

NHS – Accessing the Estate

Background

The NHS estate in England totals 6.9 million hectares - a floor area that would cover the City of London ten times over. The total floor space of Trust and ex-Primary Care Trust buildings is estimated at 28.4 million square metres.¹ The Department of Health released a disposal strategy in 2011 with a list of surplus land for release, and NHS Trusts in England have now identified land with a total capacity for almost 13,500 homes, which represents over 13% of the Government's ambition.

Whilst the NHS has well established ways of disposing of surplus land, models of care are often designed around buildings over health outcomes and efficiency. The Government target for savings in healthcare is £20 million by 2015 and for 100,000 new homes to be built by 2015, reflected in government initiatives such as Get Britain Building and The New Homes Bonus.² This reflects the demand to better manage the healthcare estate, making it more important than ever to manage health land and property more efficiently; from rationalising surplus land and generating capital receipts to co-locating health services with public sector partners. Rethinking how the NHS uses its estate would be a catalyst for change not only to reach efficiency savings, but to utilize land to improve health care outcomes, free up land for affordable housing development and increase opportunities for cross-sector partnership with local authorities and other public sector bodies.

[NHS Land Release Strategy \(2011\)](#)

[DoH NHS Surplus Land Publication \(2012\)](#)

[National Housing Federation; Creative Use of the NHS Estate \(2014\)](#)

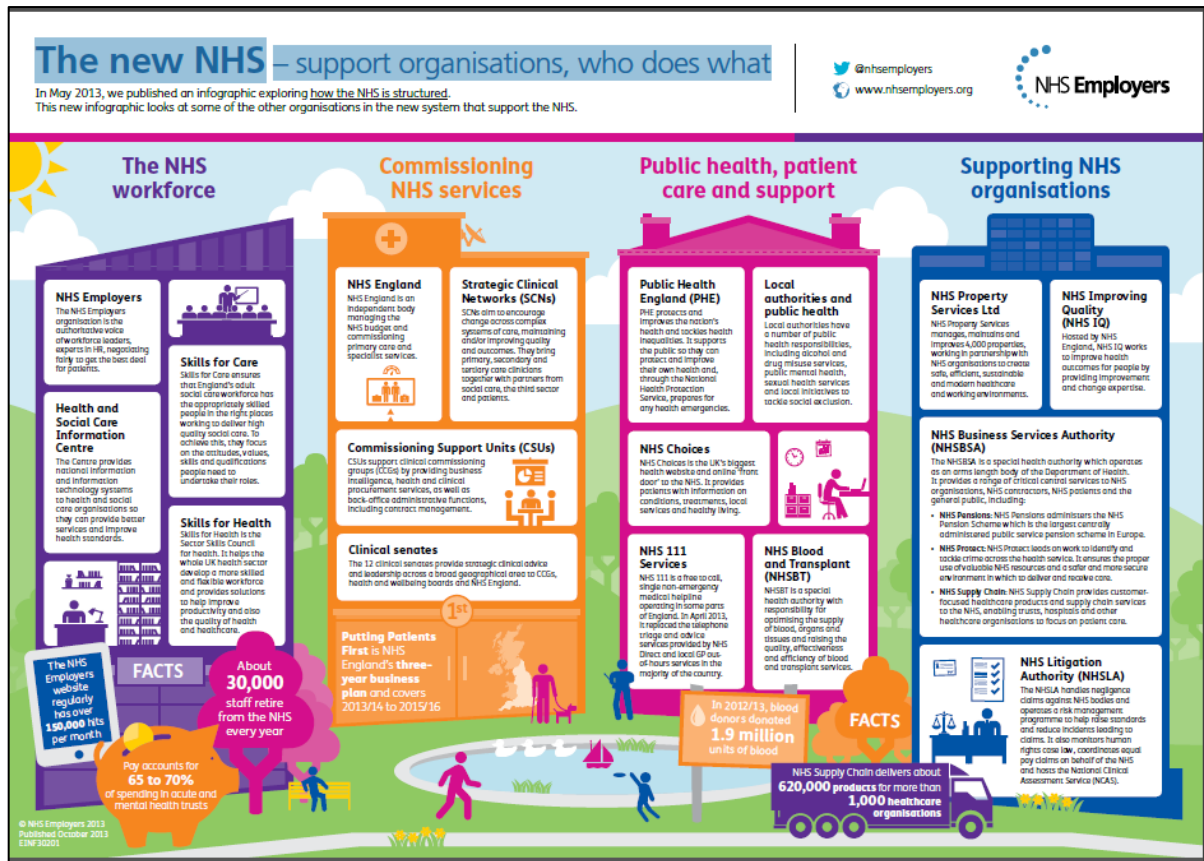
[NHS Buildings: Opportunity or Obstacle - Kings Fund \(2013\)](#)

Landscape

The landscape of health care land ownership is complex, with a large number of small holdings reflecting the locality of health service users and communities. The information below maps the ownership of healthcare land, current issues and provides links for further information for councils.

¹ (NHS Information Centre 2013).

² <https://www.gov.uk/government/policies/making-the-nhs-more-efficient-and-less-bureaucratic>



Full Diagram 'The new NHS – support organisations, who does what'

Key players

Health estate managers include; Local Authorities, Community Health Partnerships (CHP), NHS Trusts (foundation and individual), Homes and Communities Agency (HCA), NHS England, and NHS Property Services.

Local Authorities

Local authorities hold a number of public health responsibilities since 2013, including alcohol and drug misuse services, public mental health, sexual health services and social initiatives to tackle social exclusion. They are responsible for commissioning and collaborating on a range of public health services and for advising the commissioners of local NHS services.

Whilst the separation of the commissioning function from providers means most CCGs own very little property, a Local Authority's role in commissioning will affect land use and property utilization in the future. For example, the decision that a property is surplus and should be disposed of is made by the local Clinical Commissioning Group (CCG) and dealt with via NHS England.

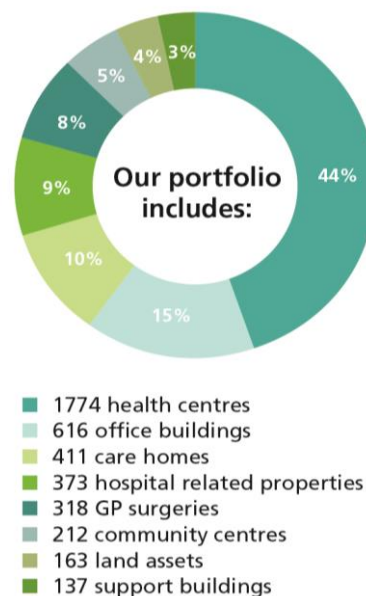
NHS Property Services

NHS Property Services manages, maintains and improves NHS properties and facilities, and was created following Health and Social Care Act (2012). Since 2013 it holds and manages all estate previously overseen by PCTs, operational community and GP properties, plus any surplus estate. NHS Property Services carries out strategic estates management, works closely with CHPs, acts as a landlord, modernises facilities, buys new facilities and sells facilities no longer needed by the NHS

Key Stats

- In 2013 they took on 4,000 facilities valued over £4billion – accounting for 15% of NHS estate in England – and filling a total floor area of 5.2 million sq m.
- The majority of properties are health centres, offices and hospitals or hospital related properties. Overall, these three property types comprise 81% of the total number of holdings.
- As at 24 October 2013, NHS Property Services had disposed of a total of 16 freehold properties since 1 April 2013, generating £13.1 million of receipts for the public purse.

The NHS Property Services includes:



Community Health Partnerships (CHP)

Community Health Partnerships support commissioners, CCGs, NHS England, GPs and Local Authorities to plan and utilise their estate. In 2013 CHP took over responsibility for the LIFT estate following the abolition of Primary Care Trusts. Responsibilities include strategic estates planning expertise and resource working with NHS Property Services to support commissioners to develop and implement local estate plans.

CHP does not own buildings developed through its initiatives. It is a minority shareholder (40%) in the independent companies that own these assets which are leased to NHS and local authority organisations.

Key Stats:

- LIFT estate is worth £2.6 billion and accounts for 1400 NHS and non NHS tenants in 301 LIFT buildings.
- Tenants include 161 NHS trusts, 153 Foundation Trusts, 488 General Practitioners, 33 Local Authorities and 11 Private Healthcare Providers, 129 pharmacies and 2 cafés.

NHS Trusts (Individual/Foundation)

The NHS estate is owned and managed by individual NHS trusts that are directly accountable for its performance. The NHS retains income from sales to invest in local healthcare. Established on April 1 2013, all NHS trusts are transitioning to Foundation Trust status. NHS England have taken on statutory responsibility for this (previously Department of Health). NHS foundation trusts own and manage individual sites and provide over 50% of all NHS hospital, mental health and ambulance services.

Key Stats:

- Around 85% of the NHS land is owned by individual NHS trusts who have direct responsibility and accountability for its management and, if surplus, its disposal.
- There are around 147 Foundation Trusts, and a total of 399 NHS trusts in England.

Department of Health

DoH has direct responsibility for those properties which form part of its core civil estate or are occupied by its arm's length bodies. In the main this comprises office accommodation but also some specialist property, such as

that occupied by the Health Protection Agency or NHS Blood & Transplant. The Department also holds property known as the 'retained estate': property which was not transferred to the ownership of NHS Trusts at the time of their creation as there was no identified long term NHS requirement previously. The majority of this estate which may be surplus is not suitable for redevelopment with housing.

Following publication of the Department of Health's land disposal strategy they have undertaken a further data collection exercise on landholdings across the NHS. Results from this and future homes on some previously sold sites show that land being released has the potential capacity to support 16,150 units.

The Disposal Process

The disposal process for NHS sites is often opaque. The following text is from [government guidance for NHS trusts, foundation trusts and other NHS organisations](#) on achieving efficiency savings and reducing costs in NHS estates.

NHS Foundation Trusts are required to register the details of a sale for disposal onto the e-PIMS register to enable other public-sector organisations to come forward to purchase the land and/or property.

Once land and/or property has been identified as surplus to a particular NHS organisation it circulates details to nearby NHS organisations, NHS PS, providers of NHS services and local authorities and register details of the land and/or property on e-PIMs. This notification should allow six weeks to two months for a purchaser to emerge before placing the property on the open market.

Where an FT or Trust expresses an interest to buy the land and/or property (or part of it) for ongoing health use, the selling organisation is encouraged to cooperate with the proposed purchaser for the benefit of the local health economy.

NHS Property Services uses the following process:

The decision as to whether a property is surplus to NHS operational requirements resides with the commissioners, i.e. NHS England or a clinical commissioning group (CCG).

NHS Property Services will only take forward actions on a property according to the needs of commissioners, and a property will only be released for disposal once commissioners have confirmed that it is no longer required for the delivery of NHS services.

Any NHS Property Services assets which are to be sold are marketed through an arm's length open market process. Where necessary the sale price is supported by a District Valuer or other third party independent valuations.

Any property to be disposed of is first listed on the Electronic Property Information Mapping Service (ePIMS) website, which allows other public sector bodies to purchase it. Properties are listed on this website for forty working days and if no other public sector organisation expresses an interest then they will be marketed.

[NHS Property Services Database](#)

Housing opportunities

The Government commitment is to dispose of land with capacity for up to 100,000 new homes in the period up to March 2015. The £100 million Growth and Efficiency Fund was established and in addition the HCA £190m Development Fund has been set up to incentivise and encourage NHS organisations to generate savings by reducing their estate costs, and contribute to economic growth by releasing land for housing.

Department of Health statistics (2011/12) showed:

- of the total 399 NHS trusts, 188 (47%) declared at least one parcel of surplus or potentially surplus land
- a total of 414 separate parcels of land were identified by the 188 NHS trusts who declared surplus or potentially surplus land.

The Homes and Communities Agency (HCA) will become the Government's land disposal agency from April 2015, whilst the Department of Health is coming to the end of the disposal of the 'retained estate.' The HCA has estimated that the sites previously sold to them by the Department will be capable of generating close to 50,000 new homes.

The HCA in partnership with the Department for Communities and Local Government (DCLG) and the Department of Health, are assisting NHS Trusts to help them accelerate disposal of their surplus land suitable for housing. A pilot of 35 central government and NHS sites has begun as part of the

Government's drive to deliver up to 100,000 homes on public sector land; for example the project will see house builder Persimmon build more than 100 homes on a 17 acre site in Liverpool. In Milford, Surrey, where a 12.8 ha former hospital site has achieved planning consent for 120 new homes.

[Information of HCA £190m Development Fund](#)

[HCA Current Land and Development Opportunities](#)

[Milford Surrey Example](#)

[Liverpool - Milford Homes Example](#)

Current issues

- Sale to highest bidder over alternative managers (e.g. Housing Associations)
- Health care estate ownership complex and opaque
- Better use of unoccupied floor space per sq. metres
- Lack of strategic asset management

Opportunities

- Disposals to reduce deficit
- Opportunities for economic growth
- Service re-design for better health outcomes
- Joint local authority and health care provision – partnership working
- Role of Housing Association is service re-design

One Public Estate and Community Health Partnerships

The One Public Estate (OPE) programme is working closely with Community Health Partnerships (CHP) to facilitate engagement between local health estate owners and local authorities participating in the programme. The aim is to assist the alignment of One Public Estate activity with CHP asset rationalisation projects in localities, as well as facilitate integrated health and social care services.

Engagement has seen CHP's team of regional property directors and local health estate holders become key members of local authority led property boards, established in One Public Estate areas. Through these property

boards local authorities, health, wider government and public sector asset holders are working together to ensure maximum and appropriate use local level clinical and administration floor space as well as opportunities to release health and public sector land in partnership for housing. The partnership also aims to cut red tape blocking delivery of projects, with CHP officials providing access to senior central NHS decision makers allowing issue resolution at pace.

CHP's team of regional directors are also providing a gateway for local authorities to access their local knowledge and contacts throughout all NHS bodies. This is allowing One Public Estate councils to contact appropriate estate leads across the NHS landscape to develop opportunities at pace.

Please contact Craig Egglestone for details of your CHP Regional Director

Email: craig.egglestone@local.gov.uk

Useful Links

[The Commissioning Framework](#)

[Local Government Functions](#)

[Structural changes NHS authorities and trusts:](#)

[Kings fund publications](#)

[NHS England](#)

[NHS Property Services](#)

[NHS foundation trusts directory](#)

[HCA Land Disposal Strategy](#)

[Community Health Partnership CHP](#)

[HCA land and Disposals publication 2014/15 update \(case studies\)](#)

[ePIMS Electronic Property Information Mapping Services - Central government](#)

[NHS Property Services - Efficiency Graph & Business Case](#)