



Title:	London Estates Board: progress and next steps
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Strategic Partnership Board

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1. Purpose

1.1. This information report provides an update on the progress of the London Estates Board (LEB) over 2017 and identifies the next steps to be undertaken by the LEB following the MoU signing in November.

2. The on-going role of the SPB is to

2.1. **Note** the work of the London Estates Board (LEB)

2.2. Provide **support** to the LEB where appropriate, for example to:

2.2.1. hold national partners to account on the devolution commitments;

2.2.2. undertake strategic functions including development of a clear capital plan for London. This is predicated on ensuring that the emerging sub-regional health and care strategies are robust and have wide system support;

2.2.3. enable wide health and care system engagement to maximise opportunity for capital investment and support for local and STP estate strategies;

3. London Estates Board Update

3.1. Progress to date:

3.1.1. The LEB was formed in December 2016 and has been meeting in an advisory capacity throughout 2017. In advance of the MoU, the LEB has already achieved greater collaboration and is the single forum for London-level NHS estates discussions.

3.1.2. The LEB's functions and decision-making ability will be phased over time. The LEB has received formal confirmation from the SPB and from NHS Improvement to progress to Phase 2 of operation and awaits formal NHS England approval. This, principally, enables the LEB to support local and sub-regional areas to develop clear estates strategies.

3.1.3. Work is underway to bring together the collective technical and professional expertise of constituent organisations across London via the London Estates Delivery Unit (LEDU). The LEDU has been established and operational with an interim core team since April 2017. The team is hosted by the GLA, working alongside core members of the GLA Housing and Land Directorate and is collectively resourced by health and care partners.

3.1.4. To date, the LEB and the LEDU have focused on three key priorities:

A. Enabling a wider partnership approach:

The LEB enables regular estates discussions between NHS England, NHS Improvement, Department of Health, HM Treasury, STPs, CCGs, Providers, the GLA, local government, NHS Property Services, Community Health Partnerships and the One Public Estate programme. Through these discussions, partners are working together to consider options for the surplus estate and where appropriate how best to accelerate the sale of surplus land and reinvest capital into health and care.

For example:

One Public Estate (OPE) is an established national programme delivered in partnership by the Local Government Association and the Cabinet Office Government Property Unit. OPE focuses on getting more from collective public sector assets - whether through catalysing major service transformation, such as health and social care integration; or unlocking land for new homes and commercial space. The LEDU has been working closely with OPE to promote and support bids for funding across the NHS in London. OPE is represented on the LEB and forms part of the LEDU steering group.

Over half of all London Boroughs are now working with OPE and the LEDU and OPE are collaborating to increase the rate of participation to 98%. Since the start of the estates devolution work (inclusive FY16/17 and 17/18), almost £1 million has been invested directly into health projects in London by OPE. This represents almost 40% of OPE's public sector investment in London. A further £740,500 has been invested in regeneration projects with a wider health benefit, impact on place making and health determinants.

The LEB and LEDU have been instrumental to the successful support of London OPE projects by facilitating discussions and connections between OPE and NHS

organisations. This demonstrates the value of the collaborative governance and delivery approach that the LEB and LEDU represent in bringing investment into support the development of London's health and care transformation.

B. Using robust data to support strategic planning:

For the first time, a single source of NHS estates projects in London has been developed in partnership with estates representatives from the five London STPs. This combines all currently available London estates programmes and pipelines and incorporates a dynamic reporting dashboard. This enables the data collected to be analysed in a simple and efficient way to inform future strategy and identify key issues and 'blockers' in the system. The database provides a strong foundation for work to develop a clear capital plan built up from the local plans over the coming months.

C. Identifying alternative solutions to national funding:

There are significant limitations on national capital availability for the NHS and whilst capital can be raised from the disposal of surplus assets there is a need to consider other options to generate sustainable revenue streams alongside capital receipts. The LEDU is continually seeking to identify wider public-sector grants or funds that may be available to off-set the demand on NHS capital. There is particular opportunity to leverage wider funding where there is potential for delivery of housing within estate schemes, including affordable housing for health and care staff and for Londoners more broadly.

For example:

The LEDU has worked with the GLA to develop bids for the recent DCLG Housing Infrastructure Fund. Specifically, the LEDU enabled discussions across a number of NHS Foundation Trusts resulting in a combined bid for funding to support their respective estate transformation schemes.

The Mayor has earmarked an initial £250m fund to enable City Hall to unlock and accelerate stalled sites and deliver homes. While the GLA develops its investment strategy, the LEDU is working closely with the GLA to determine if and how this money could best be utilised to support NHS schemes. The GLA is actively pursuing the purchase of an NHS Trust site in London.

The LEDU is also working with partners to assess alternative funding and delivery routes with third party investors. A series of workshops are planned for early 2018 to assess the potential and capacity for third party investors in health and care schemes.

3.2. Next Steps

3.2.1. *Developing a capital plan for London*

The key priority to April 2018 is to support development of STP estates strategies and, from these, develop a capital plan for London. The development of the local and STP estates strategies is predicated on coherent health and care strategies which require wider system engagement and support. The local and STP estates plans will then be aggregated into a clear capital plan for London. This is a crucial next step for the LEB to enable progression to take on decision-making, by providing a robust capital pipeline and clarity on capital availability and expectations. The next phase progression review is anticipated to take place in June 2018. This will include both smaller sites suitable for primary care development and larger more strategic sites where the business case development requires 'once for London' sophisticated property expertise.

In collaboration with NHS England (London) and NHS Improvement (London), the LEDU has developed a clear plan to support the STPs. This has been discussed and iterated with STP estates representatives and meetings are planned with each of the STPs over the next month to support the development of the STP estates strategies.

The LEB will be requesting regular reports from NHS Improvement, NHS England, OPE and NHS property companies regarding all London schemes currently being considered by their committees. This will include land sales and the use of proceeds. This will provide a strong foundation for shadow running of the Board, in advance of formal decision-making.

3.2.2 *Establishment of an Operational LEB meeting.*

In later phases, the LEB will serve as a forum within which NHS capital investment decision-making can be exercised. This includes the ability to approve capital business cases in London, with early involvement of and influence by local and London government in the decision-making process. In advance of progression to operational phases the LEB must continue to demonstrate the value of greater collaboration. To achieve this all major transformational schemes will need to be shared with the LEB at an operational level and, where appropriate, discussed directly with the LEB. This requires much greater London-wide transparency on NHS estate issues. The LEDU will establish an 'operational' meeting to include relevant partners and STPs.

3.2.3 *Engagement with London local Authorities*

This aims to promote wider partnership and collaboration in order to:

- Maximise the opportunity for Local Authority investment in the NHS Estate and its transformation. At the December London Health Board meeting, local

government Leaders have expressed interest in exploring how the NHS may more effectively access capital through local government, to support planning and delivery of projects.

- At an STP level, enable greater local government involvement and understanding of the emerging STP estate plans. This should be undertaken with the imperative of communicating health and care needs with the local planning authorities at an early stage.

3.2.4 Developing a full work plan and budget for FY18/19

At the February LEB meeting, the Board will consider the LEB and LEDU's draft programme of work and budget for FY18/19.