

London Estates Board Briefing

This document describes the vision, shape and functions of the London Estates Board (LEB), which met for the first time in an advisory form on 1 December 2016. A draft LEB operating framework has been developed and describes this in greater detail. The draft is available on request and the document is due to be published alongside the London Health and Care devolution MoU.

1. Context and vision

The NHS is one of the largest owners of land and buildings in London with the physical footprint of London's hospitals occupying around 1000 acres of land, the equivalent of three times the size of Hyde Park. However, the quality of the NHS estate is highly variable across the city. The Better Health for London report found that 54% hospitals were over 30 years old; 28% of the NHS estate pre-dated the start of the NHS; 15% of NHS assets are under-utilised; and the backlog maintenance costs across London are considerable. If this capital could be unlocked it could release around £1.5 billion for reinvestment in health and care in London¹ and enable the release of surplus land for primary and community care and wider public sector needs, including housing.

Four of London's devolution pilots have examined estates opportunities, aiming to provide a fit for purpose, cost-effective, integrated, accessible estate which enables the delivery of high quality health and social care services – and a 'one public sector' estate approach - for their local population. Through the devolution work, it has become clear that the current system of ownership and decision-making is complex and does not incentivise individual organisations or systems to dispose of or transform the estate to meet local need, at pace. It is also clear that a number of national discussions are underway to support the release of surplus NHS estate, but these do not always involve crucial local partners. Through the work of the London Estates Subgroup and the devolution pilots, the LEB was conceived to address these challenges, in order to unlock and accelerate estate transformation in London.

The LEB will initially have a strategic and advisory role, bringing together London partners in a single collective forum to discuss London-wide estate challenges and opportunities. Partnership working with the GLA and London boroughs enables a wider public sector view, political accountability, recognition of marriage value with wider public sector land, and early access to planning, development and delivery expertise. The LEB will work closely with the One Public Estate programme, and recognises a wider ambition to work towards one public estate for London. In time, the LEB aims to exercise delegated and devolved responsibilities from national partners within the London system, including capital business case approvals. The LEB and wider London system will be supported by a London Estates Delivery Unit (LEDU), which will consolidate operational functions and expertise.

2. Overarching principles

The LEB will operate according to the following key principles:

- Subsidiarity, with decisions taken at the lowest appropriate level, subject to robust governance mechanisms, and only taken at the LEB when needed.
- Transparency, with all relevant discussions taking place at the LEB.
- All partners bringing the collective expertise of their constituent organisations, to achieve the greatest value for Londoners.
- Decision-making will seek to achieve consensus so far as is possible, while respecting the views and statutory accountabilities of constituent organisations.

¹ All figures taken from the Better Health for London report (published 15 October 2014).

3. Membership, hosting and chairing arrangements

Membership includes representation from local, sub-regional, London and national partners:

Local/sub-regional	London	National
Devolution pilots London STPs ²	GLA London CCGs London Councils NHS England London region NHS Improvement London region	Property companies (NHSPS and CHP) Her Majesty's Treasury Department of Health One Public Estate

The LEB is chaired by David Slegg, Finance Director for NHS England London region and Geoff Alltimes, who acts as independent co-chair. The LEB is hosted by the GLA.

The LEB is meeting once every two months, supported by a London Estates Delivery Unit (LEDU).

4. A phased approach to functions and decision-making

The nature of the LEB's functions and its decision-making ability will be phased over time and the LEB ultimately aims to acquire greater autonomy for London by way of proven competence, and to refine its mandate and functions through collaborative working and information sharing.

Initially the LEB is undertaking on a strategic and advisory role, through which it will carry out the following core functions:

- To provide a single forum for NHS estates and wider public estate discussions.
- To provide strategic oversight of London activity to enhance utilisation, taking on Healthy London Partnership estates accountabilities.
- To engage with local and sub-regional groups within London to ensure the LEB adds value and is complementary to local priorities and emerging governance arrangements.
- To gain clarity on London's total capital availability and expectations for release, and work with STP areas and devolution pilots to develop a clear pipeline of capital projects, including prioritisation of schemes.
- To establish a LEDU to support the LEB with operational functions, and local and STP areas with the preparation of "right first time" capital investment/disposal business cases.
- To develop a clear capital plan for London, drawing from local and STP estates strategies and Estates and Technology Transformation Fund bids.
- To support STP and pilot estates boards to take on robust governance and accountability functions to enable national functions to be exercised at a more local level.
- To support local and sub-regional areas to develop clear estates strategies and enable whole system strategic estates planning, taking a wider one public sector approach.
- To consider the recommendations of a London report on NHS estate utilisation.
- To develop an approach for NHSPS and CHP investments and sales, which balances national and London needs and priorities.
- To ensure that when surplus NHS sites are released, this is done with due consideration of wider local health economy and public sector opportunities.
- To explore how incentives for the health and care system to release surplus land can be optimised.

In this form the LEB members can make collective non-binding recommendations to the decision-making bodies and issue guidance. The principles of collaboration, partnership and early engagement aim to ensure that member organisations take an aligned view and LEB recommendations are implemented effectively by London and national organisations.

² "STP" refers to a Sustainability and Transformation Plan. The term is also used to refer to the local area that collectively forms the plan, along with "STP area".

As it matures, and subject to robust gateway criteria, the LEB will also provide a forum to exercise delegated and/or devolved responsibilities. The role and function of the LEB in its decision-making phases has significant interdependencies with wider devolution proposals, and detailed discussions continue to clarify the proposed nature and scope of such devolved powers. However, the clear ambition is for decisions around business case approvals, capital allocations and capital receipt application to be taken within the LEB forum (and subsequently more local forums), so far as is possible. Currently the powers to take these decisions sit chiefly with central government, NHS England, NHS Improvement and the property companies. The proposals aim to enable local providers and commissioners to come to one place to seek decisions on business cases and capital, and to increase the transparency and alignment of these decision-making processes. In turn, the achievement of these aims has potential to substantially accelerate the pace of decision-making.

The LEB aims to bring decisions which are currently taken nationally to a London level, rather than to 'suck up' decisions which can already be taken at local level. However, for the LEB to fully realise its aims, it does also require engagement and transparency from all partners, and particularly health and care estate holders in respect of capital cases and estate disposals.

Decision-making will initially take place through shadow running, by way of collective recommendations made to national organisations. Subsequently, it is proposed that formal decisions will be taken within the LEB forum by member representatives with delegated decision-making authority.

Ultimately the LEB has wider ambitions to progress into a more fully devolved model. The initial structure will help build confidence and strengthen existing partnership arrangements, allowing partners to co-develop these later stages of the LEB.

5. Accountabilities

Operational oversight will be provided by the Strategic Partnership Board. Political oversight will be provided through the London Health Board and Homes for Londoners. Separately, the LEB representatives will be accountable to their constituent organisations in respect of decisions taken within the LEB forum.

6. FAQs

Who will represent the interests of our organisation at the LEB? How will we find out about the business conducted at the LEB?

Currently, the LEB membership includes representatives from each of the five London STPs and the four devolution pilots with an interest in estates. These representatives will engage with their constituent organisations between meetings, and are expected to present informed views and interests which directly flow from these discussions. It is also expected that these representatives will feed back LEB discussion into the wider health economy. These representatives are:

Clare Parker (NWL STP)

Henry Black (NEL STP)

Elizabeth Youard (SWL STP)

Malcolm Hines (SEL STP)

Conor Burke (BHR devolution pilot)

Tim Shields (Hackney devolution pilot)

Aileen Buckton (Lewisham devolution pilot)

Dawn Wakeling (NCL STP/devolution pilot)

Should your organisation becomes directly concerned with business undertaken at the LEB (for example, if you represent an organisation undergoing a significant estate disposal), you will be invited to be directly involved in the discussion as a guest at the relevant LEB meetings.

The LEB will keep its membership and representation under constant review, to ensure that the processes are working effectively.

How does decision-making work? Will the LEB impact on estates decisions which are currently taken by my organisation/local organisations?

The principle of subsidiarity has been a key factor in the formulation of the LEB proposals. The LEB aims to bring decisions which are currently taken nationally to a London level, rather than to 'suck up' decisions which can already be taken at local level. In practical terms, this will mean that decisions currently taken by organisations such as NHS England and NHS Improvement will be internally delegated to representatives who will sit and take decisions within the LEB 'forum'. The members will be able to make collective, non-binding recommendations in order to inform the decision-maker's final determination. This does not change statutory accountabilities, but enables decision making that is more joined-up and takes into account the views of wider partners.

For the LEB to fully realise its aims, it does also require engagement and transparency from all partners, and particularly health and care estate holders in respect of capital cases and estate disposals. It is fully recognised that there is a need to further co-develop this process, to ensure that all partners are clear as to where discussion at the LEB will be helpful for the London system, and where organisations/local areas should be able to continue taking quick decisions without further consultation, under their existing processes.

How will the LEB help an NHS organisation best achieve its estates aims/strategy?

- By aligning national partners, the LEB aims to ensure that the advice and direction you receive is joined-up and co-developed to enable the best collective outcomes for London.
- The LEDU will provide a support function, accessible by local areas, to help develop business cases to better enable approval first time.
- The LEB (supported by the LEDU) aims to accelerate the processes of development, review and approval of transformation proposals, enabling your area to more quickly and effectively move to implementation.
- The LEB aims to assist local areas in freeing up surplus estate, creating further capital for investment.
- Through closer partnership with local government and the GLA, you will be able to explore wider planning, development, delivery and capital options, and also to identify opportunities of adjacent wider public sector estate, maximising the site value.
- The LEB, through its membership, aims to give local areas an opportunity to help shape estates strategy and policy in London.
- By bringing decision-making to a London level, the LEB aims to increase transparency of these processes and ensure that decisions on capital are taken in order to best meet London's priorities.
- The LEB (supported by the LEDU) aims to enhance utilisation opportunities, helping local areas to make best use of health and care estate.
- Through the LEB (supported by the LEDU), local areas will have access to a knowledge base informed by learning from across London and the wider health economy, in order to support plans for estate development and disposal.

How will the LEB help a local authority best achieve its estates aims/strategy?

- By aligning national partners, the LEB aims to ensure that the advice and direction you receive is joined-up and co-developed to enable the best collective outcomes for London.
- The LEDU will provide a support function, accessible by local areas, to help develop business cases to better enable approval first time.
- The LEB (supported by the LEDU) aims to accelerate the processes of development, review and approval of transformation proposals, enabling your area to more quickly and effectively move to implementation.
- The LEB aims to assist local areas in freeing up surplus estate, creating further capital for investment in health and care and land for housing and wider public sector use.
- Through closer partnership with the NHS, you will be able to identify opportunities of adjacent NHS estate, maximising the site value and opportunities
- The LEB, through its membership, aims to give local areas an opportunity to help shape estates strategy and policy in London.

- By bringing decision-making to a London level, the LEB aims to increase transparency of these processes and ensure that decisions on capital are taken in order to best meet London's priorities. Political oversight through Homes for Londoners and the London Health Board will enable democratic accountability for health and care estate decisions.

We would like to ultimately approve business cases more locally, how do we do this?

The LEB will support local areas to take on delegated functions, so far as this is workable. Practically this would be achieved by the national representative with delegated decision-making powers sitting on a sub-regional estates board. Robust governance and accountability will be needed to administer devolved or delegated powers more locally.

Where can we find out more?

To find out more, organisations can contact the Devolution Programme Team on HCDevolution@london.gov.uk