term Plan***).

STPs to manage the quality of data in order to map their estates comprehensively. Consider support from **HUDU**.

Estimate size of the attainable savings and set goals for the next 3 years.

Set up governance structure in order to assist with progress reporting.

1. Engage stakeholders

- Inform CCG and providers of opportunity / void
- Gain buy-in
- Establish roles and accountability

2. Set objectives regarding optimisation

Some example objectives:

- Deliver full utilisation of assets.
- Optimise assets in the STP.
- Find a solution which supports the most significant financial recovery.
- Make sure that services are appropriate for the area and the building.
- "X% financial savings by Q1 FY20XX, reduce running costs by X%"
- "Achieve 85% utilisation by 20XX."

3. Set principles of occupancy

For example:

- Estate and the digital workstreams are key enablers for service change and closely interlinked; they therefore need a shared planning agenda.
- The ownership of assets is less important than the occupation and management of assets. Management is the key to using the core estate harder including usage data collection and room booking systems.
- All estate will comply with all necessary standards such as Care Quality Commission (CQC) Registration and Requirements, Disability Discrimination Act (DDA), Infection Control etc and this will inform commissioning decisions.
- Existing health estate should be used to its maximum capacity before consideration is given to new or additional space.
- Agile working should be adopted as standard.
- New buildings need to have agreed "gross to net" target plus a clinical to non-clinical target reflecting the Carter Metric.
- CCGs will remain responsible for the costs associated with their commissioning decisions.

Essential to have SRO and day-to-day project lead appointed by end of Stage 1

2 AGREE STRATEGY & APPRAISE

Agree the strategy going forward by working through the following checklist of actions (although not necessarily in this order), referring back to underlying strategic drivers.

Establish lines of contact between providers within STP and London-wide.

Identify non-estate-specific information:

- Key points of contact.
- Future plans of the providers and commissioners.
- Demographic and growth factors in relation to the location of the assets.
- Local Authority plans/strategies.
- Property companies plans/strategies.

Map assets across STP: primary care/GP, community and acute assets:

- Identify the worst performing assets and reasons for poor performance.
- Identify the monetary loss associated with the worst performing assets – note, empty property rates relief is available for void space.
- Understand void space and how it has occurred.
- Identify the owner of the assets, in particular whether freehold/long leasehold is held by a property company or LIFT/PFI.

Develop centralised sustainable office strategy which utilises empirical data gained from utilisation studies to optimise space:

- Identify where there are multiple office hubs.
- Implement agile working policies.
- Develop regional hubs for administration services.

Consider the option of having several dispersed hubs for community clinicians.

Identify non-NHS estate programme:

- OPE plans / schemes in the area.
- Local Authority 'Public Realm Utilisation' programmes.
- Local Authority regeneration programmes.
- Local Authority vacant/underused space.
- Private sector redevelopments.

LEDU to facilitate discussions between STPs and One Public Estate (OPE) to develop optimisation programmes so engage where possible.

Scope potential sources of funding:

- Estates and Technology Transformation Fund.
- One Public Estate.
- Wave 6 DHSC funding.
- DHSC funding to reduce void space in LIFTCo/CHP assets.
- Estates disposals.
- Community Infrastructure Levy.

LEDU to facilitate discussions between STP and Treasury about the opportunity for STP loans to set up a programme of resources, and capital for works projects which will be paid

3 APPRAISE & PRIORITISE

1. Prioritise according to the following quantified metrics which assess the potential benefits. Scope this in the manner of a business case/options appraisal.

Level of potential financial recovery available (i.e. the potential savings to gained from optimisation):

- Revenue cost savings from centralising/consolidating services.
- Moving costs incurred.
- Savings in void costs.
- Capital costs incurred.
- Disposal opportunity costs.

Identify and set out the financial and non-financial benefits to justify the project.

Identify where landlord or freeholders are not carrying out repairs or maintenance as stated under the terms of their contract through engagement with provider stakeholders.

Identify building management arrangements e.g. Who is responsible for tenant liaison? Who operates reception?

Freeholder / long-leaseholder of the building.

- For example, long leasehold (e.g. PFI/LIFT) assets should be prioritised.
- Upcoming lease renewals/terminations offer advantages.

Level of appropriateness of facilities to services in building for the local population and meet regulatory standards.

2. Where target sites have been identified for optimisation, appraise the scale of the opportunity by measuring utilisation.

For example, **site walk-around studies** or OccupEye sensor studies.

- Derive the overall utilisation of the building.
- Assign a monetary value to inefficiencies
- Identify what the causes of poor utilisation are – particular services/room type/ provider.

Consider use of personal identification card tracking system which maps footfall throughout healthcare facilities. This system can identify inefficiencies and support optimisation.

3. Assess capital costs, funding and commercial implications of the results of the appraisal.

4 IMPLEMENT SOLUTION

Recruit a multi-faceted project manager to manage the optimisation programme.

Ideally this person would have experience in estates, commissioning and Trust-side.

Review London-wide resource in order to attain consistent approach.

Engage with key stakeholders in the locality – service providers and commissioners:

- Carry out workshops 1:1 interview sessions to determine individual needs.
- Determine the governance around moving services.
- Establish the contractual position. Explore what leasing options are available.
- Broker discussions between providers to coordinate services between them.
- Engage with other building occupiers re. building management arrangements

Encourage the adoption of place-based commissioning. Scope what services would be appropriate for the particular building.

- This will involve engagement with providers and commissioners and examination of the demographic information for the area.
- Encourage place-based commissioning. Try to get buy-in from both commissioners and providers.
- NCL's and SEL's redevelopment projects benefits substantially from place-based commissioning.

Carry out a cost-benefit analysis to determine the viability of the CCG picking up any excess costs associated with relocation of services.

This may include cost of relocation or rent increases. This is a preferable option if the increase in rent paid by the CCG is less than the current void costs in the short term.

Engage with LEDU and OPE and work together where possible to mitigate specific issues or utilise public sector space better.

Carry out a "lessons learnt" exercise and implement outcomes into future projects:

- What went well?
- Were the right people involved? Was there good and adequate buy-in?
- Was there good communication between all parties?
- Were assumptions challenged effectively?
- Were there any delays to project delivery? If so, what caused them?
- How can these lessons be taken forward to future projects?

CHECKLIST

Stage 1 Ascertain Strategic Fit and Making the Case for Change	Complete Y/N
1 Apply for empty property rates relief for any void space.	
2 Confirm Asset ownership, location, running costs and income:	
a. Who are the occupiers?	
b. What service currently operates from the facility?	
c. Does the current occupation align with the STP estates strategy?	
d. What type of property is it? (1st floor/ ground floor? office, mixed use, clinical etc)	
e. Does the property have a building manager? Who is responsible for Hard and Soft FM (e.g. reception)?	
f. What is the total / floorspace area? (GIA/NIA)	
g. What area is void space?	
h. How is this area billed?	
i. Is this a core site?	
j. What is the value/cost associated with the facility?	
k. Are there opportunities for financial savings/income here?	
3 Are there alternative local assets (NHS or other public sector) that could be used within borough and/or adjacent boroughs?	
4 Can the space be better used within the facility or could the service within it move elsewhere?	
5 Does this facility present an opportunity for a disposal or hand back?	
6 Could other services (in and out of borough) move to the facility?	
7 Does this re-assembly of services align with FYFV, STP and estate strategy?	
8 Establish potential savings from disposal or improved utilisation.	
9 Map service changes:	
a. Is a service contract due to expire and if so, will this impact on utilisation and void costs?	
b. Are any services under re-procurement and if so, is there an opportunity to mandate space?	
10 Compile summary of the above to establish way forward.	
11 Get In-Principle Agreement (IPA 1) to move to next stage.	

Stage 2 Confirm new location is appropriate and fits business needs	
1 Confirm IPA 1.	
2 Map service requirements to the asset. Key questions to be answered:	
a. What space, clinical or office, is required?	

	b. What space is available and on what basis?	
	c. What are the scheduling implications? E.g. will clinics have to run on different days of the week?	
	d. Is facility compliant with current regulations? (CQC, The Equality Act 2010, Infection control, space planning to meet workplace regulation etc.)	
	e. Confirm tenure of the facility (L/H or F/H?)	
	f. Confirm digital interoperability of facility.	
	g. Public transport access (is there a sustainable travel plan?)	
	h. Is parking available and how is it managed?	
	i. Can site operate 7 days a week, 3 sessions per day?	
	j. What is the building's permitted hours of use – can this be extended via the Landlord/planning consent?	
	k. Does it have electronic booking system?	
	l. Does it create a main service hub or centre of excellence/one stop shop?	
	m. Is facility dementia friendly?	
	n. Is the facility central to the local community?	
	o. Does the facility form part of the STP's long term estate strategy? If so, how is it identified in the long-term strategy?	
	p. Does it have potential for long term usage?	
	q. Will 75% overall utilisation be achieved?	
	r. Do the premises provide adequate reception/centre management services?	
	s. What other benefits will the facility deliver?	
3	Compile a summary of the above and establish a way forward.	
4	Get In Principle Agreement (IPA 2) to move to next stage.	

Stage 3 Establish business case

1	Confirm IPA 2.	
2	Assemble team to project manage the process alongside the property company's project team.	
3	Set up project team and governance procedures.	
4	Identify capital cost.	
5	Identify funding source (e.g. ETTF, OPE, CIL / S106).	
6	Engage stakeholders (providers, property companies, commissioners etc.) to achieve agreement to service moves.	
7	Confirm income savings and other non-financial benefits (for example clinical adjacencies to optimise the care pathway, enable staff sharing and collaboration, better meet the needs of the local population).	

CHECKLIST

8	Ascertain contractual issues.	
9	Confirm risks, constraints, dependences and benefits.	
10	Confirm procurement strategy.	
11	Draft plan and programme for implementation.	
12	Draft business case (if required).	
13	Submit business case for approval.	
14	Get in principle agreement (IPA 3) to move to next stage.	

Stage 4 Agreement to Proceed and Planning for Successful Delivery

1	Confirm IPA 3.	
2	Secure funding for implementation of the business case.	
3	Set out governance procedures and project team appointment contracts.	
4	Compile a summary of the above and establish the way forward.	
5	Get in principle agreement (IPA 4) to move to next stage.	

Stage 5 Deliver the Project

1	Confirm IPA 4.	
2	Appoint implementation team to deliver project.	
3	Confirm stakeholder engagement plan and governance procedures.	
4	Plan project and secure stakeholder sign-off.	
5	Implement project.	
6	Commission and move tenant in.	
7	Report completion to STP.	

Stage 6 Post Project Evaluation

1	Confirm scheme has been completed and is ready for PPE.	
2	Confirm cash releasing benefit analysis outcomes.	
3	Confirm non-cash releasing benefit analysis outcomes.	
4	Confirm societal benefit analysis outcomes.	
5	Confirm unmonetisable benefit analysis outcomes.	
6	Carry out lessons learnt exercise.	

NOTES

This document was produced by Currie & Brown on behalf of the London Estates Delivery Unit (LEDU@london.gov.uk)