

London's Estates Matter

The London Estates Board: Health and Care Estates Strategy

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Final draft



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Foreword

London has some of the world's most advanced facilities, but it also has some of the worst GP and hospital buildings in Britain. Some primary care buildings are so dilapidated and inaccessible that they have been deemed beyond repair. Whilst some hospitals are aspiring to build the most technologically-advanced facilities, others are just trying to keep the rain out.

People are at the heart of health and care services. The quality of care we offer across London depends first on the dedication and skills of staff but it also depends on the quality of the premises in which they work.

NHS owned land and buildings in London is valued at more than £11 billion, covering a footprint three times the size of Hyde Park. This London Health and Care Estates Strategy describes how we plan not only to fix the roof in challenging times, but how we will transform the quality of the facilities in which Londoners receive care. Our vision is for London to have a world class health and care service estate that reflects and adds to its stature as a leading global city in the 21st century. To achieve this, we estimate £8 billion of new investment is required over the next 10 years.

London's health and care partners have united to create this strategy to respond to the estates challenge. Built bottom-up from across our capital it reflects the dedication and collaboration of health and care leaders, including NHS England & Improvement, London's 32 Clinical Commissioning Groups and providers, the five Sustainability and Transformation Partnerships, Public Health England (London region), the Mayor of London and London Councils representing London's 32 boroughs and the City of London Corporation. This strategy sets out how we will use the new powers secured

through the London Health and Care Devolution Memorandum of Understanding¹, to deliver our vision of providing Londoners with exemplar health and care facilities. The London Estates Board (LEB) sits at the centre of this approach, where all London and national partners meet with wider organisations to develop and agree plans to transform London's health and care estate.

This strategy has been developed to help all partners meet our collective ambitions to:

- Meet the health needs of a growing population (circa 780,000 within the next 10 years²).
- Improve the health outcomes and care experience of patients and their families in fit for purpose facilities.
- Enhance the working environment of our dedicated health and care staff.
- Support and accelerate changes in health and care service model delivery to reflect and drive best practice.
- Deliver significant improvements in value for money through lower estate maintenance costs.

Recognising our health is impacted by access to housing, jobs and the quality of our living environment, this strategy supports increased benefits by embracing estate solutions that span all of London's public services, recognising:

- How co-locating professionals supporting people with multiple health conditions can make collaboration easier and care more accessible.
- How fit for purpose premises can improve the links between London's great hospitals and the local primary and community care that is needed before and after hospital treatment.

1 London Health and Care Devolution Memorandum of Understanding, November 2017

2 Sub-national population projections for England, ONS May 2018

- Sharing the property development skills, legal powers, access to finance and the planning powers of the Mayor and London borough councils to accelerate and enhance delivery plans.
- Connecting up the estates strategies of all London public services to maximise opportunities for delivering more jobs, housing, community and health facilities for Londoners.
- Releasing surplus NHS land to support the delivery of an estimated extra 12,500 new homes.
- Working with the NHS, GLA and London borough councils to invest in the delivery of housing for Londoners and for health and care staff.
- Promoting good physical and mental health and wellbeing and reduce health inequalities through great design of our built environment.

The scale of the task means we must be ambitious. For a chance of success we need all our partners to give their full commitment to collaboration and to being open to challenge and new ways of working. Through this new unified approach and sharing of common purpose, as this first pan London estates strategy demonstrates, we can improve the delivery of high quality primary, community, mental health and social care premises, a fit for purpose hospital estate and the sustainability of an exemplar health and care system.

We are also committed to be ever more ambitious. The LEB is ready to move into phase 3 of operation (shadow decision-making), with the longer-term ambition of seeking partners' support for the transition to phase 4 (full decision-making).

Please be assured, this is a live document and only the beginning of our journey to ensure every Londoner receives treatment in a world class facility. As we develop and strengthen our working practices, collaborative approaches and priorities, we will share updates to our strategy.

We hope you will see the scale of London's ambition in the pages that follow and that this strategy provides a focus supporting on-going conversations with all Londoners.

Finally, as independent chair of the LEB, I would like to express my gratitude to Board members and partners involved in creating this first unified health and care estates strategy for London. The Board remains committed to working with and through our partners, strengthening our collaboration to ensure that our shared vision is realised.

Geoff Alltimes

Independent Chair, London Estates Board

Executive Summary



Executive Summary: London's First Health and Care Estates Strategy

This is the first London-wide health and care estates strategy in the 70 year history of the NHS. It marks a turning point in how London's health partners, alongside national partners, want and need to work together. To provide a sustainable, fit for purpose estate, one which is capable of supporting the delivery of our clinical needs, we need to stop working in organisational silos, take a long term and holistic view of acute and primary care estates and ensure policy and funding decisions that have a major impact on the condition of our estate are taken in London, by London.

Vision and purpose

The London Estates Board's vision is for all Londoners, regardless of their background or where they live, to have access to a world class health service in world class facilities. This requires sufficient numbers of skilled and dedicated staff and fit for purpose buildings and facilities. Premises that should reflect and add to London's stature as a leading global city.

We know this is an ambitious vision given the current condition of our estate. We also recognise that transformation on this scale requires a fundamental change in how we do business in London, within the NHS and with the wider public sector. This London Health and Care Estates Strategy is designed to help us achieve our vision by mapping how we will collaboratively use the powers secured through the London Health and Care Devolution Memorandum of Understanding (MoU) to drive forward our detailed work plans for NHS estate transformation across London. It is a live document and will be updated to reflect progress and new priorities, as well as acting as a key tool in measuring our own success

The London context

London has an unrivalled concentration of health providers that can rightly claim to be world leaders in their field delivering their services from state of the art facilities. London's NHS estate value at £11 billion is also unequalled and presents very real opportunities for transformation. However, too many provider sites in London have been identified by the Care Quality Commission (CQC) as being deficient in providing a safe environment for health care delivery and as Sir Robert Naylor observed, 'constant restructuring in the NHS has resulted in fragmented ownership and management structures and decision making'.

The scale of the NHS estate in London only serves to exacerbate the resultant coordination and alignment challenge from this fragmentation. This strategy actively addresses this fragmentation, being built bottom up from the extensive and intensive work amongst London's health and care partners it evidences the many shared estates issues and delivery priorities across London. It very forcefully highlights the clinical and estate priorities of the primary, community, mental health and acute sectors and the inextricable link that needs to be made and managed more than ever between these parts of the system.

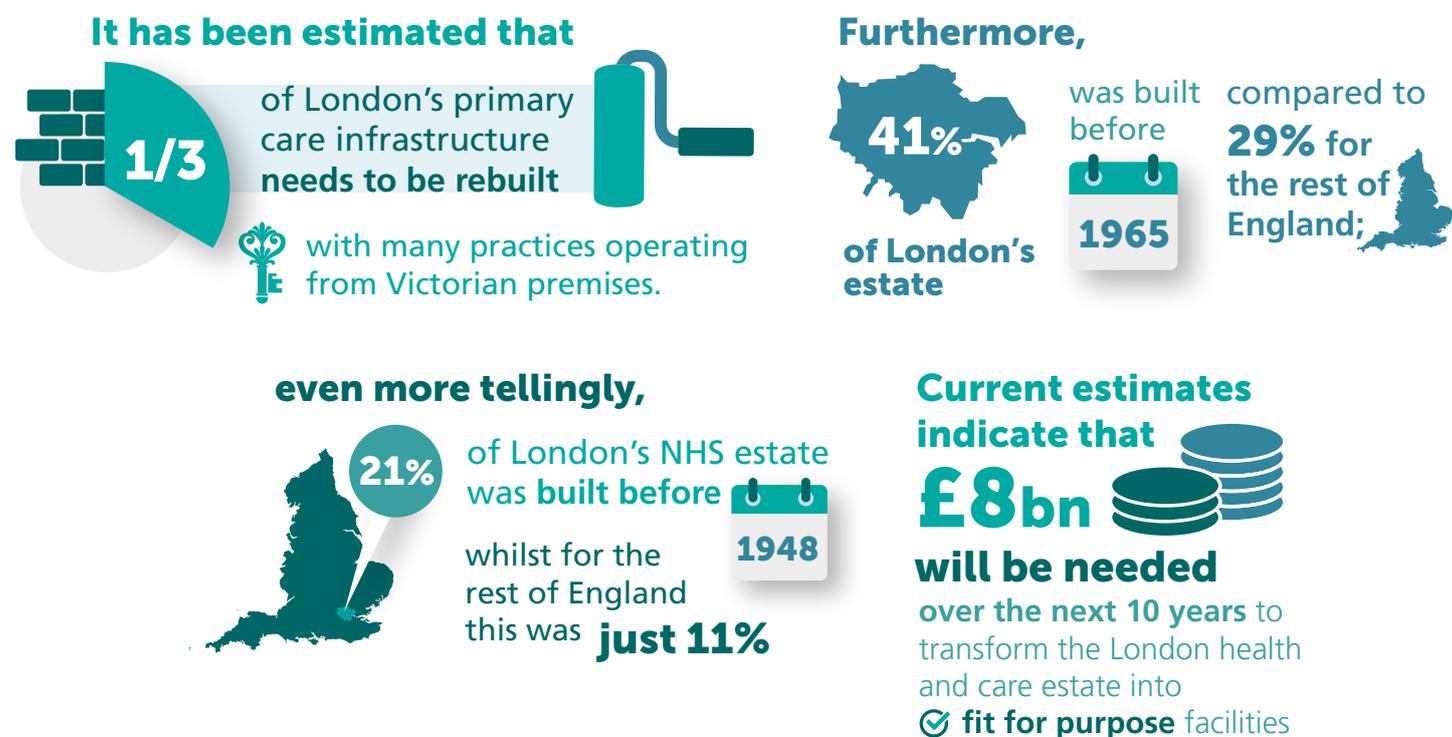
Echoing the NHS Long Term Plan's³ focus on the need for more out of hospital health care, close integration of providers and delivery at scale, this strategy shows how partners are taking a holistic, London-wide view of the NHS and the wider public sector estate. Partners are beginning the process of building better relationships and a system wide approach to deliver the much needed estates priorities.

Beyond the challenge of fragmentation, London shares some health estates issues with the rest of the UK, such as the need to better utilise existing capital assets and maximising the use of technology to mitigate the need for additional space. More critically however we have many unique and persistent issues, built up over time due to the sheer scale of London's population and demographics and the nature, scale and condition of the primary and acute health estate.

It has been estimated that a third of London's primary care infrastructure needs to be rebuilt with many practices operating from Victorian premises.

Furthermore, data for London's hospital trust estate indicates that whilst London accounts for 18% of occupied floor space across England, it accounts for 32% of the reported backlog maintenance cost. This is closely related to the fact that 41% of London's estate was built before 1965 compared to 29% for the rest of England; even more tellingly, 21% of London's NHS estate was built before 1948 whilst for the rest of England this was just 11%. Current estimates indicate that £8 billion will be needed over the next 10 years to transform the London health and care estate into fit for purpose facilities (see Figure A).

We know this is an ambitious vision given the current condition of our estates



It has been recognised that transformation on this scale requires a fundamental change in how we do business in London, within the NHS and with the wider public sector.

Figure A: The scale of the challenge

Historically, nationally determined priorities and associated funding models and metrics have not resulted in London receiving its 'fair share' of funding for estates improvements that reflect London's unique needs and priorities. Tellingly, this approach has failed to address or halt the decline in quality of London's estate. Added to this, ONS projections show that both London's total population and the proportion of those aged 60 and over, typically the most intensive users of health and care services, are expected to be the fastest growing in England. As the latest round of NHS England & Improvement project funding awards indicate, traditional funding approaches also continue to fail to materially address the needs of London's NHS estate.

This persistent mismatch of need and funding highlights the critical requirement for funding arrangements for London to be allocated according to London's needs and priorities, in a planned and sustainable manner with receipts generated in London being re-invested in the capital. It highlights the importance of the London Estates Board securing a devolved and long term capital budget to coordinate this.

Clinical and estate priorities

Each of the London's five Sustainability and Transformation Partnerships (STP) have developed sub-regional estates strategies to deliver clinical best practice models of care, consistent with the NHS Long Term Plan and their individual locally determined estates priorities. There are wide inequalities in health across STPs, for example a woman living in Tower Hamlets is expected to live for just 56 years in good health compared to 70 years on average if she lived in Richmond upon Thames. Notwithstanding the need to reflect local conditions and drivers, it is possible to take a London-wide view, as set out in Figure B, to determine common plans and approaches.

Common priorities are seen across the five estates strategies:

- **Improve and maintain existing buildings**, for example the critical maintenance work required at Whipps Cross University Hospital described in the North East London (NEL) plan.
- **Redesign and redevelopment of community and primary care estate**: for example in North Central London (NCL), Locality Planning to support shifting of services into community and primary care, reducing reliance on acute services.
- **Develop new sites and buildings to support new models of hospital care**, for example a key feature of future North West London (NWL) service provision will be out of hospital hubs. Primary, community, mental health, social care and acute providers will come together to deliver integrated, patient-centred services in the hubs.
- **Make better use of existing assets**, for example South East London's (SEL) plan involves reducing the amount of under-utilised space at a number of sites, including at the Sunshine House CHP facility in Peckham.
- **Co-ordinated approaches to using the public sector estate**, for example Croydon, Kingston, Merton and Sutton councils in South West London (SWL) all participate in One Public Estate partnerships.

Figure B: Common priorities across London's five STP estate strategies

The role of the London Estates Board (LEB) and London Estates Delivery Unit (LEDU)

Successful estates transformation will be driven more quickly and cost effectively by a collective and collaborative approach between London's health and public sector partners. This is being made possible through the establishment of the LEB (2016) and more recently the LEDU (2018). Both play a pivotal and catalytic role in delivering an agreed workplan that is focussed on addressing the key issues highlighted in this pan London estates strategy:

- Estates data – the LEDU will work to compile a reliable, robust and interoperable data collection, storage and analysis approach. This will aid regional and London-wide estates planning.
- A devolved capital budget – the LEB as a unified partnership will work with national partners to secure a long-term capital budget for London, against which strategic plans can be made and managed. In securing a devolved capital budget, the LEB will help regional delivery partners plan with confidence.
- Innovative, strategic and planned delivery – whilst the LEB will work to secure a long-term assured, devolved capital budget for London, it is very likely to be insufficient to meet even the already known capital investment need. The LEB working with local partners will identify innovative property delivery routes, funding sources, and legal structures that will enable transformation of the estate at pace. This approach will meet clinical needs and address health inequalities by also generating valuable social outcomes, such as affordable housing and community amenities.
- Business case support – the LEDU will support STPs through training and sharing best practice to develop 'right first time' business cases. The

LEDU will review STP, commissioner and provider competencies and capacities to support business case submissions at pace and at scale.

- Portfolio and building operational toolkits – the LEDU will work with London-wide and national partners to establish protocols and toolkits that will help partners develop and run their estate more cost effectively.
- Capital investment plan management – the LEDU has begun the process of establishing an assured capital investment plan requirement for London that details where and when funding is needed, and for what type of development in order to deliver the clinical priorities. This plan, the first for London, will be refreshed on an annual basis and will be used to support the London bid for a devolved and long-term budget and equally importantly will be used to allocate and manage the programme of transformation against London determined priorities.
- A voice for London – the experiences and priorities of London's health estate will be much stronger when delivered together through the LEB, ensuring more cost effective involvement and better outcomes. The LEB will be measured on its success in bringing partners together and acting as the voice for London on health and care estates matters at the national table.
- Better engagement with provider organisations – the LEB and LEDU will support providers with the development of their transformation plans, releasing surplus land, generating capital for reinvestment, tackling backlog maintenance challenges, alongside facilitating partnership working that draws on their experience and expertise to up-skill other organisations in London.

More details on the LEB and LEDU's approach to collaborative working and decision-making are outlined in section 2.4.

Outcomes of the London Estates Board

The success of the LEB's work will be measured against the strength of its performance to generate visible and quantifiable value for money outcomes, establishing and managing the first requirement for London, as well as on its success in bringing partners together and acting as a voice for London on health and care estates matters.

The LEB must deliver against three overarching requirements to be judged successful:

- Support delivery of £8 billion of investment in health and care estate by 2028
- Support release of surplus land (circa £2 billion) for alternative use
- Support delivery of 12,500 new homes for Londoners by 2028

The immediate priority for the LEB is to support the successful delivery of the wave 1-3 projects and wave 4 schemes (outlined in Figure I, page 24) which were awarded funding in January 2019.

Governance for London's estates transformation

The London Health and Care Devolution Memorandum of Understanding (MoU) was signed in November 2017. The MoU confirmed a commitment from national and local partners to work together to accelerate health and care transformation for the benefit of Londoners. Critically, the scope of the MoU went beyond committing partners to take 'a shared strategic approach to estates planning' and also included NHS capital investment decision-making powers.

The LEB was formally established in 2016 on the back of partners' recognition of the need for transparent and collaborative working on London's NHS estate. The LEB has 4 phases of progression (Figure C); advisory, strategic; shadow decision-making and formal decision-making. The transition across the phases is managed by clear criteria, governance and partner agreement.

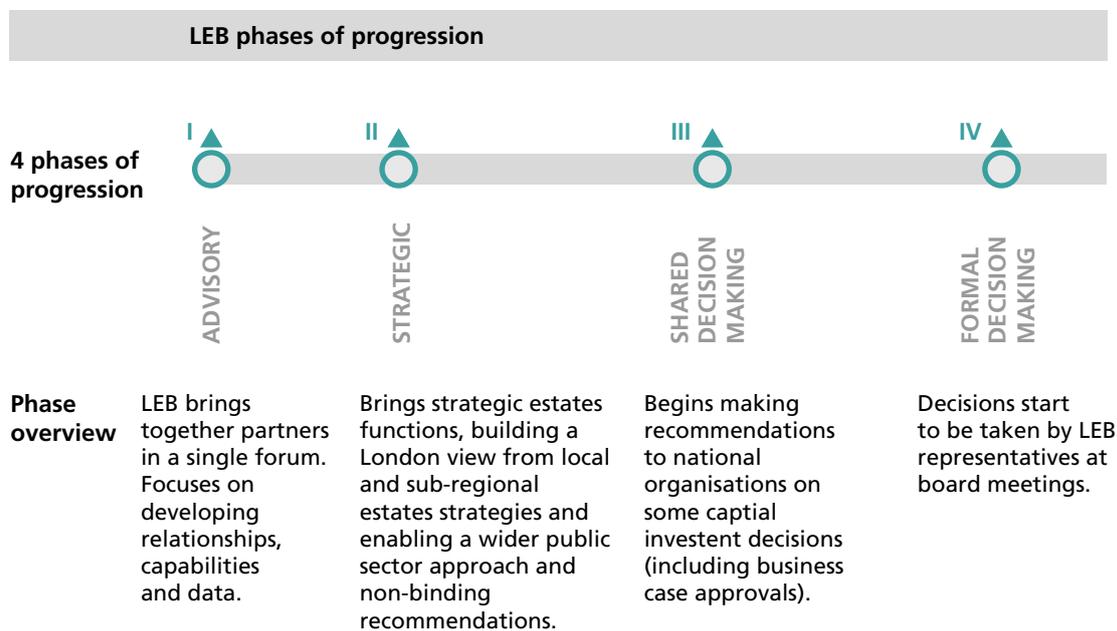


Figure C: LEB phases of progression

The LEB has already demonstrated its competence, firstly as an advisory and currently as a strategic forum. Much has been achieved to date including supporting STPs to develop their estates strategies, all of which were rated 'Good' or 'Strong' during the recent national review process and therefore provide a sound basis for investment planning and the foundation of this estates strategy.

The LEDU is in the process of establishing a capital investment plan for London, the first of its kind, which will be phased, prioritised and agreed by partners. This will provide a concrete basis for financial planning and funds management across London. The LEDU has also established close working relationships with local partners and is increasingly seen as the single point of contact for London-wide estates data and as the voice for London, both of which are evidenced by its role in the recently launched Primary Care Estates Review.

Given the real and important progress to date it is envisaged by partners that the LEB will move to phase III, shadow decision-making, during 2019/20. During this phase the LEB will establish the structures and resources to enable it to make timely and robust recommendations for NHS capital investments. With the final phase of progression, formal decision-making, being achieved in 2020/21.

The challenge is great but with a commitment and willingness from all partners to work together, we will transform the London health and care estate from its current condition to one of which Londoners can be justly proud of for decades to come.

Section 1

The vision and purpose of London's Health and Care Estates Strategy



1.1 Vision and purpose

This strategy brings together the substantial work undertaken across London to establish what we need for and from our health and care estate. A shared commitment to partnership working underpins the plans and is needed to ensure our vision becomes a reality.

Strategic vision

London's NHS has enormous and very visible physical estate challenges. These reflect years of underinvestment, rising maintenance costs, fragmented funding and management arrangements coupled with insufficient skills and resources to address these deficiencies.

The scale of our vision to overcome these long-term systemic and cultural barriers and to transform the quality of our NHS estate is necessarily ambitious.

Londoners deserve a health and care estate that means all Londoners are treated in world class facilities, which reflect and add to London's position as a leading global city in the 21st century.

Purpose of the strategy

London partners have long recognised the benefits of working together, and in December 2015, formally committed to work more closely to support all Londoners to lead healthier, independent lives, prevent ill health and make the best use of health and care assets.⁴

Significant progress has been made but more is needed and at a faster pace if the shared vision is to become a reality. The 2017 London Health and Care Devolution Memorandum of Understanding (MoU) provides that opportunity by supporting partners

to deepen and embed collaborative approaches to addressing the many estates challenges. Critically, and for the first time it provides partners with the power to take health and care estate investment decisions for London, in London. This strategy is an articulation of that commitment and a roadmap to deliver our shared vision.

London faces unique health and care challenges due to its demographic scale and make-up, its position as a world leader for medical research and cutting-edge treatment as well as having a vast and valuable estate with substantial backlog maintenance needs. This diversity of need and opportunity is also true across, and even within individual London boroughs. Between 2012 and 2014, the average life expectancy in Barking and Dagenham was 77.5 years for men compared to 83.4 years in Kensington and Chelsea. The same study showed that women in Tower Hamlets could expect 30 years of ill health, while men in Enfield experience fewer than 12.⁵ Therefore, whilst there is one shared vision, there is not one London solution.

This is why this London Health and Care Estates Strategy builds from the bottom up. It draws on evidenced local need, as set out in the plans and priorities from the estate strategies of London's five sub-regional Sustainability and Transformation Partnerships (STPs), and aligns these with the new powers and approaches made possible by the devolution MoU.

This has led to an ambitious shared vision, a clear set of objectives, effective collaboration principles, a detailed programme of work to transform health and care estate across London, and strong governance arrangements for the London Estates Board (LEB).

⁴ Better Health for London: Next Steps 2015

⁵ Life Expectancy at Birth and at Age 65 by Local Areas in England and Wales: 2012 to 2014, ONS, 4 November 2015

Objectives and investment principles

A clear set of objectives have been established that reflect the clinical estate priorities of the NHS Long Term Plan⁶ (LTP) and those of our local partners. The LEB partners will therefore work together to:

- Improve the health outcomes and care experience of patients and their families
- Deliver patient-focused and joined up health and care for all
- Ensure effective and efficient use of the health care estate
- Generate capital and sustainable revenue to reinvest in our estate
- Deliver homes for healthcare workers and Londoners
- Deliver sustainable and health promoting environments
- Optimise the opportunities of the wider public sector estate

We believe there is significant opportunity to make vast improvements in the way current NHS buildings and land are used to support these priorities. By releasing NHS estate that is surplus to requirement and working with other public estate owners, we can invest in London's health and care system whilst simultaneously providing jobs, homes, community facilities and a built environment that reduces health inequalities and supports health and well-being across London.

To achieve this we are taking a 10-year and strategic view to ensure sensible and sustainable estates planning across London. This means evidencing where existing estate is clearly surplus or not fit for purpose and where new estate is needed to meet clinical need.

Releasing estate for non-NHS use whilst retaining ownership can generate on-going revenue streams and provide potential for later NHS use, if needed. Alternatively, surplus building(s) and land can be released to the market to generate lump sums. The revenue generated from asset release needs to be re-invested in London for investment in the NHS estate. We see this long-term approach as the only route to securing a financially sustainable future for a world class health and care system for London.

The strategy also describes London's clear and joined up approach to capital investment decisions.⁷ The approach has been designed to enable and ensure a robust and transparent translation of our objectives into approval decisions and successful project delivery. As set out in Figure D, all projects must first meet the three 'hurdle criteria' as well as being considered against our four core principles of: quality and patient benefits, financial sustainability, asset efficiency, strategic clinical fit.

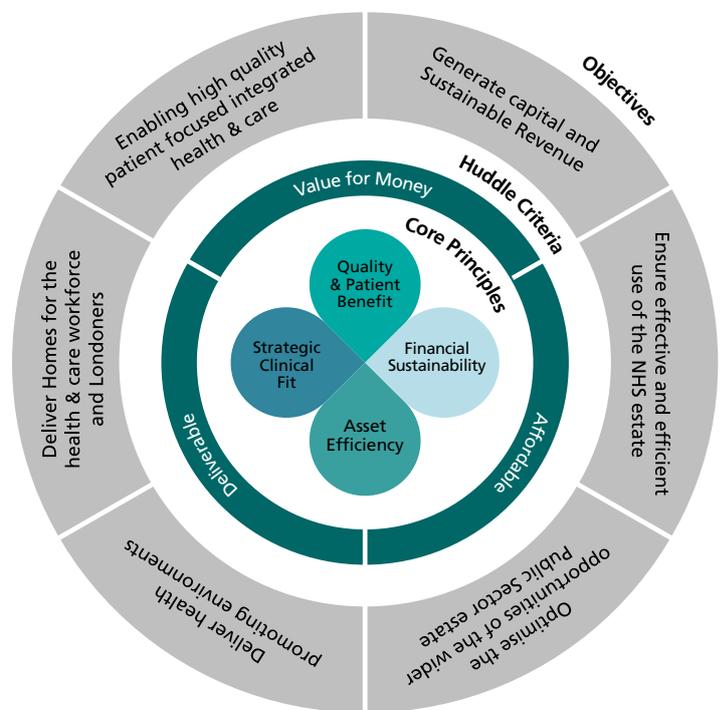


Figure D: Capital investment decisions framework

⁶ NHS Long Term Plan, 2019

⁷ A detailed description is provided in appendix B

1.2 Context

London’s health and care estate has significant challenges which need to be recognised and addressed in order to transform our facilities, tackle health inequalities and improve health and care for all.

A world leader

London has a significant concentration of specialist hospitals and facilities serving a local and national population. Many are linked to nationally and internationally renowned research and educational facilities.

To maintain and make the most of this world leading position, the challenges faced by the health and care estate across London must be addressed. This can only be done by drawing on the opportunities for greater partnership.

The current estate: value, ownership and costs

The NHS is one of the largest property owners in London with estate valued in excess of £11 billion.⁸ However, almost 40% of all the properties from which NHS services are delivered are held privately by GPs (Figure E). This means decision-making to support the NHS LTP and local partners’ ambitions to deliver on integrated primary, community and social care models is not within the full control of the NHS.

That said, approximately 70% of the floor area from which services are delivered is owned by provider trusts⁹ (Figure F), and 71% of estate costs is driven by this (Figure G). This means significant value and estate control rests with providers to improve acute care utilisation and drive better, more cost effective care outside of hospitals and in the community.

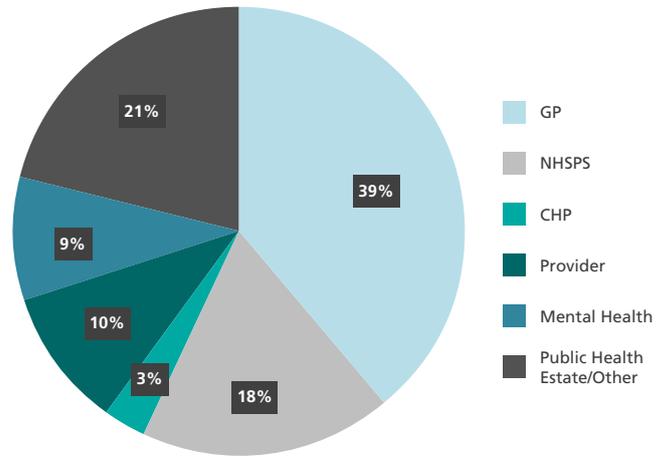


Figure E: Estate Property Ownership by service provider

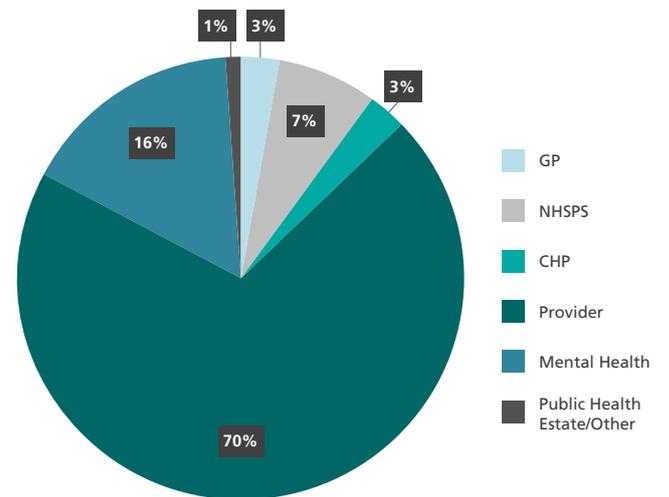


Figure F: Estate Ownership by Floorspace

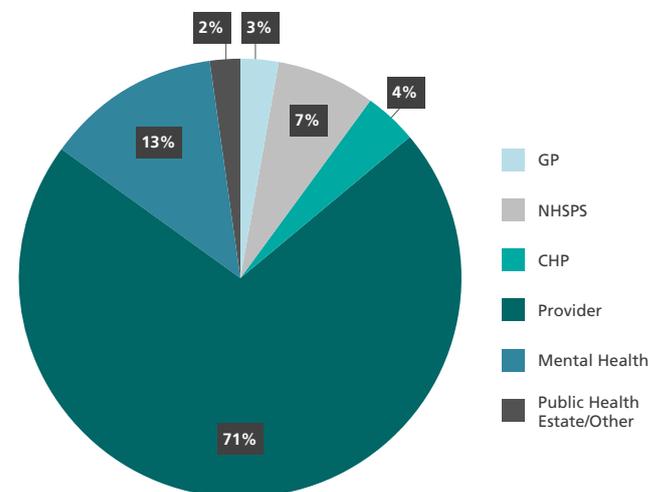


Figure G: Share of NHS Estate – Costs by Ownership

⁸ London Health Commission – Better Health for London 2014
⁹ London Health Commission – Better Health for London 2014

Drivers of change

How and where health care is delivered is changing as are the expectations of users. The NHS LTP and local partners clinical and estate strategies all reflect the need to meet growing and increasingly complex demand, take advantage of technological advances, address health inequalities and improve health outcomes and experiences in a cost effective way. This strategy recognises how these and other drivers of change impact on the estate needs for London:

- **Demographics:**¹⁰ London's population grew by 1.5 million between 2001 and 2017. ONS projections show that to 2026 London's population is expected to be the fastest growing in England reaching 9.5 million by 2026, an 8.8% increase. All boroughs will experience growth but in areas such as Barking Riverside and Old Oak and Park Royal, entire new town developments are underway. Our older population is also growing faster than the UK average. Those aged 60 and over are the most intensive users of health and care services, given their often complex needs. A highly diverse and mobile population also has a direct impact on how people use health services, for example London GPs experience a high turnover of patients compared to the rest of the country.¹¹ These are clearly complex trends and have significant implications for where and how care is provided in London in the future.
- **New care models:** A major part of the NHS LTP is to support local and sub-regional partners to deliver more care in the community and in people's homes through community-based hubs, thus reducing reliance on acute services and delivering more patient centric service. The LTP notes that 'in the base-case funding,

activity and staffing model underpinning the LTP, we have not built in as a core assumption potential offsets in hospital beds from increased investment in community and primary care'.¹²

- **Integration of services:** Recognising the benefits of providing care via multi-disciplinary teams, bringing health and social care together and working effectively across settings, national and regional policy is increasingly focusing on integration within and across multi-borough footprints. The Next Steps to the Strategic Commissioning Framework¹³ signposts and supports 'practices to develop and carry out plans for collaborating at scale'. Likewise the NHS 2018/19 Planning Guidance set out a plan for STPs to 'evolve' into Integrated Care Systems (ICS). In these ICSs, 'commissioners and NHS providers, working closely with GP networks, local authorities and other partners, agree to take shared responsibility...for how they operate their collective resources for the benefit of local populations'.¹⁴ Within London, many local and sub-regional systems are already taking steps towards this integrated approach. Whilst teams can be virtual many will be 'place based', as envisaged by the LTP. The current largely fragmented primary and community care estate will need to be re-configured to better support this new joined up approach to service delivery.
- **Technology:** Increasingly technology is being used to improve the delivery of health and care services in London. This includes changing the ways in which clinical and non-clinical care is managed through digital interventions such as self-monitoring apps for diabetes and changing the way patients interact with, access and use health and care services, such as NHS Go 3 initiative. Technological advance in population scale data analysis is also enabling the NHS to

¹⁰ Further details in appendix A

¹¹ Sustainability and Transformation in London – An independent analysis of the October 2016 STPs, The King's Fund, 2017

¹² NHS Long Term Plan, January 2019

¹³ A vision for strengthening general practice collaboration across London, NHS, 2018

¹⁴ NHS 2018/19 Planning Guidance, February 2018

better understand and plan clinical services and estate provision to meet the forecast health needs of the population in general and identifiable groups at risk for particular conditions. This includes sharing of information more effectively and could inform targeted screening for high-risk population cohorts. The Naylor review¹⁵ found 'current emerging opportunities for technology to transform care, such as online doctor services, remain at an early stage with unknown estates implications. At present, there is little existing evidence that emerging IT schemes will reduce the need for buildings in the NHS. The potential for increasing the use of new technology to reduce estate costs and improve care is an area the LEB, through its partners and other organisations, will need to keep under review to support the new models of care.

- **Workforce:** Recruitment and retention of skilled staff is a recognised issue in delivering quality health care. Estates solutions which support co-location of health and social care staff can help address this by increasing collaboration and job satisfaction. Alongside this, the Homes for NHS Staff initiative will help to support the recruitment and retention of workforce in London by providing affordable housing in appropriate locations.¹⁶
- **Sustainability:** The NHS has faced and will continue to face significant financial challenge. These financial challenges have led to under-investment in estates and the use of allocated capital to support revenue positions. This has resulted in worsening estate quality, with rising backlog maintenance pressures.
- **Environmental sustainability:** NHS trusts are required to produce Sustainable Development Management plans setting out how they will

deliver and manage the estate in a sustainable way. There is increasing recognition that sustainably designed and managed buildings improve the patient experience, as well as reducing the use of resources and connecting the NHS with local communities and the environment. Therefore, the need for sustainable estate approaches applies to all providers. Spending on resource reducing technology and processes can generate positive financial returns and reduce recurrent expenditure but will often require upfront investment.

Estates challenges

The quality of NHS estate is highly variable – London has some of the finest hospital buildings in the world but also some of the worst:

- **A significant proportion of the estate is old:** Across the entire NHS estate (acute, primary, mental health and community) there are varying conditions of quality and performance. The Naylor review found that 18% of NHS provider trusts occupy significant estate that predates the formation of the NHS in 1948. Better Health for London found that for London this was 28%. Additionally it found more than 40% of NHS hospitals in London were over 30 years old.¹⁷ Reflecting under-investment and age of the estate it is estimated that £1.9 billion is needed in London just to deal with backlog maintenance.¹⁸ Much of London's primary care infrastructure, including GP practices, are in 'poor' or 'unacceptable' condition with a third of GP surgeries needing to be rebuilt and 44% needing repair.¹⁹ As buildings age and deteriorate, the associated running costs also increase.
- **Underutilisation:** A high level assessment of capital efficiency highlighted that NHS assets

15 NHS property and estates: Naylor Review, DHSC 2017

16 Homes for NHS staff, NHS England & Improvement. <https://improvement.nhs.uk/resources/homes-nhs-staff/>

17 London Health Commission – Better Health for London 2014

18 NHS ERIC 2017/18 data

19 London Health Commission – Better Health for London 2014

may be under-utilised by around 15%.²⁰ In London, there are examples of modern facilities, some built through private finance initiatives that remain under-utilised.²¹

- **Fragmented ownership:** NHS estate ownership is highly fragmented, involving NHS trusts, NHS trust charities, local authorities, NHS property companies, GPs and private organisations. This results in a lack of coordinated decision-making and, given the diverse property interests, often impacts the ability to enact change at pace.

Institutional issues

Many decisions about health and service planning and budgets are taken at national level. This can sometimes create unintended barriers to delivering the connected and tailored local services that Londoners want. For example:

- **Organisations often work in silos with limited experience, capability and capacity for estates planning and development:** The Naylor review found that strategic estate planning has not been a priority as the NHS has evolved. The review states 'continuous reform has eroded estates capabilities leaving the NHS with a lack of regional and national strategic estates capability'. This is as true in London as it is elsewhere.
- **Insufficient incentives for surplus property release and unified strategic estate planning:** NHS processes for releasing of surplus property are based around single organisational entities and do not encourage a system wide appraisal of costs and benefits.²² National partners agree in principle to NHS Trusts and Foundation Trusts in London retaining capital receipts, on the basis that the LEB will identify how to reinvest these receipts to

support agreed system wide health priorities. The development of the capital investment plan will enable the LEB to identify these priorities, however, there is currently no mechanism for incentivising Trusts to relinquish surplus capital for investment in other London estate priorities.

Opportunities to meet the needs of Londoners

As set out in this strategy, through devolution and partnership working we now have a unique opportunity to support delivery of new models of care that meet the wants and needs of our population, as set out in local and sub-regional plans. We also have the opportunity to support the delivery of much needed new homes, new school places and other community infrastructure.

This strategy brings together the conclusions of these locally owned and developed estates strategies. It summarises the work underway across London, being developed collaboratively by organisations working in health and care, to improve the use, quality, performance and utilisation of the existing:

- Primary, community and social care estate
- Acute estate
- Mental health care estate

By bringing these strategies together we have identified common themes around utilisation, collaboration, investment and reinvestment. It has also been possible to draw out the interdependencies between improving primary, community, mental health and social care which are critical to mitigating the demand for acute services, thus supporting service transformation.

²⁰ Productivity in NHS hospitals, Lord Carter DHSC, February 2016

²¹ London Health Commission – Better Health for London 2014

²² London Devolution Programme: Estates Technical Pack, 2017

These interdependencies are critically important. Consistent with the London Health Board's review of the initial STP clinical strategies²³, we are clear that the estates strategies are intended to enable robust health and care plans. These include strong clinical underpinning, considering the impact across the health and care system, narrowing health inequalities and financial sustainability.

The Mayor of London has also set out his own six 'tests'[footnote 24] that he will apply to NHS transformation plans before he gives his support to any plans to repurpose NHS estate (see Appendix D).

Where estates proposals aim to redesign services away from acute settings, these must be considered in light of the drivers of change, including demographic population changes. Proposals may require phasing to ensure that required capacity increases in primary and community services are in place to enable care to move to these settings.

Where estates proposals reflect significant changes to service provision, patient, public and local government consultation will be expected, consistent with statutory obligations.²⁴

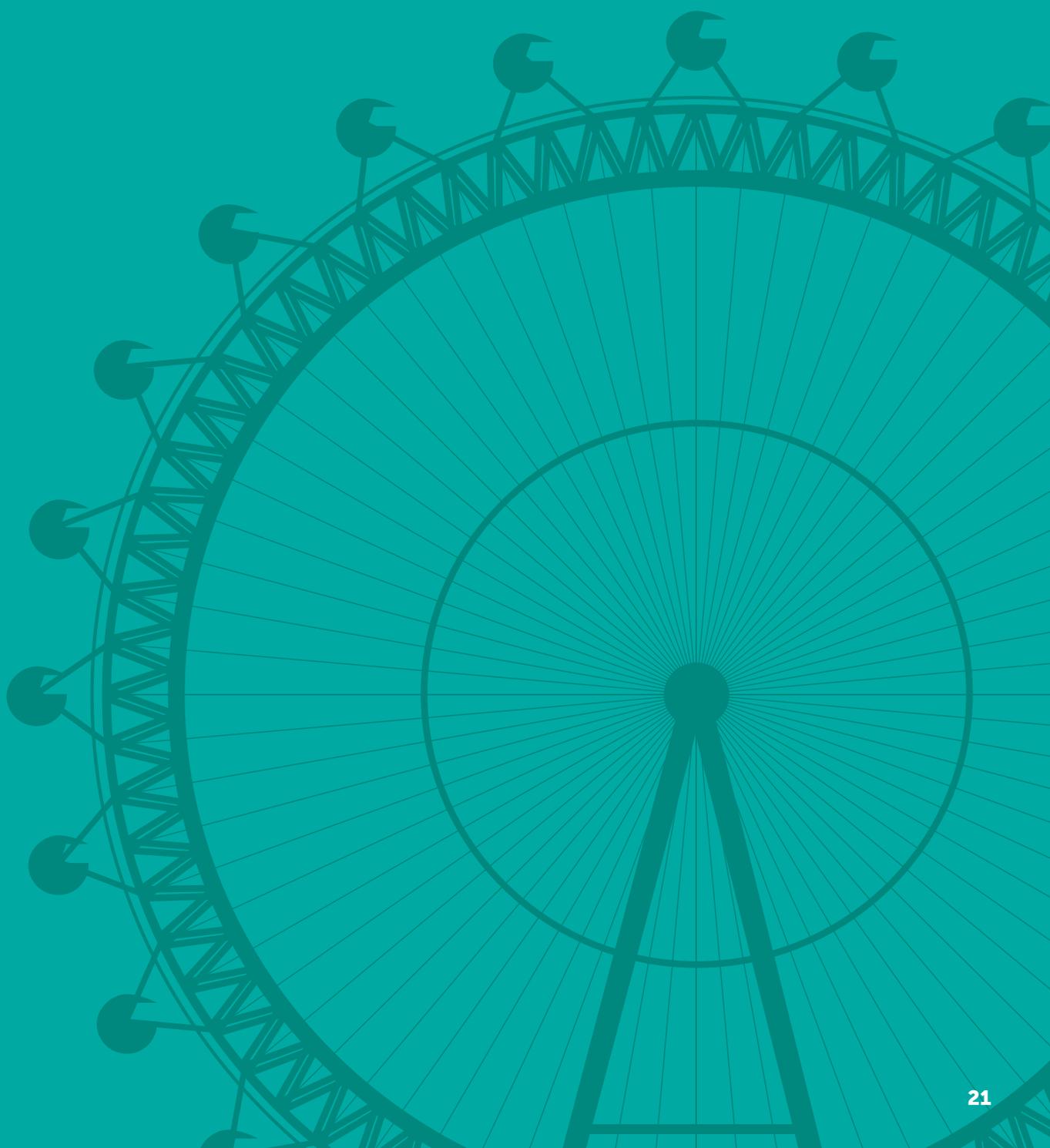
While these principles underpin the London Estates Strategy, it is recognised that they will be considered in detail at more local levels by the relevant organisations, stakeholders and citizens.

23 Minutes from the London Health Board – 5 October 2017

24 Sustainability and Transformation in London – An independent analysis of the October 2016 STPs, The King's Fund, 2017

Section 2

Bringing together London's sub-regional estates strategies



2.1 Clinical priorities determining locally-led estates strategies

Locally-led work, drawn together at a sub-regional level has built a strategic picture for primary care, mental health and acute estates needs across London.

Overview

The five London Sustainability and Transformation Partnerships (STPs) have developed detailed health and care estate strategies. This is in response to best practice models of care, as set out in the NHS LTP and their local demographic, health and organisational challenges. Building upon the collective and collaborative work being undertaken by healthcare professionals, cross-borough partnerships and local estate forums, the LEB has identified an overarching set of London wide health and care aspirations which require a significant estate response. These aspirations include:

- Prioritising illness prevention and early intervention
- Strengthening and redesigning primary care and community services
- Improving care in priority service areas
- Transforming acute and specialised services
- Reducing unwarranted variations in care
- Improving productivity and efficiency
- Supporting and developing the health and care workforce
- Developing supporting infrastructure
- Changes to incentives and organisational arrangements²⁵

Whilst there are unique individual responses in terms of timing and scale, the nature of estate responses across London partners are similar and provide significant opportunity for joint working.

In July 2018, sub-regions were invited to submit bids for STP wave 4 capital funding. Figure H illustrates the spread and type of London wave 4 capital bid investment sites. The London STP initial bid estimate was around £3 billion. Following review by the LEDU and LEB, projects with a total requirement of £1.5 billion were then formally submitted. This was set against a total initial national wave 4 funding pot of £1.6 billion. The total funding available was subsequently reduced to £1.2 billion to address the NHS financial issues caused by collapse of Carillion. The wave 4 announcement²⁶ in January 2019 means that a large number of London projects did not receive funding. The main rationale for schemes not being supported was that they did not perform well against nationally set financial benchmarks. The unfunded projects remain a priority for the STPs and the LEB will work with partners to find alternative ways to fund and deliver these projects. Figure I illustrates the location and type of schemes that have received wave 4 funding.

²⁵ Sustainability and Transformation in London – An independent analysis of the October 2016 STPs, The King's Fund, 2017
²⁶ NHS England & Improvement, January 2019

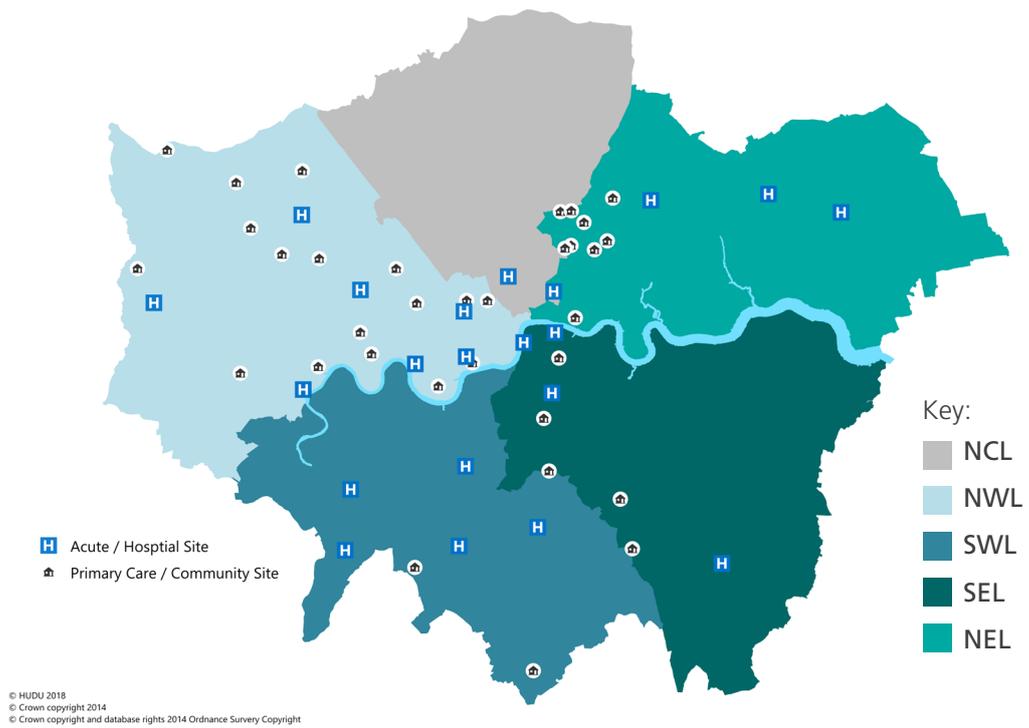


Figure H: London's wave 4 capital bid investment proposals

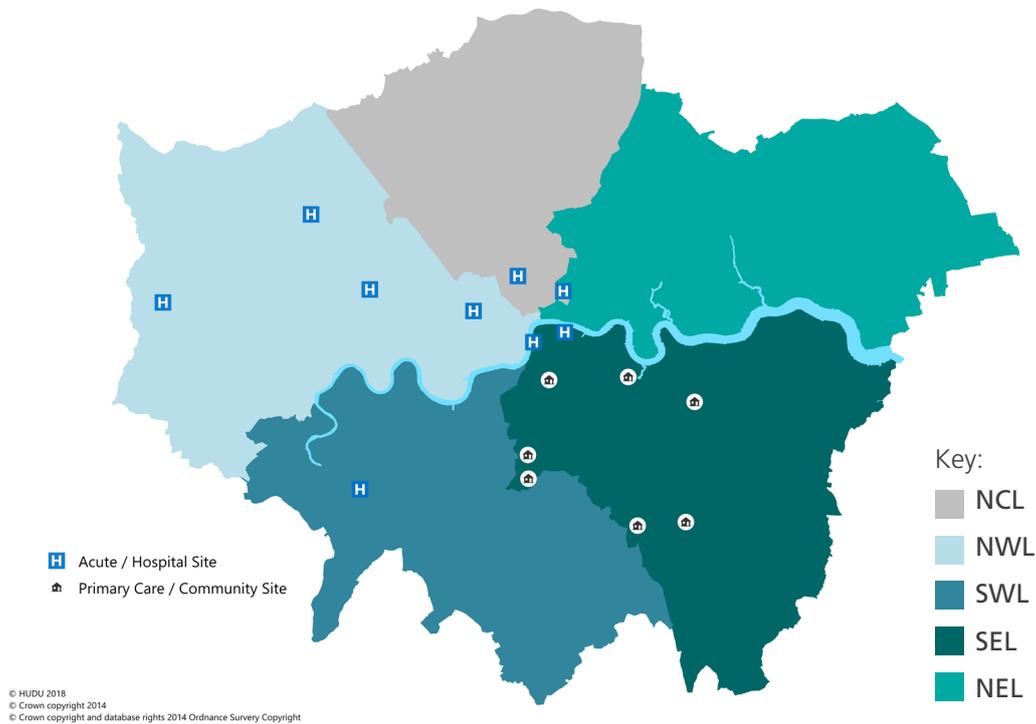


Figure I: Successful wave 4 capital bid investment proposals in London

North West London

- Development of Endovascular Hybrid Theatre, St Mary’s Hospital
- Northwick Park Hospital Theatres
- Park Royal Mental Health Wards Reconfiguration
- Woodlands Mental Health Wards Reconfiguration, Hillingdon
- Northwick Park Hospital Mental Health Wards Reconfiguration

North Central London

- St Pancras Hospital
- Project Oriel

South West London

- Patient Flow Transformation Programme

South East London

- Bromley Health & Wellbeing Centre
- Patient Centric Supply Chain
- SE London Estate Optimisation
- Consolidation of Streatham Common Group Practice
- New Kidbrooke Sub-Hub

North East London was not awarded any wave 4 project funding.

2.2 Enabling a fit for purpose primary care, community and mental health estate

At the heart of this pan London health and care estates strategy is the transformation and delivery of community based integrated care, which will require significant collaboration and investment to implement.

Delivering primary, community and mental health care at scale, as outlined in the General Practice Forward View²⁷ and the recent NHS LTP, will support; a developed workforce; system partnerships; economies of scale; better care and new services; better quality improvements and greater resilience. The London Primary Care Next Steps to the Strategic Commissioning Framework²⁸ (Next Steps Framework) reinforces this need for at scale and integrated models of care if general practice and community health providers are to meet the increasingly complex health needs of the population.

A key factor impacting on the ability of GPs and other care providers to achieve this is the availability of flexible, fit for purpose accommodation of the right size, right quality and in the right location.

Varying condition and quality

Much of London's primary care infrastructure is in need of refurbishment and further investment to improve the quality of services. Current estimates by the LEDU, based on detailed review with London's STPs, indicate a need for investment in the region of £1.3 billion over the next 10 years (Figure J). This forecast investment figure reflects NCL's strategic planning focus on Project Oriel and St Pancras Hospital. NCL STP is currently identifying additional out of hospital, and other primary and community and social care requirements.

	Out of hospital / Primary Care (£M)	Mental Health (£M)	Total (£M)
NWL	217	33	250
NCL	44	137	181
NEL	318	10	328
SWL	167	251	418
SEL	156	0	156
London	901	431	1,332

Figure J: Estimated out of hospital/primary care and mental health capital investment requirement in London

New models of care and improving the primary care estate

The Next Steps Framework notes that all London's STPs have identified that resilient, effective primary care is the foundation to the future of the wider system. It notes that 'STPs are beginning to evolve into Integrated Care Systems' in which commissioners and NHS providers work closely with the rest of the care system. It is expected that these new models of community care will help moderate demand for acute hospital services while also contributing to improving health outcomes and reducing health inequalities.

²⁷ General Practice Forward View, NHS 2017

²⁸ London Primary Care Next Steps to the Strategic Commissioning Framework, NHS 2018

- **Delivering primary care at scale:**

The Next Steps Framework notes that there is a growing body of evidence that shows delivery of primary care through system partnerships offers economies of scale, better care and new services, improved quality, greater resilience and wider workforce opportunities. It also can deliver more appropriate care that is convenient and efficient for patients. These arrangements also enable greater access to specialist support in primary care, for example through delivering consultant-led assessments and clinics in general practice.

- **Addressing specific mental health service challenges:**

The delivery of mental health services is changing with new integrated approaches between physical and mental health services and moves towards more care being delivered within the community, thus radically changing the historic model of in-patient care. To support this, the mental health estate needs to become fit for purpose. For example, in NCL the required level of capacity is being considered as part of a whole system approach across the St Pancras and St Ann's Hospital sites.²⁹

Across London, there is a move to increase access to primary care and for mental health services to be delivered locally with the aim of reducing demand on the acute sector and to mitigate the need for additional mental health in-patient beds. For example, within SEL work is underway to consider the future of mental health services, with discussions underway between Lewisham Hospital and South London and Maudsley NHS Foundation Trust.³⁰

- **Integrated models of care through**

community hubs: Hubs aim to support holistic health and wellbeing in community settings. Operating on an integrated and collaborative basis, these typically involve bringing together primary, community, mental health and social care services, with some services currently based in hospitals.

Hubs can be virtual but will often be 'place based' providing an opportunity to co-locate with other public services that support wellbeing such as gyms, swimming pools, dance studios, library services, community meeting spaces, cafés, job centres and debt advice services. These teams could be 'wrapped round' or 'aligned with' groups of primary care practices.

Funding constraints, silo working, the emergence of new and complex health challenges that these organisations were not set up to address, such as an increasingly aging population and chronic ill health, means transforming partner working relationships is vital.

CCGs and local authorities have responsibility for commissioning health and care services for local populations and some good practice examples of integration are emerging.

Whilst the maturity of these models differs significantly across London, both sub-regional and pan London estate strategies recognise the importance of delivering a collaborative approach to future estate investment.

29 North Central London Devolution Pilot Outline Business Case November 2017

30 Our Healthier South East London – Sustainability and Transformation Partnership – STP Estates strategy submission July 2018

Investment in the primary care estate

Given the nature and quality of much of London's primary care estate, it is clear substantial reorganisation and improvement in the quality and type of accommodation to house GPs and community care clinical and non-clinical staff is needed. Significant financial investment over a sustained period of time is required to support and achieve the benefits of the new models of care.

Substantial financial investment whilst necessary is not sufficient to deliver these new approaches. It will also require commitment, capability and resource capacity to work together to deliver joined up estate planning and scheme delivery. As the Naylor review commented, 'most fundamentally, integrating care and improving the scale and consistency of primary care requires a transformation in out-of-hospital care and the estate used to deliver that care.'

The LEB operating as a forum for local and sub-regional London and national partners to plan and prioritise will play a pivotal and catalytic role in delivering an estate that supports the advances in primary community and mental health care.

A key role for the London Estates Delivery Unit to support this delivery is in its work with the GLA to share and apply the knowledge and skills needed to develop innovative delivery solutions.

Illustrative approaches

Significant efforts are underway locally to address primary, community, mental health and social care estate challenges and opportunities. The examples in Figure K are illustrative of further work being progressed within the existing framework, governance and resources available. More is needed and is being developed through the opportunities provided by the LEB.

**NWL: One Public Estate:
Collaborative Regeneration at
Northwick Park**

The vision is to create a ground breaking scheme that complements the park and outer London setting, delivering over 1,500 homes and generating capital receipts to support the redevelopment of the hospital. The project brings together four land-owning partners: the London North West Healthcare NHS Trust, the University of Westminster, Network Homes (a Registered Provider) and the London Borough of Brent. Collectively the partners have secured £470,500 worth of funding via OPE for feasibility and master planning and a further £9.9m has been secured via the Housing Infrastructure Fund to improve local transport links and infrastructure.

**NCL: Camden and Islington NHS
Foundation Trust – St Pancras Hospital
estate redevelopment**

The redevelopment programme enables transformation of the estate to enable delivery of the Trust's Clinical Strategy and national and local health strategies, through the development of health services and research facilities across the boroughs of Camden and Islington. It puts service users at the centre, building more visible, more accessible and more integrated services for people locally alongside world class research facilities. The release of the St Pancras site will fund these activities. Of the land released, up to 2 acres of the site will be sold to Moorfields Eye Hospital NHS Foundation Trust for the development of a new eye care, research and education facility with the Institute of Ophthalmology.

**NEL: Whipps Cross
redevelopment**

The Whipps Cross site is one of the largest in the country at almost 18 hectares, but rates as one of the most inefficient in terms of utilisation. The redevelopment of Whipps Cross will allow the health system to re-balance the way in which care is provided to meet the changing needs of the population, aligned with plans to develop an integrated care system. The size and scale of the site presents significant opportunities for further redevelopment, regeneration and commercial uses as well as the provision of a healthcare facility.

**SWL: South West London and St
George's Mental Health NHS Trust –
Springfield Hospital redevelopment**

The Trust's ambition is to create a centre of excellence for mental health services by building new inpatient facilities in the London Borough of Wandsworth at Springfield Hospital and to expand the community services provided to ensure care is delivered closer to home. The new inpatient buildings will be funded by releasing parts of the site no longer needed for clinical care and this land will be used to deliver new houses and providing extra green space for the local community. This is a major programme of investment in the local community, and is anticipated to complete by 2023. The business case is currently being considered by NHSI and DHSC.

SEL: Local health strategy and link to STP

NHS Southwark CCG worked closely with partner organisations, patients and clinicians to develop a service model for community-based services and the business case for the development of a health centre at Dulwich Hospital. The new Dulwich Health Centre will bring together and build on services which are currently delivered from geographically diverse and/or substandard premises. The centre will be one of the three proposed Community Health Hubs in Southwark as described in both the STP Estates Strategy and the Southwark Local Estates Plan and will offer primary care, children's non-specialist community services and out of hospital clinical consultations and community-based diagnostics.

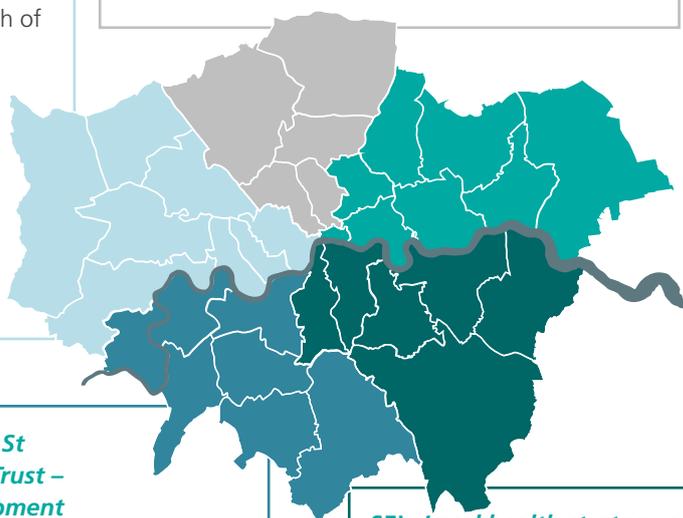


Figure K: Examples of acute care investment schemes at STP level

2.3 Enabling a fit for purpose acute estate

London's acute NHS estate supports world renowned research and cutting-edge treatment. The estate includes some of the finest and the worst quality in the country. It requires significant investment to support existing as well as future clinical need.

Acute estate size and value

The NHS is one of the largest owners of land and buildings in London. The physical footprint of London's hospitals at around 398 hectares means its larger than the City of London.³¹ The book value of the acute estate is estimated to be £9 billion³², with 70% belonging to acute hospital trusts. The remaining 30% is owned by community and mental health trusts.

Varying quality and condition

As noted above the quality of the NHS estate in London is highly variable. London has some of the finest hospital buildings in the world, such as the facility at University College London Hospital on Euston Road, and some of the poorest hospital facilities in the UK. Too many of our hospitals assessed by the Care Quality Commission (CQC) have been rated as 'needing improvement' or even 'inadequate'.

The Naylor review found nationally that 'without investment in the NHS estate the Five Year Forward View (5YFV) cannot be delivered, the NHS estate

will remain unfit for purpose and will continue to deteriorate'. These findings mirror the situation in London. NHS data indicates that addressing only the backlog maintenance needed across the estate in London alone would cost in the region of £1.9 billion (Figure L).³³ On the ground, estimates by STPs and individual Trusts are much higher, possibly as much as double as NHS central data collection only includes the cost of the works. The reported backlog maintenance figure excludes fees, decanting costs, VAT and other associated costs Trusts would have to pay to carry out this maintenance and is therefore an underestimate of the actual costs.

An analysis of ERIC data returns undertaken by NHSI³⁴ and LEDU shows that whilst London accounts for 18% of occupied floorspace across England, it accounts for 32% of the reported backlog maintenance cost for the whole of England. This highlights the importance of the LEB securing a devolved and long-term capital budget for London, to be distributed according to needs and priorities. Further analysis by NHSI provides some explanation for the relatively higher backlog maintenance costs in London. An age profile analysis³⁵ shows that 41% of London's estate was built before 1965 compared to 29% for the rest of England, even more tellingly 21% of London's NHS estate was built before 1948 whilst for the rest of England this was just 11%. In terms of more recent developments, the data shows that 48% of the space in London was built since 1985 compared to 56% across the rest of England.

Backlog	NWL	NCL	NEL	SEL	SWL	London
Total (£m)	1,059	223	156	138	348	1,924
£/m ²	870	231	178	134	539	407

Figure L: Backlog Maintenance spend needed by STP regions and London

Source: ERIC data 2017/18 Note: (1) NWL backlog maintenance is significantly higher due to SaHF delays

31 London Health Commission – Better Health for London 2014

32 ERIC 2017/18

33 ERIC 2017/18

34 London Commissioning Region – Backlog Maintenance Analysis, NHSI 2019

35 ERIC 2017/18

Utilisation

A high-level assessment of capital efficiency (capital turnover) suggests that NHS assets may be under-utilised by around 15%.³⁶ If this capital could be unlocked, it would be worth around £1.5 billion. The majority of this potential value lies in acute hospital trusts where as much as £1–1.2 billion could be surplus to requirements.

Optimising the utilisation of these sites would have the added benefit of reducing running costs by around £200 million annually.³⁷

The Naylor review identified the root causes of many of the acute estate problems, namely; under-investment at a local level has created a legacy of backlog maintenance; past failures to fully commit capital allocations; continuous reform has eroded estates capabilities; the move to autonomous local NHS organisations has reduced the scope for estates planning and a lack of knowledge of the size, property type, use, value and ownership of the estate. Again these findings apply in full in London where there is fragmented property ownership, complex rules and a knowledge gap on how NHS bodies can and should participate in joint ventures and other property development structures. This is exacerbated by a lack of a London-wide strategic overview of how the estate should be used to meet current and future clinical needs and filling this gap is a key focus for the LEB and the LEDU.

Improving hospital estate

Across London, there are a multitude of acute estate transformation proposals, varying in scope and scale to reflect the health and care outcomes being sought for local, national and international populations, given the broad reach of research and specialist services provided in London.

The London sub-regional estates strategies bring these together, recognising the interdependencies with improving primary, community, mental health and social care (see Section 2.4). There are common themes in these proposals:

- **Consolidation of services across sites:** Some of the plans propose changes to hospital services in response to pressures around quality, workforce and cost, through concentrating services in fewer hospitals to improve outcomes, such as 'bringing together routine and complex care onto single sites'.³⁸ This reflects a networked model where services across hospitals and community hubs are linked to concentrate activity, improving care outcomes while also freeing up valuable space within high-cost acute sites.³⁹

36 Operational Productivity and Performance in English NHS Acute Hospitals, An Independent Report for the Department of Health by Lord Carter, 2015
37 London Health Commission – Better Health for London 2014
38 Sustainability and Transformation in London – An independent analysis of the October 2016 STPs. The King's Fund, 2017
39 Our Healthier South East London STP

- Re-profiling estate to recognise new models of care and meet health needs:** While many hospitals will continue to be needed in the future, not all the hospitals will need to provide the same services that they do today. As part of the range of improvements and the move towards out-of-hospital services, the overall profile of the acute estate is likely to change. However, the number of beds needed is not expected to decrease. This is reflected in the NHS LTP which notes ‘in the base-case funding, activity and staffing model underpinning the LTP, we have not built in as a core assumption potential offsets in hospital beds from increased investment in community and primary care’.⁴⁰
- Supporting sustainable services for the future:** Investment in new facilities can provide a financially sustainable way to address backlog maintenance and quality challenges. London’s acute hospitals deliver a number of world-leading services. The current constraints posed by outdated and poor estate potentially limit their ability to attain and retain in some circumstances ‘world class’ status and reputation. Across the Sustainability and Transformation Partnership plans, joint approaches across a number of providers to maximise value and facilitate improvements are underway. For example, as a part of a wider estates change project within NCL, the development of a new facility for Moorfields Eye Hospital should enable the Trust to continue to provide world-leading clinical services and research, currently constrained by the existing estate.⁴¹
- Academic Health Science Centres:** Using the estate to enable the NHS and academia to work collaboratively with industry to identify, adopt and spread innovation and best practice will be a focus for the LEB. The UK Government has identified Life Sciences and Healthcare as important sectors to generate new economic growth as well as increasing the quality of care for patients within the NHS. Academic Health Science Networks focus on the needs of patients and local populations, support and work in partnership with commissioners and public health bodies to identify and address unmet medical needs, whilst promoting health equality and best practice.

Two examples of these networks already underway in London are Imperial College Health Partners and UCLPartners.

The LEB acts to support the challenges identified by the Naylor review and enable the realisation of London’s estates transformation plans by creating a London-wide view of clinical estate need and opportunity. The LEB will support investment decisions based on detailed local and sub-regional knowledge and robust project level business cases.

The LEDU will connect the NHS with the GLA and other public sector estate owners to work together to share property development skills, access finance, participate in property development ventures, maximise the value of estate release and estate development for adjacent and linked sites. It will also work to compile a land use database to increase visibility of surplus land redevelopment opportunities and will provide information, advice and guidance on business case development.

40 NHS Long Term Plan, January 2019

41 North Central London Devolution Pilot Outline Business Case, November 2017

2.4 Delivering estates transformation London-wide

Successful estates transformation will be driven more quickly and cost effectively by a collective and collaborative approach.

The opportunity provided by the LEB and collaborative working to date has highlighted the large number of common priorities and issues across London's primary, community, mental health and social care and the acute estate. It has also shown the significant inter-dependencies between community-based and acute estate plans, most notably the critical role that improvements to the primary, community, mental health and social care estates play in mitigating demand pressures on the acute estate.

Collaboration, capacity and decision-making

Over recent years, a more systematic approach has been taken to partnership working in London. For example, much of the London health and care system is now engaged with the One Public Estate (OPE) programme. OPE works closely with health and care estate owners to identify opportunities to collaborate with the wider public sector, identifying 'marriage value'⁴² from adjacent or complementary sites and enhancing development and site release potential. To date, 22 of London's 32 boroughs, along with public sector partners, including the NHS and GLA have joined the OPE programme and formed OPE partnerships. The LEDU has formed close working relationship with the GLA housing and land team to further facilitate and embed joint project design and delivery.

Across London, there is evidence at local level of a range of collaborative approaches being developed to improve delivery of primary, community, mental health and social care as well as strengthening collective decision-making. All five London STPs have set out plans to redesign how primary care and community services are delivered in a

more integrated way. For example, in SEL work is underway to adapt buildings that are publicly subsidised in order to support coordinated and integrated health and care services.

There are also a variety of acute estate transformation proposals across London to ensure the right services are located in the right places. These proposals are focused on consolidation of services across sites and re-profiling of estates to recognise new models of care, sustainability and addressing mental health challenges. For example, the redevelopment of Whipps Cross Hospital will allow the health system to meet the changing needs of the local population.

Getting the most out of NHS land and buildings

Greater efficiency and flexibility in how the NHS estate is used will help reduce waste, improve usage and could generate capital and/or revenue to be reinvested into improvements in the quality of the London health and care estate. Through local, London and national partners working more closely together, looking at ways of re-purposing and refurbishing existing buildings, investment in new developments and co-location with other public-sector services, we will have a clearer picture of the condition and most cost effective purpose of NHS land and buildings in London.

This includes the ability to make the best use of existing high-quality estate for primary and community care services while also addressing the estate that is in need of repair.

Under and inappropriate utilisation of acute hospital estate has a long and complex history, exacerbated by the fragmentation of the organisations involved in running, commissioning into and occupying NHS estates. Cross-borough and STP planning provide opportunities for

⁴² Marriage value refers to the enhanced value created by a co-ordinated approach to developing two or more property assets

increased cooperation and coordination of these parties, driving improved use of estates.

The ability to work closely with London boroughs and the GLA will also give new opportunities for:

- A more transparent and open-book approach to estates delivery, combined with a joined-up approach to the management of the wider public-sector estate, consistent with OPE principles
- Effective deployment of resource and capability at sub-regional and regional levels, including to NHS Trust and Foundation Trusts where necessary
- Assurance that decisions prioritise optimisation of the use of health and care estate over organisational self-interest

The need for investment and reinvestment back into London

The LEB will work with partners to identify the optimum opportunities to reinvest capital receipts and revenue streams to support agreed system-wide health estate priorities. This will require up-front capital investment to release and deliver primary and community care facilities across the five London STPs in addition to reinvestment of released capital, and clarity on future capital availability. This will be informed by London's capital investment plan.

Re-investment needs to be part of a long-term sustainable plan which recognises that capital receipts from releasing assets alone will not solve all of the identified need. Money generated by the release of NHS land and buildings that are truly surplus to requirements can be invested back into London's health and care system for effective transformation. However, working in partnership, the system must continue to explore

opportunities to create longer-term revenue streams from surplus assets and land to ensure a sustainable plan for health and care in London. This route may carry greater risk and reduce short-term financial gains but enables London to take a longer term, sustainable approach to estate investment and maintenance.

This strategy relies on NHS Property Services (NHSPS) and Community Health Partnerships (CHP), wholly owned companies, to work with the LEB to develop an approach for the investment and release of assets, which balances national and London needs and priorities.

While the deployment of capital in the NHS from all sources combined must be equitable in relation to need across different parts of the country, it is recognised that in London there is significant opportunity to optimise the use of valuable surplus assets to address the very visible needs. As noted above, asset optimisation will require upfront investment, the scale of which will be driven by the fact that the cost of capital investment is significantly higher than anywhere else in the country.

In summary, the principle of equity means there must be recognition of the higher cost of developing buildings and services in London and the disproportionately large and complex make-up of London's health service demand. It is also recognised that incentives are needed to support the health and care systems to release and optimise the use of surplus land. National partners are committed to working with the London system through the LEB to explore opportunities to achieve this.

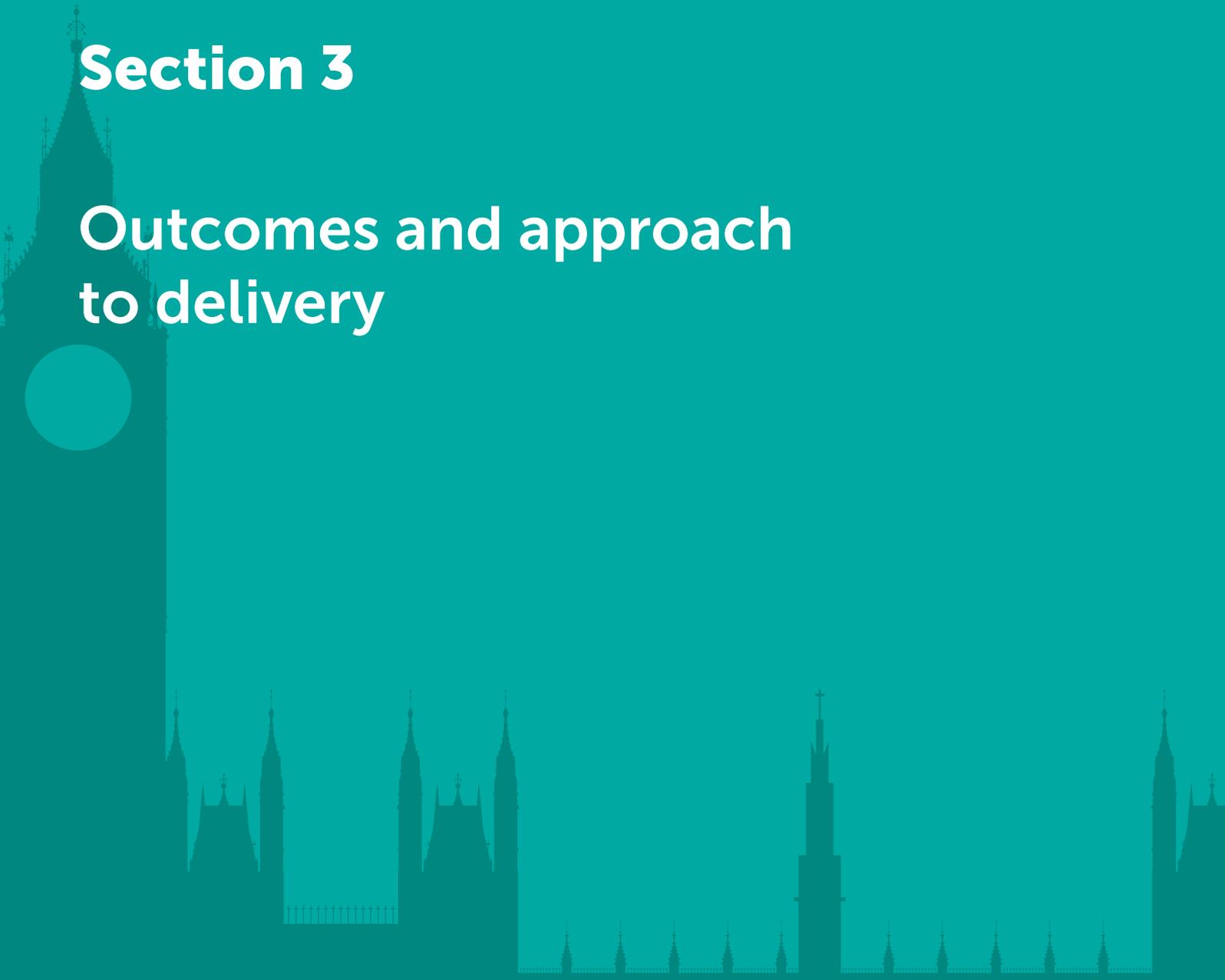
Further collaboration is needed and has been made possible through the establishment of the LEB and the LEDU which has a workplan focussed on addressing key issues highlighted in this strategy so far:

- **Estates data** – in the history of the NHS no single organisation has had or has taken responsibility for ensuring comprehensive, consistent and interoperable datasets across, or even within, the primary and secondary health care sectors. For example, there has to date been no official estimate of backlog maintenance requirements in the primary care sector. The LEDU will work to compile a reliable, robust and interoperable data collection, storage and analysis approach for London to aid sub-regional and London-wide estates planning.
- **A devolved capital budget** – the LEB as a unified partnership will work with national partners to secure a long-term capital budget for London, against which strategic plans can be made and managed. No longer will commissioners and providers have to react to one-off time limited national capital availability announcements which are subject to nationally determined allocation and single project financial benchmarks alone. Furthermore, national decisions often do not reflect London's quantum of need or clinical and estate priorities and their interdependencies. They are instead dependent on the pendulum of national policy spending priorities. In securing a devolved capital budget, the LEB will help regional delivery partners plan with confidence.
- **Innovative, strategic and planned delivery** – whilst the LEB will work to secure a long-term assured, devolved capital budget for London, it is very likely to be insufficient to meet the already known capital investment need. The LEB working with local partners, such as the GLA, London boroughs, NHS Charities and One Public Estate, will identify innovative property delivery routes, funding sources, and legal structures that will enable greater transformation of the estate at pace. This approach will meet clinical needs and also generate valuable social outcomes, such as housing and public/community amenities and reduce health inequalities.
- **Business case support** – the LEDU will support STPs through training and sharing best practice to develop 'right first time' business cases. The LEDU will review STP, commissioner and provider competencies and capacities. This will support business case submissions at pace and at scale. The LEDU will support engagement amongst partners at a practitioner level to help explore solutions to common and complex business case issues.
- **Portfolio and building operational toolkits** – as articulated in this strategy, there are many common estate development issues facing partners. Examples include how to secure CIL & S106 funding and how to maximise use of individual buildings and the estate as a whole, taking into account the diverse property ownership arrangements. Whilst on a day-to-day basis these can only be managed at a local level, the LEDU will work with London-wide and national partners to establish protocols and operational toolkits that will help partners develop and run their estate more cost effectively.

- **Capital investment plan management** – the LEDU has worked with partners to establish an investment requirement for London that details where and when funding is needed, and what is required in order to deliver the clinical estate priorities. When complete, the capital investment plan, the first for London, will be refreshed on an annual basis and will be used to support the London bid for a devolved and long-term budget and equally importantly will be used to allocate and manage the programme of transformation against London determined priorities. The LEDU will also introduce a cloud-based Portfolio Management System to enable the effective delivery, tracking and risk profiling of the plan.
- **A voice for London** – the NHS is a national organisation which impacts on the lives of everyone in the country. There are constant calls for policy reviews of the numerous aspects of the delivery of health and care services and almost all of these have an estates development requirement or impact. The experiences and priorities of London’s health estate partners will be much stronger when delivered together through the LEB, thus ensuring more cost effective involvement and better outcomes. This has already been demonstrated through the LEB’s involvement in the review of London’s primary care estate. This has brought more attention and associated expertise and resources to explore and address specific primary care estate issues in London.

Section 3

Outcomes and approach to delivery



3.1 Outcomes of the London Estates Board

Joined-up strategic decision-making for London will mean a more transparent and collaborative way of working, with clear improvements for all Londoners.

Collaborative working and collective consideration of the public estate issues to drive outcomes under three themes:

1. Partnerships

The LEB will continue to enable whole-system strategic estates planning by bringing London partners together in a single forum to discuss and overcome London-wide estate challenges and realise opportunities.

The LEDU provides a dedicated team to support health and care estates delivery across London. The ability to draw on partner expertise, including from the GLA, Strategic Estates Planners, London boroughs and via the OPE programme means we can support:

- Collaborative decision-making to inform the best possible use of the London NHS and wider public estate. The LEB is ready to move into phase III of operation (shadow decision-making) from April 2019, with transition into phase IV (decision-making) by April 2020.
- Identification of opportunities for 'marriage value' from surplus public-sector sites. In 2019, all health and care estate business cases considered by the LEB will consider these potential opportunities.
- Streamlined business case approvals process with key decision-makers at the LEB. In 2020, the LEB will be ready to be granted formal delegation of business case approval within delegated limits. Authority will be granted by national organisations to named members of the LEB, consistent with the limits described in the LEB Operating Framework.⁴³

- Support to develop and deliver sites, leveraging borough and GLA expertise and making London-level support more accessible through the LEDU.
- Clarity on capital availability, needs and plans to enable more effective health and care capital investment with greater certainty about use of receipts to support financial planning. During the financial year 19/20, London and national partners will seek to finalise the capital investment plan for London.
- London is ready to control a delegated capital budget to support the delivery of the plan from financial year 2019/20.
- Progress in delivering this strategy is predicated in part on the availability and quality of data. The LEB will support a systematic commitment to data collection and quality management via existing approaches (for example, Estates Return on Information Collection (ERIC) and the Model Hospital toolkit) and new approaches where cost effective. For example, through the LEDU, HUDU has recently completed a detailed interactive mapping of all primary, community and mental health provider premises. The map includes location, population served, estates development plans and funding position and allows analysis at local STP area.

⁴³ LEB operating framework, Page 14, November 2017

2. Improvements to the estate

Operational acute estate outcomes

Facilities management has a direct bearing on patient experience, ensuring that premises are safe, welcoming, warm and clean environments for staff and patients. The NHS in London spends over £2 billion per annum maintaining and running its estate and facilities and there are opportunities to achieve efficiency savings via a number of initiatives, for example through reducing unwarranted variation in energy costs.

The LEB commits to supporting the objectives described in Lord Carter's Review⁴⁴ to drive improvement in operational efficiency:

- With all trusts (where appropriate) implementing a plan to operate with a maximum of 35% of non-clinical floor space and 2.5% of unoccupied or under-used space
- Delivering this benchmark by April 2020, so that the estate is used in a cost effective manner

Operational primary and community care estate outcomes

Ownership of this estate is fragmented across the public, private and voluntary sector. The LEB will support partnership working to ensure the diverse estate owners have a common understanding of the population need and how and where estate should be located and operated to best deliver on NHS national and local service policies.

Capital receipts and release of land for housing

The NHS and the Department of Health and Social Care (DHSC) are aiming to release surplus assets valued at £2 billion over the current Spending Review period. The LEB's ambition is to develop a sustainable approach to estates transformation and

aims to deliver not only £500 million capital receipts by Financial Year 2022/23 but also an average annual recurrent revenue opportunity of £300 million.

Across England, the NHS and DHSC expect to free land sufficient for 26,000 homes by 2020. In London, it is expected that surplus health land will enable the delivery of up to 12,500 homes by 2028. London's ability to deliver on these ambitious targets is largely dependent on its ability to secure the early and sufficiently scaled level of investment required to enable system-wide transformation.

London will use its collective resources and assets to deliver housing at an affordable level, in particular to support London's public sector workforce. The Mayor is investing £4.8 billion to start building 116,000 new affordable homes in London by 2022.

3. Enabling wider health and care outcomes

Transformation of the health estate is expected to contribute to important wider and sustainable health outcomes including:

- A radical upgrade in disease prevention and public health
- Greater control by the public of their own health
- Breaking down barriers in how care is provided
- Delivering new models of care
- Impact on reducing health inequalities
- Delivering wider benefits to the local community, such as training and employment, through the role of NHS facilities as anchor institutions

The LEB recognises that the built environment is a key determinant of health and wellbeing, therefore improving the health of communities and reducing health inequalities will be a key priority

44 [Operational Productivity and Performance in English NHS Acute Hospitals, An Independent Report for the Department of Health by Lord Carter, 2015](#)

when considering the redevelopment of surplus NHS land. The LEB will work to ensure new NHS facilities have the potential to promote health and wellbeing and reduce health inequalities, for example, through design, construction and facilities operation and co-location of community NHS facilities with a range of wider public services that support wellbeing (such as, leisure facilities and employment advisory services).

Key performance indicators (KPIs)

The LEB will rightly be measured by the strength of its performance. As a delivery as well as a strategic forum, the LEB should be assessed on its ability to generate visible and quantifiable value for money outcomes. It will also be measured on its success in bringing partners together and acting as the voice for London on health and care estates matters at the national table.

The LEB must deliver against three overarching requirements to be judged successful:

- Support delivery of £8 billion of investment in health and care estate by 2028
- Support release of surplus land (circa £2 billion) for alternative use
- Support delivery of 12,500 new homes for Londoners by 2028

These long term but critical delivery requirements fully reflect the ambitions and recommendations set out in the Naylor review. These are necessarily supported by high level KPIs aligned with the LEB phases of progression, as set out in the MoU. It is against these that the LEB will develop detailed management and resourcing plans and track and report performance on an annual basis to partners.

Good progress has been made in phase I and phase II to date, specifically in creating the conditions to support the LEB to deliver on its long

term delivery requirements, for example supporting STPs to develop nationally accredited, robust health and care estates strategies and moving the LEB from an advisory to a strategic forum.

This is just the beginning. Much more is needed from partners in the remaining period of phase II to make meaningful progress and enable subsequent progression phases to reach their targets. These phased progression targets provide clear milestones against which the LEB's progress can be measured and annual business planning supported.

Phase II: Strategic (January 2018–September 2019)

- Finalise the London Health and Care Estates Strategy
- Develop LEDU staffing and resources plan
- Develop an assured 10-year annualised capital investment plan for London
- Develop an assured business planning and project approval process
- Collaborative working with other public estate owners on five projects
- Support up-skilling of local health care teams across London to undertake and manage health and care estates planning and delivery
- Input into all strategic national health estates reviews and forums

Phase III: Shadow Decision Making (September 2019–April 2020)

- Support the transition of the LEB to full investment decision-making by April 2020
- Production of a land use database for all London NHS estate

- Support projects amounting to £650 million of investment in health estate⁴⁵
- Support delivery of 32 ha of land released for alternative uses
- Deliver 10 training courses to up-skill local health care teams to undertake/commission business cases
- Achieve 50% increase in the number of business cases judged to be 'right first time'
- Meet NHSE/I business case turnaround times 85% of the time
- Collaborative working with other public estate owners on 10 projects
- Support delivery of 1,600 new homes for Londoners⁴⁶
- Support up-skilling of local health care teams to undertake and manage health and care estates planning and delivery
- Deliver or support 10 training courses per annum to up skill local health care teams to undertake/commission project business cases
- Meet NHSE/I business case turnaround times 90% of the time
- Collaborative working with other public sector estate owners on 10 new projects per annum
- Support delivery of 10,900 new homes for Londoners⁴⁷
- Bringing together and expand strategic estates planning and delivery resources
- Input into all regional and national forums to ensure London's needs and opportunities are understood

Each of these high level KPIs will necessarily be underpinned by detailed SMART⁴⁸ targets and a management plan setting out activities, resourcing and monitoring arrangements. The targets and management plan will be agreed annually alongside the LEB budget allocation decisions.

Phase IV: Full Decision Making (April 2020 onwards)

- Supporting £2.3 billion per annum of investment
- Annual updating of land use database
- Annual refresh of the London Health and Care Estates Strategy
- £100 million annual investment to reduce existing backlog maintenance through transformation schemes

⁴⁵ This reflects schemes which are currently funded under waves 1, 2, 3 and 4, ETTF, CIL and S106

⁴⁶ This reflects schemes which are currently funded under wave 1, 2, 3, and 4, ETTF, CIL and S106

⁴⁷ This reflects schemes which are currently funded under wave 1, 2, 3, and 4, ETTF, CIL and S106

⁴⁸ SMART – Specific, Measurable, Achievable, Realistic, Time-bounded

3.2 Progress and next steps for delivery

Delivery of this strategy is not only dependent on investment, but requires skills, expertise and strong partnerships to be in place.

Progress to date

Since 2015, health and care partners from over 100 local, regional and national organisations have worked to develop and implement London's Health and Care Devolution MoU. This work has highlighted the significant progress that we can make by working better together within London.⁴⁹

- **Supporting local and sub-regional estate planning arrangements:** All five London STPs have now developed live estates and capital strategies with the support of SEP London, the LEB and LEDU. London-wide partnership support is in place to support strategic planning (such as the London-wide prioritisation framework – see appendix B) and for specific initiatives. For example, significant work is underway at local, sub-regional and London levels to determine what is meant by 'a community hub', from both a clinical (i.e. the services within) and technical perspective (i.e. ensuring the delivery of fit for purpose, affordable new buildings or developments). Further work to develop and define the detailed technical arrangements are currently underway, led by the sub-regional estate leads and facilitated by SEP and the LEDU.
- **Facilitating access to capital and new forms of funding:** as described in appendix C.
- **Improved joint working and governance arrangements to support estate transformation at pace:** Collaborative working and a joined up strategic approach to planning between partners, including the NHS, NHS charities, local government and the GLA, have helped to develop and define a major

sites programme; enhanced the efficiency, quality and transparency of approval processes and decisions. This has ultimately accelerated approval of some schemes and projects from the current 5–10 years average timescale.

Case study: St Ann's Hospital

Successful collaborative working between the GLA, Haringey Council and Barnet, Enfield and Haringey Mental Health NHS Trust enabled the first use of the Mayor's land fund to acquire part of the St Ann's Hospital site on 31 March 2018. This deal – facilitated through the LEB and LEDU – will enable the redevelopment of the hospital site delivering new state-of-the-art mental health facilities and deliver up to 800 new homes, with 50% being affordable. The GLA will use in-house technical expertise to procure a development partner through London Development Panel 2 (LDP2).

Case study: Northwick Park

The LEB and GLA are working with London Northwest Healthcare NHS Trust, Network Housing, University of Westminster, Brent Council and OPE to develop a deliverable master plan to bring forward surplus and underused land for housing development that could deliver around 1,500 homes including student and NHS staff accommodation.

Case study: London Development Panel

The GLA has procured a new development panel (LDP2) to support public land owners in delivering residential-led development on their land. LDP2 is available to all public-sector bodies in London, including the NHS with a number of benefits, including:

- Saving time and money on the procurement process
- Assisting users to provide housing and spur economic growth
- Opportunities for early market engagement through soft market testing with panel members. This can reduce risk and help to improve the success of a project

⁴⁹ Health and Care Devolution – What it means for London November 2017

The opportunity going forward

The devolution agenda presents significant opportunities to enhance and facilitate health estate improvements:

- **Strengthened governance and delivery arrangements within London to drive estate transformation at pace:** The LEB is envisaged to take on greater decision-making over time. This would enable streamlined processes for development, review and approval of estate transformation proposals and a support function to develop business cases to enable faster delivery of schemes. The LEB is committed to increasing the transparency of these processes to ensure that decisions on capital are taken in order to best meet London's priorities.
- **Access to technical support, skills and expertise:** Significant in-house property expertise resides within the wider London system. The GLA, local authorities, LEDU and SEP advisors, NHSPS and CHP and many Trusts have extensive experience of developing capital development projects and programmes. The London Development Panel (LDP2) brings together the most experienced housing developers who have a track record of delivering in London. These could be leveraged to support planning, capital project development and delivery of NHS estate schemes.⁵⁰
- **Pursuing a joint approach to utilisation across the London estate:** Planning across the health and care system provides opportunities for increased cooperation and coordination of these parties, and the opportunity to drive improved utilisation of estates. The ability to work closely with London boroughs and the GLA will give new opportunities for joint solutions to estates issues. This work is closely linked to back office optimisation/consolidation efforts. Non-clinical estates across London are vast and present a major opportunity for collaboration and reduction in revenue costs to create headroom for investment in clinical estates. We will aim to support acute providers to reduce unoccupied or unutilised space across London to 2.5% by 2020.
- **Providing the right planning support:** Town planning is essential in supporting delivery. There are opportunities to ensure that health objectives are built into, and recognised within, both the new London Plan and in local borough plans. There are also opportunities to support prospective projects through the planning process, from application through to project delivery and HUDU a key LEB partner are available to provide expert advice and support.

⁵⁰ London Devolution: Estates Technical Pack – November 2017

- **Coordination and support – homes for NHS staff:** DHSC, NHS England & Improvement are considering national guidance to support NHS providers to include key worker housing solutions as part of their recruitment and retention strategy. In addition, DHSC has identified the need to provide 3,000 homes for NHS Staff nationally. The national policy is exploring key demand requirements, track record of delivery and existing options against some alternative potential delivery routes, as well as investment opportunities and constraints.

To date, a MoU has been signed and £500,000 in OPE funds have been awarded to support a pilot project focussing on five exemplar sites in London. This initiative is being delivered

in partnership between OPE, GLA and LEDU. Additionally, the pilot will lead to the development of a delivery toolkit which is scheduled for publication in July 2019. The LEB and LEDU has engaged with the DHSC teams to encourage a flexible national policy that will be suitable to the health and care sector's need for staff housing in London.

London NHS charities are the largest owners of NHS staff accommodation in the capital. The LEDU is working with estate owners to explore the potential for such organisations to scale up their investment in providing homes for staff in order to support recruitment and retention across London.

The challenge is great but with a commitment and willingness from all partners to work together, through the LEB we will transform the London health and care estate from its current condition to one of which Londoners can be justly proud of for decades to come.

Section 4

Governance and engagement



4.1 Governance

Through partnership working and a robust governance process, this first overarching view of NHS estates in London will allow all London and national partners to better plan and use NHS buildings and land.

Governance for London's estates transformation

Reflecting detailed discussions on how to solve London's health and care estates challenges, national and local partners signed the London Health and Care Devolution Memorandum of Understanding (MoU)⁵¹ in November 2017. The MoU confirmed a commitment from national and local partners to work together to accelerate health and care transformation for the benefit of Londoners.

Critically, the scope of the MoU went beyond commitments to work together. In addition to taking 'a shared strategic approach to estates planning' it also included NHS capital investment decision-making powers. In essence the MoU set out a roadmap to improve health and care by:

- Closer working within London and with national partners
- Better responding to London's unique challenges and opportunities by taking more decisions for London in London

The detailed governance and delivery arrangements for estates in London and at a local STP level can be found in appendix A.

London Estates Board (LEB)

The LEB was formally established in 2016 as a result of partners' recognition of the need for transparent and collaborative working on London's NHS estate. Since 2016, the Board has acted as a forum to facilitate priority discussions and to create a mechanism to directly solve some of the estates challenges facing London's health and care system.

By enabling collaborative working by partners within and beyond London, the LEB aims to deliver:

- This estate strategy that supports holistic clinical strategies within and across London
- Faster and greater generation of capital for reinvestment into health and care in London through the release of surplus NHS land
- Access to development and delivery opportunities, including innovative financing mechanisms
- Marriage value by realising the opportunities of NHS, NHS charity and adjacent surplus site(s) with those owned by other public sector bodies utilising a One Public Estate (OPE) approach
- Decisions involving London's NHS estates being taken within London. The LEB will move to a decision-making forum for capital investment, subject to national approval thresholds

In doing so, the LEB operates according to the following agreed key principles:

- **Subsidiarity:** decisions taken at the lowest appropriate level.
- **Robust governance:** clear responsibility and accountability for decision making for project prioritisation, assessment, approval and delivery management.

⁵¹ London Health and Care Devolution Memorandum of Understanding, 2017

- **Transparency:** clear processes and criteria for decision making.
- **Knowledge sharing:** all partners bringing the collective expertise of their constituent organisations.

Full membership is available via a [dedicated webpage](#) on the Healthy London Partnership website and is currently made up of:

- London's five STP estates leads
- Department of Health and Social Care
- HM Treasury
- London Councils (social care responsibility)
- NHS England & Improvement (London)
- Greater London Authority
- NHS Property Services
- Community Health Partnerships
- Representation from devolution pilots
- Cabinet Office
- CCG commissioner representative

London Estates Delivery Unit

Established in 2018 to support the operational delivery of LEB priorities and LEB members, the London Estates Delivery Unit (LEDU) is a pan London partnership of resource and expertise, including the Healthy Urban Development Unit (HUDU) and NHS Strategic Estates Planning Service (SEP). LEDU brings together regional and national resource to enhance local programme and project development and delivery capabilities.

The LEDU's key tasks include working in partnership with:

- STPs to establish a robust capital investment plan for London
- The Greater London Authority (GLA) Housing and Land team and other local government partners to take forward projects to deliver new homes for Londoners
- The NHS in London and other national and central government partners to establish robust and transparent business planning, project decision making processes and assurance frameworks
- National and regional organisations to facilitate project development and delivery at pace and at scale

The LEDU brings together a network of relevant expertise and skills to enhance London's capability and capacity to transform its health and care estate by driving the greatest value from the significant opportunities that exist.

London Estates Board: Phases of progression

The LEB has already demonstrated its competence as a strategic forum. As it matures further the LEB will move towards a forum within which NHS capital investment decision-making – including delegated business case approvals and capital allocation considerations – could be exercised, so far as statutory powers permit this, and within national approval thresholds.

It is important to note that plans for the use of land in London will continue to be led at a local level by STP estates teams and developed through local engagement with service users, staff and local communities.

The coming together of London's NHS estates plans will benefit Londoners. By collaborating through the LEB, estates leads across London, alongside local and national partners, will be able to identify opportunities to improve health and care delivery by sharing and supporting each other. The LEB offers a more transparent and collaborative way of working and allows health and care organisations to access resources and expertise not previously available or easily accessible.

The LEB will help STPs to develop innovative funding solutions to ensure London has the required premises, which is particularly important at a time when national capital is scarce. Decision-making will seek to achieve consensus so far as is possible, while respecting the views and statutory accountabilities of constituent organisations.

Figure M outlines this transitional approach from Phase I to Phase IV.

Phase I: Advisory (Dec 2016–Dec 2017)

In phase I, the LEB brought together the full range of partners in a single forum for relationship development, capabilities assessments and data gathering. It also supported STPs to create their sub-regional estates plans.

Phase II: Strategic (Jan 2018–September 2019)

During phase II each London STP built upon its plans and prepared an estates strategy. Reviewed nationally, London's STP estates strategies all scored either 'Good' or 'Strong'. During this phase the LEDU has worked with partners to develop this pan London strategy (including capital investment plan and prioritisation framework). This has involved significant and on-going engagement with a wide range of stakeholders. The draft strategy was sent out to over 200 stakeholders to ensure awareness of and input by all into the strategy development. Meaningful and on-going engagement is the golden thread running through all LEB and LEDU activities. Further detail on engagement during phase II is outlined in section 4.2.

Phase III: Shadow Decision-making (September 2019–March 2020)

The LEDU Programme Director has worked with members of the wider devolution team to prepare an outline proposal for formally progressing the LEB to phase III (shadow decision-making) from September 2019.

To support this transition legal and governance documents are being prepared. These documents will reflect a review of the LEB membership and clarity on those members with decision-making powers. This approach aligns with the recommendations of the Naylor review.

The current [operational framework](#) will also be updated to reflect partners’ roles and responsibilities.

During phase III the LEB will:

- Update the operational framework
- Develop MoU’s to reflect the commitments from each partner required to implement the updated operating framework
- Develop and agree business case assurance process
- Begin making recommendations to national organisations on capital allocations for London
- Begin making recommendations for investment decisions, including business case approvals

Phase IV: Full Decision-making (March 2020 onwards)

The processes of making recommendations and dispute resolutions tested and verified in phase III will be underpinned by all necessary legal and statutory processes and documentation reflecting the scope and responsibilities of the LEB, LEB Co-Chairs and other executives.

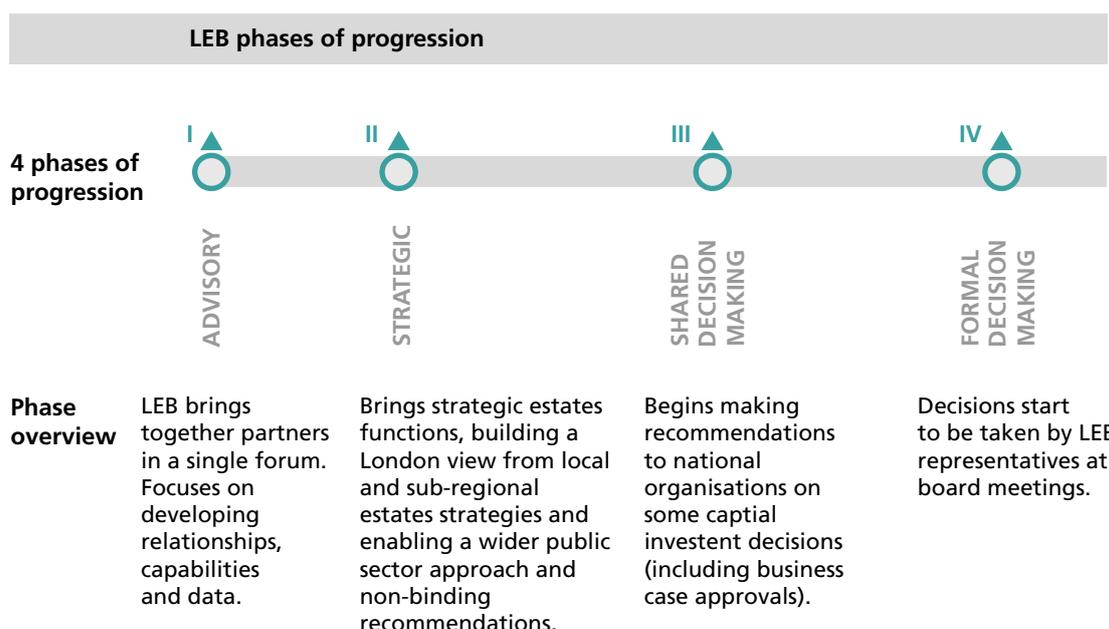


Figure M: LEB phases of progression

4.2 Engagement

The LEB is uniquely placed in terms of its ability to involve stakeholder organisations to ensure meaningful and regular multi organisation communication.

Substantial engagement has been undertaken to support the establishment of the LEB and the operating framework which guides the remit and focus of its work. Supporting the preparation of the STPs estates strategies, their NHS wave 4 funding submissions and the development of its strategy have all necessitated identification and engagement with a large range of stakeholders.

To support the on going delivery of the strategy, a communications and engagement plan will

be developed and updated annually to reflect progress and effectiveness of the strategy and the engagement plan. As a key purpose of the LEB is to enable decision making for London in London, the approach to engagement has been and will continue to be extensive and intensive encompassing liaison with London and national partners and wider stakeholders.

LEB as a forum for national and local NHS partners and London local government partners is uniquely placed in terms of its ability to reach into stakeholder organisations to ensure meaningful and regular communication. Supported by the LEDU, this dialogue will ensure timely and appropriate health and care estate decisions for London are made in London.

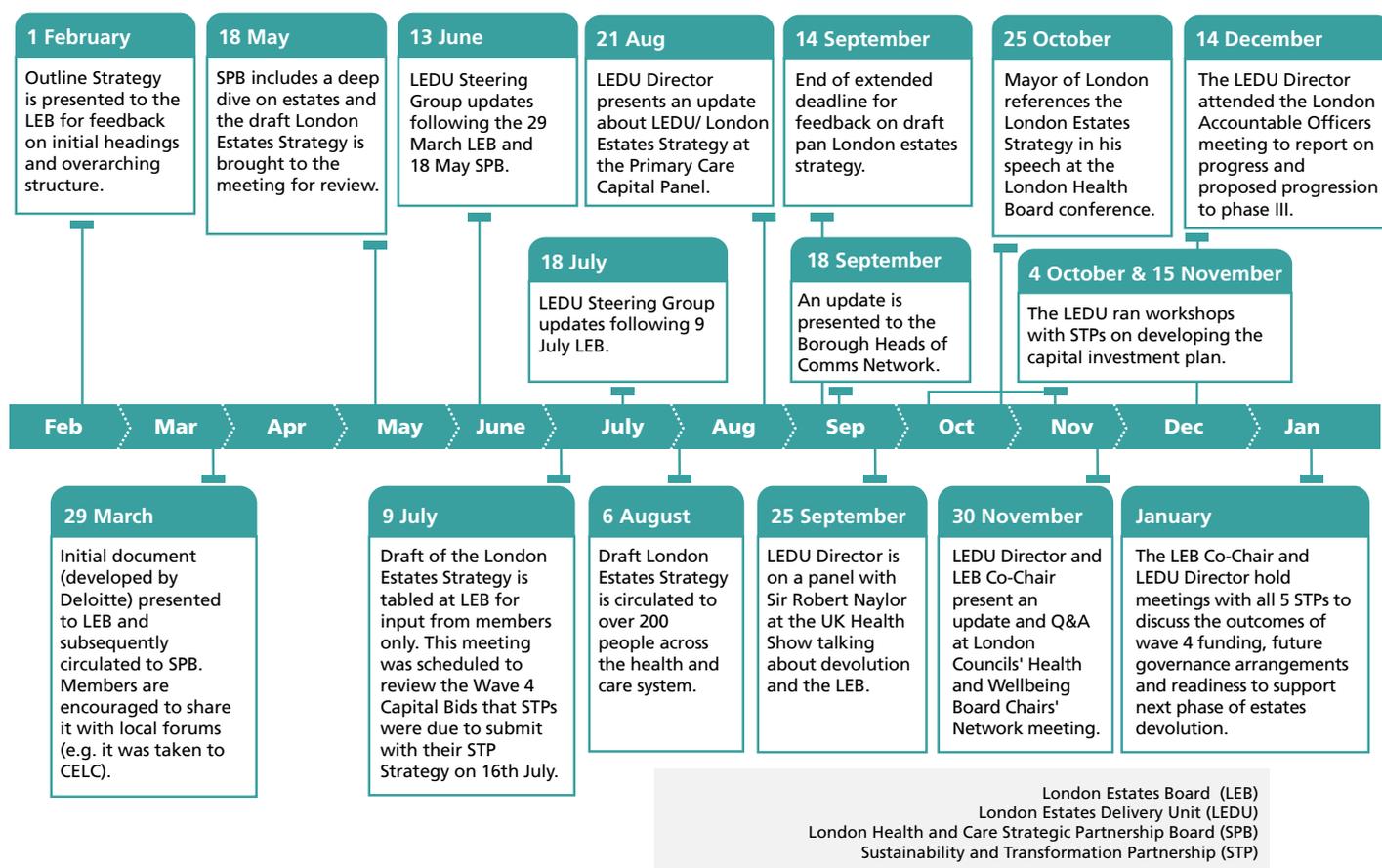


Figure N: High-level snapshot of LEB and LEDU engagement, February 2018 – January 2019

Appendices



Appendix A: London demographics and housing needs

London is one of the most diverse cities in the world. Forty per cent of Londoners were born outside of the UK and there are over 300 languages spoken in London. Forty per cent of Londoners are from Black, Asian and Minority Ethnic backgrounds and 1.2 million Londoners are disabled. Some of the very richest and very poorest people in the country live in London, with over 600,000⁵² of London’s children living below the poverty line and healthy life expectancy differing by up to 14 years between boroughs.⁵³

Population projections

Over the next 10 years, London’s population is projected to increase by 883,334 – more than the current population of Amsterdam. The largest

proportional increases can be seen in the older population, particularly those aged 60 and over, being the biggest users of health and care services.

Population projections by London boroughs (2018–2028)⁵⁴

- Three out of the 33 London boroughs have a projected absolute growth of over 50,000, and contribute over 20% to the overall growth in London. These include: Newham at 72,279; Ealing at 56,875 and Tower Hamlets at 53,508
- Only 6% of all boroughs have predicted growth lower than 10,000 (City of London at 1,394; Kensington and Chelsea at 7,695)
- Over half of boroughs (58%) predict population growth of between 10,000 – 30,000

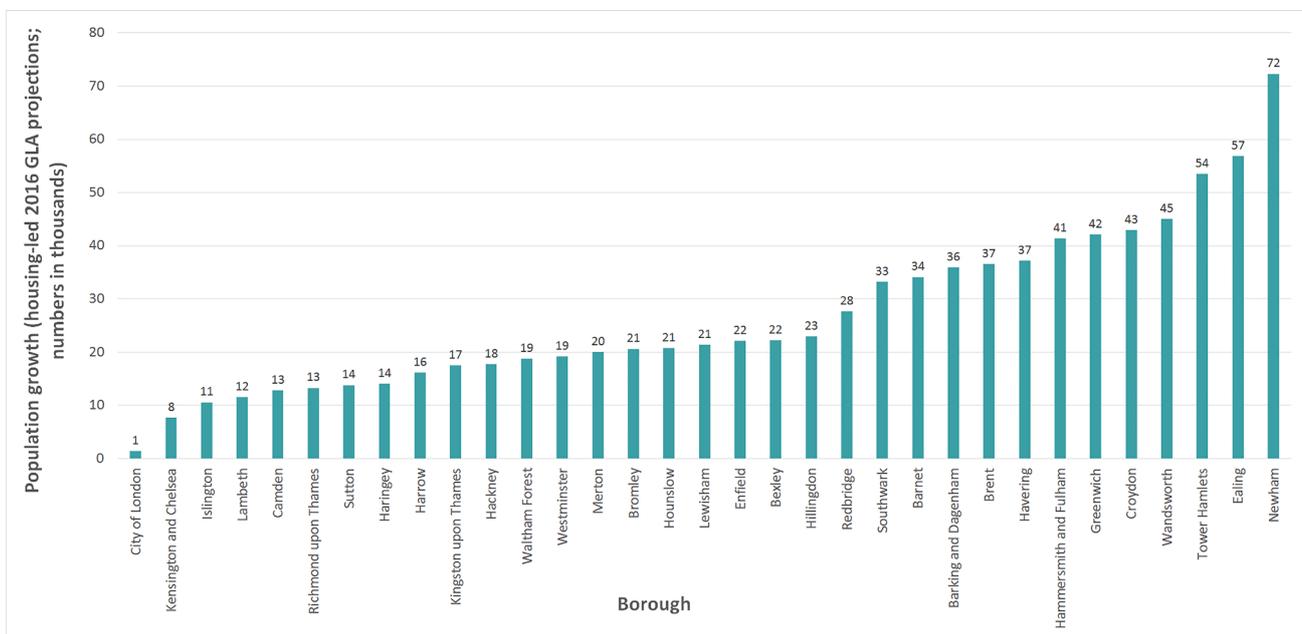


Figure O: London’s population growth 2018–2028

52 Tackling child poverty and health inequality in London, GLA

53 Public Health England. Public Health Outcomes Framework; 2014-16

54 Analysis provided by London Healthy Urban Development Unit (HUDU) based on 2016 GLA Round Population Projections

Population projections by London sub-regional area (2018–2028)

- **NWL:** The total projected population growth of 221,487 amounts to 25.1% of total London growth. Within NWL, Westminster has the highest projected growth (56,875 increase in population; 25.7% of total STP growth), while Kensington and Chelsea has the lowest projected growth (7,695 increase; 3.5% of total STP growth).
- **NCL:** The total projected population growth is 93,678, which equates to 10.6% of the total London growth. More than half of the boroughs (60%) have projected growth between 10,001 and 20,000 over the next 10-year period. Barnet is projected to have the highest population growth in the NCL STP (8.6%).
- **NEL:** Overall growth is projected at 264,483, which amounts to 29.9% of the total

population increase across London. This STP accounts for the highest percentage of overall London growth. Tower Hamlets and Newham account for nearly half (47.6%) of the total STP population growth. NEL also includes the City of London, which has the lowest projected population growth across London.

- **SEL:** Overall growth is projected at 151,081, representing 17.1% of the total population increase across London. The highest growth borough is Greenwich, followed by Southwark (with 27% and 22% of total STP population growth respectively).
- **SWL:** Overall projected growth is 152,606, representing 17.3% of the total population increase across London. Over half (57.7%) of this growth is located in two boroughs: Croydon and Wandsworth.

Population Percentage Growth by Borough 2018 - 2028

HUDU | September 2018



London Healthy Urban Development Unit

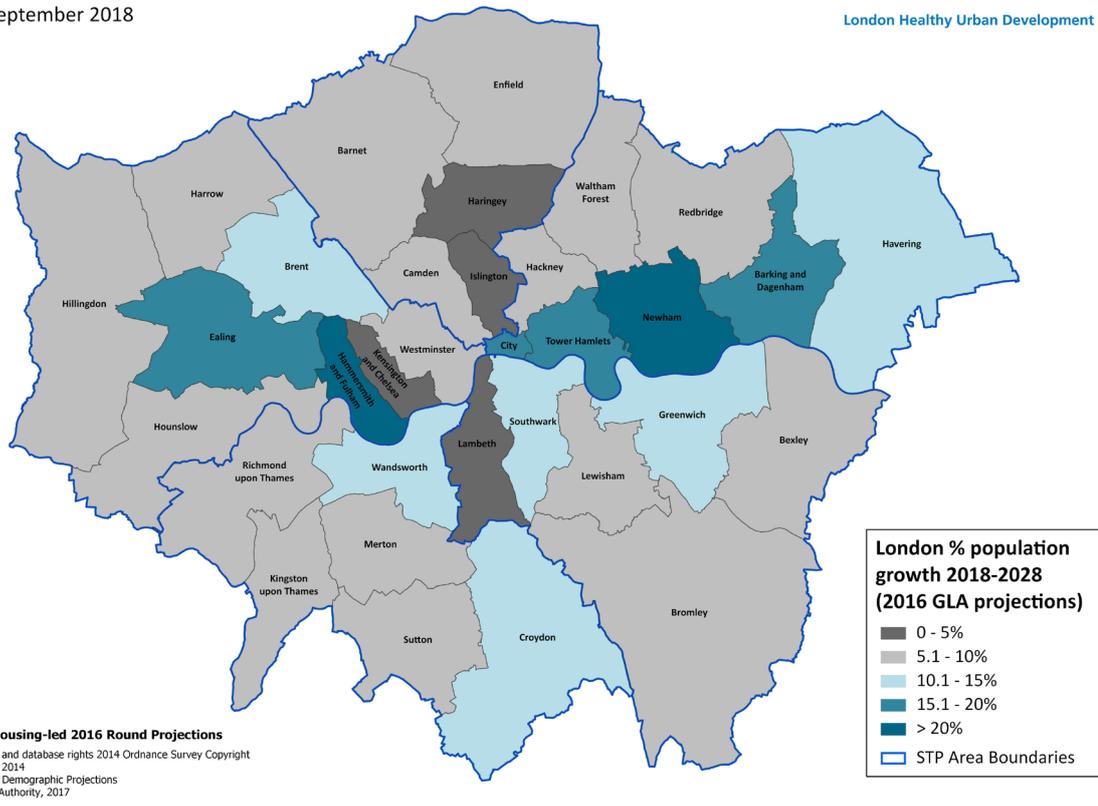


Figure P: Map of London's forecast population growth, 2018–2029

Housing Targets

In partnership with boroughs, the Mayor has undertaken a Strategic Housing Land Availability Assessment to identify where the homes London needs can be delivered. Ten-year housing targets have been established for every borough, alongside opportunity area plans for longer-term delivery where the potential for new homes is especially high. The total housing target proposed in the draft London Plan over the next ten years is 649,350.

Forward Plan

As part of his housing strategy, The Mayor of London has set forward plans for the development of 30 Housing Zones in partnership with London boroughs and their development partners.

The Mayor is investing £4.8 billion to start building 116,000 new affordable homes in London by 2022.

London's Housing Zones and Opportunity Areas (Current and Draft)

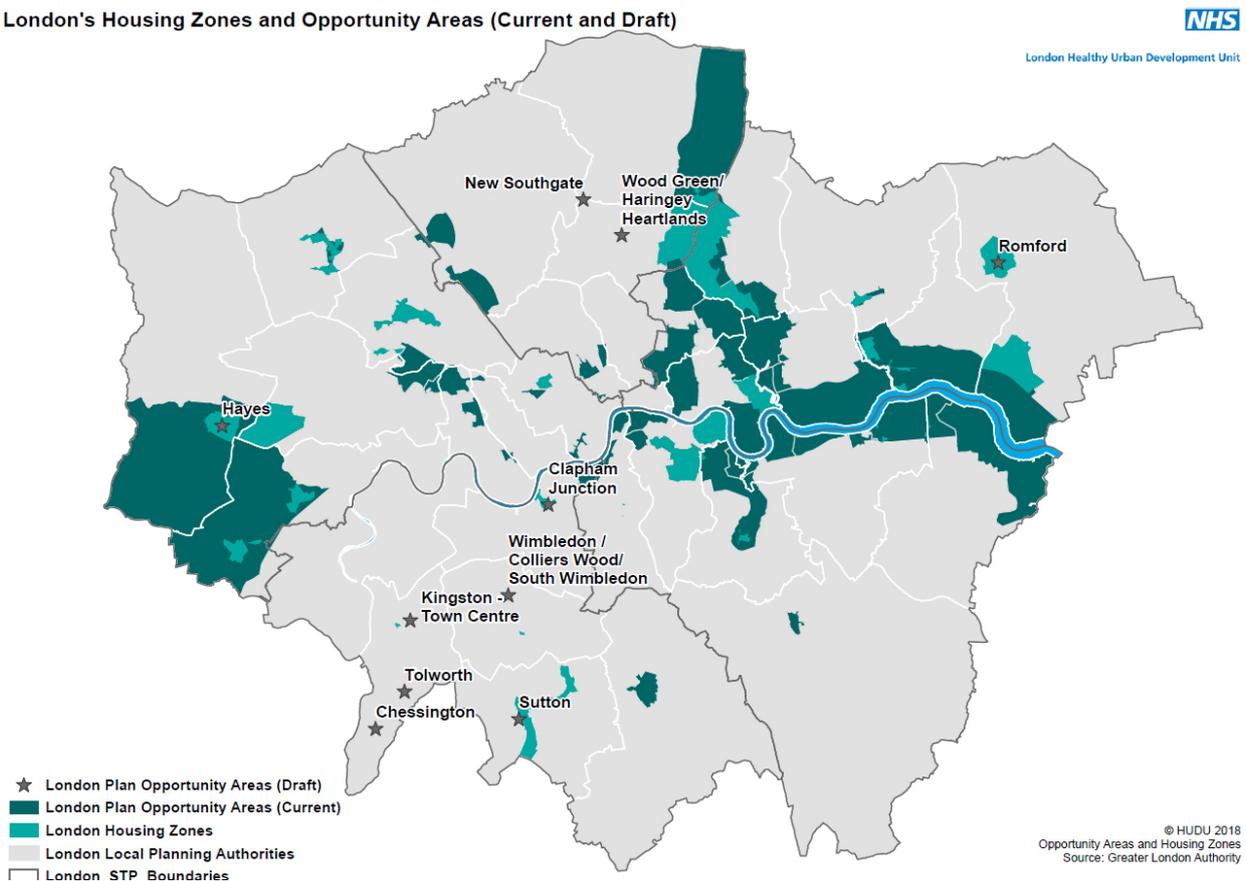


Figure Q: Opportunity Area

London STP Area	Housing target from large sites	% of large sites	Housing target from small sites	% of small sites	Housing target from non-self-contained sites	% of non-self-contained sites	Total housing unit target	Total % of London Draft Housing Target
SWL	47,320	48.8%	49,530	51.1%	160	0.2%	97,010	15%
SEL	72,320	59.6%	48,580	40%	430	0.4%	121,330	19%
NWL	97,000	63.1%	55,090	35.9%	1,530	1%	153,620	24%
NEL	132,480	70.1%	55,800	29.7%	820	0.4%	189,100	29%
NCL	51,350	58.2%	36,730	41.6%	210	0.2%	88,290	14%
Total	400,470	N/A	245,730	N/A	3,150	N/A	649,350	100%

Figure R: Draft GLA housing targets by London sub-regional areas (2018 – 2028)

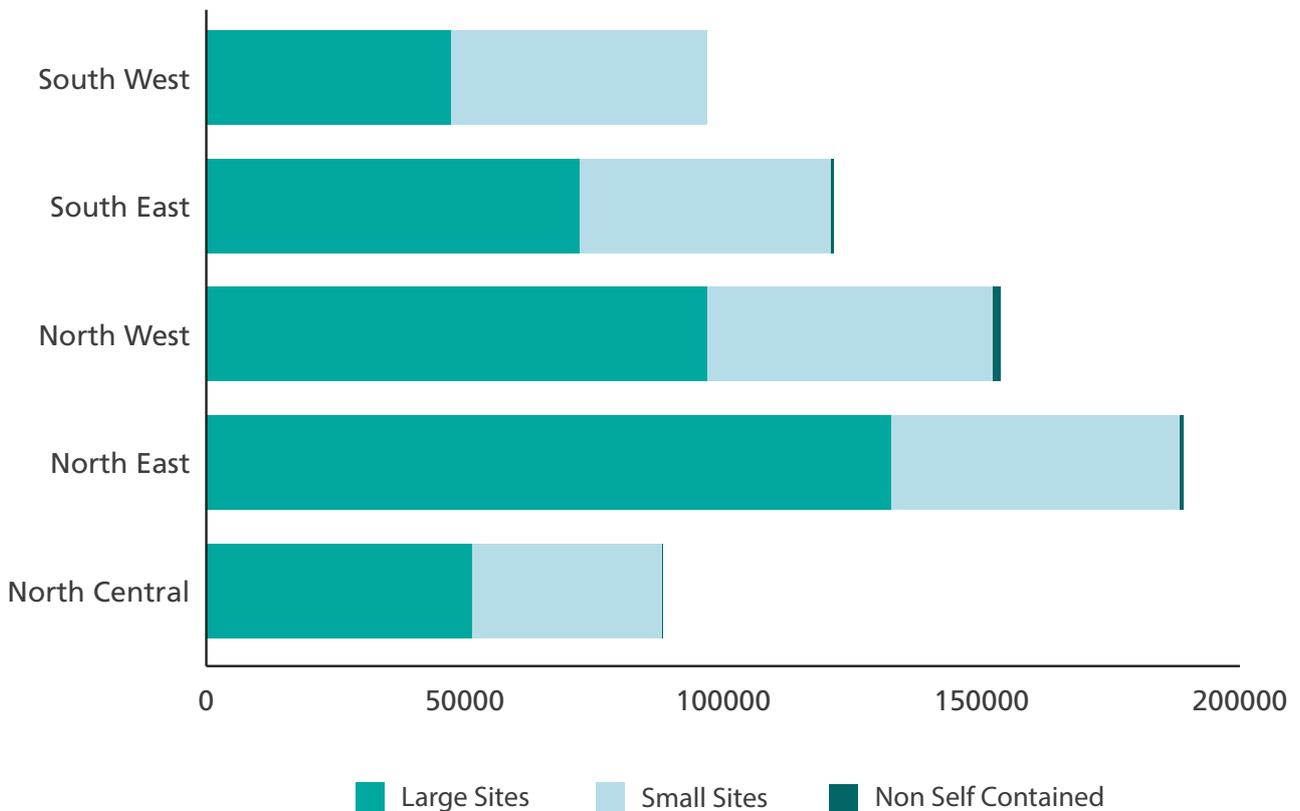


Figure S: GLA Housing Target Site Composition by London STP region

Appendix B: London joint prioritisation framework

Purpose

Prioritisation of investment projects is an on-going key task both locally and at a regional level given that funds are inevitably limited. An agreed, transparent, widely understood and robust approach to capital prioritisation is needed to ensure the most urgent health estate needs of London are met as fully and as early as practicable.

Developing Approach

Reflecting the current LEB progression phase, partners are working to develop a London capital investment plan and prioritised 10 year annualised capital investment programme. The framework shows a three stage development process reflecting the relevant partner roles and responsibilities.⁵⁵

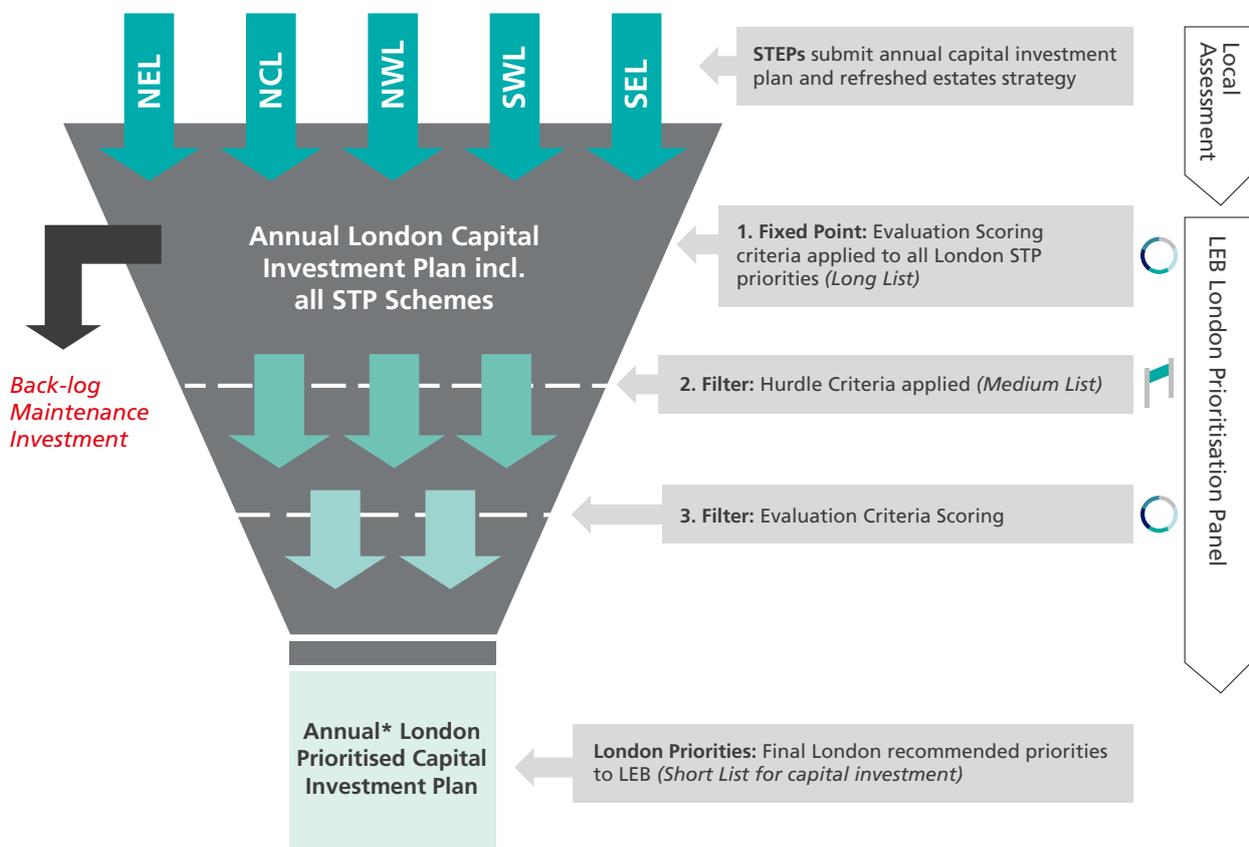


Figure T: Approach to development of the London Capital Investment Plan and investment prioritisation

55 The LEB leadership may request an extraordinary prioritisation panel meeting outside of ordinary schedule times if there is deemed to be a circumstance requiring a London review, such as a round of national capital bidding

1. Producing the Prioritised Annual Capital Investment Plan

Each STP based on their health and care estates strategy will undertake a local prioritisation exercise, updated annually, supported by associated scoring exercises to produce a 'prioritised capital investment plan'. The capital investment plan from each STP having been ratified and supported through local governance arrangements will be submitted to the LEB. The plan will be categorised by service area to aid visibility with alignment with clinical and wider priorities.

The LEB Prioritisation Panel⁵⁶ will be responsible for evaluating the STP prioritised plan. In the first instance, the prioritisation panel will be brought together annually to undertake the scoring of the individual plans submitted by the five London STPs. This may need to be supplemented with 'in year' panel meetings to respond to NHS limited time funding initiatives or other circumstances.

2. Applying the hurdle criteria – economic & financial criteria

In order to establish an appropriate 'short list' of transformational schemes that are considered to be sufficiently worked up, viable and capable of being taken forward for delivery, the capital investment plan will be assessed against 4 hurdle criteria on the basis of a pass/fail score. Each of the hurdle criteria is defined below (Figure U). However, it should be noted that the hurdle criteria may be amended or added to in order to reflect the specific capital availability at a single point in time and the associated criteria to secure recurring or non-recurring capital. This assessment will be undertaken by the Prioritisation Panel.

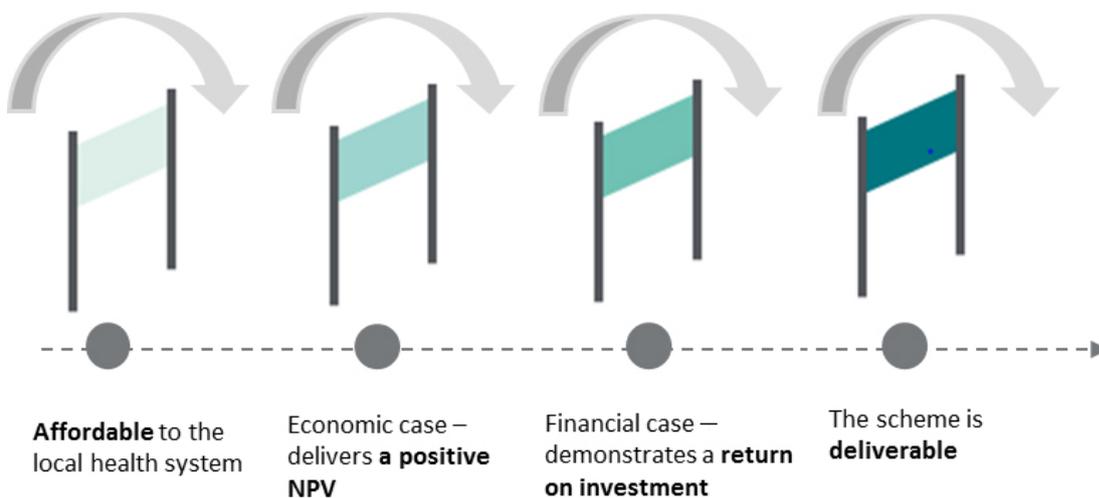


Figure U: Hurdle criteria

⁵⁶ The LEB Prioritisation Panel will be formed of elected representatives from the London partnership

Affordable – The Health system is able to demonstrate the proposal is affordable within their current budgetary limits.

Economic Case – The scheme clearly demonstrates value for money. The value for money (VfM) ratio should be greater than 1 with a positive net present value (NPV) to demonstrate value for money, the higher the number the better value for money.

Financial Case – The scheme shows significant revenue savings as a percentage of capital, i.e. a cumulative return on investment (RoI) over the asset life. This clearly needs to be positive but the higher the better, in the past the DHSC has used a benchmark of 4x revenue savings to capital. For lower value schemes we would expect to see appropriate payback periods. For the very largest schemes, payback may be over a longer period. We should consider this metric on a scheme by scheme basis along with both NPV and RoI metrics as above. This will not form part of the hurdle criteria, but will be considered as part of financial sustainability assessment within the framework criteria (Figure V).

Deliverable – STPs will need to demonstrate that the schemes they put forward have a good chance of being delivered with agreed timeframes.

3. London Prioritisation framework for Capital Investment – non financial criteria

The Framework also identifies five key criteria for evaluation of the capital investment plan to determine the agreed London Prioritised Capital Investment Plan. These evaluation criteria include:

- Quality and Patient Benefits
- Financial Sustainability
- Asset efficiency
- Strategic Fit
- Deliverability

These are the core criteria against which the annual investment plan is initially evaluated.

For this stage of the process each criteria has been allocated a weighting to ensure a balanced outcome during the prioritisation process. These weightings have been discussed and agreed by the London regional NHS England & Improvement team.

At each prioritisation panel the shortlisted projects will receive a score between 1–10 for the five criteria set out in the evaluation framework (see Figure V). Scoring guidance set out in Figure W and will be evidence based. Sustainability Transformation Partnerships will have single representation at the panel and are able to provide further information and detail on projects as necessary. An additional detail or representation cited at the panel session will need to be evidenced by the STP.

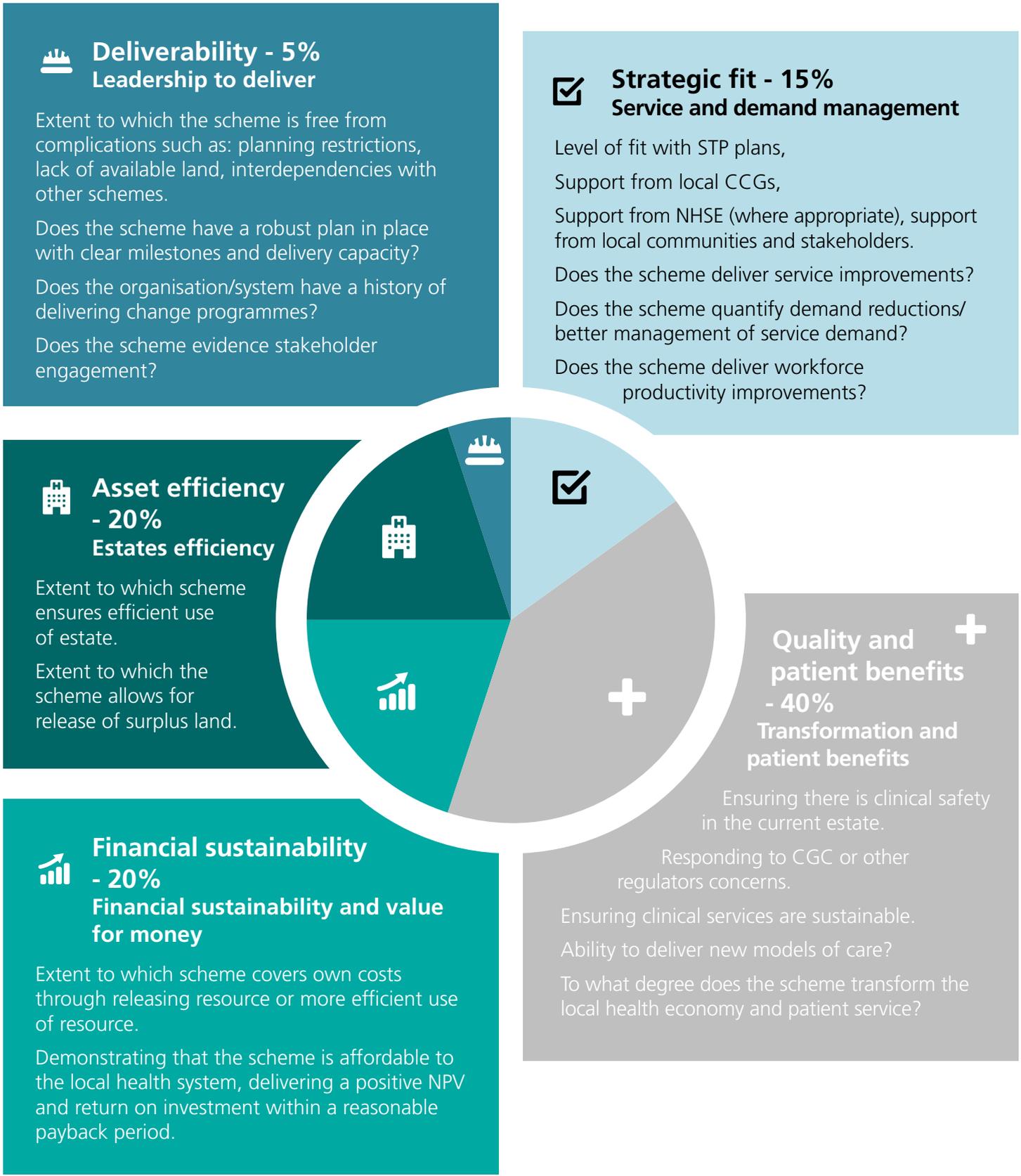


Figure V: Prioritisation Framework Criteria for London

Criteria	Score 1	Score 5	Score 10
 Strategic fit	<p>Not supported by STP and not in prioritised list</p> <p>No commissioner support</p> <p>Consultation/communication with communities and stakeholders have revealed major concerns</p> <p>Scheme makes no contribution to demand management</p>	<p>Supported by STP but lower down on prioritised list</p> <p>Major commissioners have indicated informal support</p> <p>Consultation/communication with communities and stakeholders has not revealed major concerns</p> <p>Scheme contributes to demand management</p>	<p>Fully supported by STP and prioritised in top 3</p> <p>85% of commissioners have provided formal support</p> <p>Consultation/communication with communities and stakeholders have shown high level of support</p> <p>Scheme a key part of demand management</p>
 Asset efficiency	<p>Trust remains in bottom two quartiles of Carter estate KPIs</p> <p>Scheme does not lead to any release of surplus land</p>	<p>Scheme ensures trust moved to second quartile Carter estate KPIs</p> <p>Scheme allows some release of surplus land</p>	<p>Scheme ensures trust moves on top quartile Carter estate KPIs</p> <p>Scheme allows extensive release of surplus land</p>
 Quality and patient benefit	<p>Scheme does not increase patient safety or deliver new models of care</p> <p>Patient experience unaffected</p>	<p>Scheme delivers either safety improvements (which may respond to external regulator requirements)</p> <p>OR</p> <p>Scheme reshapes services to increase sustainability and deliver new models of care and improves patient experience</p>	<p>Scheme responds to CQC or other external requirements</p> <p>Scheme increases patient safety</p> <p>Scheme reshapes services to ensure ongoing sustainability and deliver new models of care</p> <p>Scheme considerably improves patient experience</p> <p>Scheme delivers wider benefits to the local community</p>
 Financial sustainability	<p>Scheme is unaffordable in revenue terms</p> <p>Scheme will require external capital funding</p> <p>Scheme has a negative return on investment</p>	<p>Scheme delivers efficiencies which at least partly cover revenue consequences of capital spend and can show how remaining affordability gap will be bridged</p> <p>Scheme is neutral on rate of return on investment</p> <p>Scheme will require external capital funding</p>	<p>Scheme delivers efficiencies which cover revenue consequences of capital spend</p> <p>Capital spend can be delivered from self-generated sources (land sales, charity, depreciation)</p> <p>Scheme can demonstrate positive return on investment</p>
 Deliverability	<p>Planning is a major concern</p> <p>Insufficient land for scheme</p> <p>Scheme depends on other projects which are outside the trust's control</p>	<p>Some planning concerns but advice is that they can be overcome</p> <p>Land is available or can be purchased for the scheme</p> <p>If there are dependencies, these have been mapped and can be managed</p>	<p>Scheme is free from planning concerns</p> <p>Land is available for the scheme</p> <p>Scheme does not depend on other projects</p>

Figure W: Scoring Bands for each criterion

LEB Prioritisation Panel

Panel representation is to be reviewed and ratified by the London Estates Board on an annual basis. Each member is to be elected/selected by the representative organisation. The LEB Prioritisation Panel includes:

- Independent Chair
- NHS England & Improvement London Finance Director
- NHS England & Improvement Project Appraisal Unit
- NHS England & Improvement Estates & Facilities London Director
- Clinical Representative
- STP Nominated Representative
- LEDU Director
- SEP London Director
- Provider representative
- London Councils representative

All Prioritisation Panel meetings will be documented and minuted and submitted to London Estates Board for final endorsement.

Appendix C: London-wide and local STP governance and delivery arrangements for estates

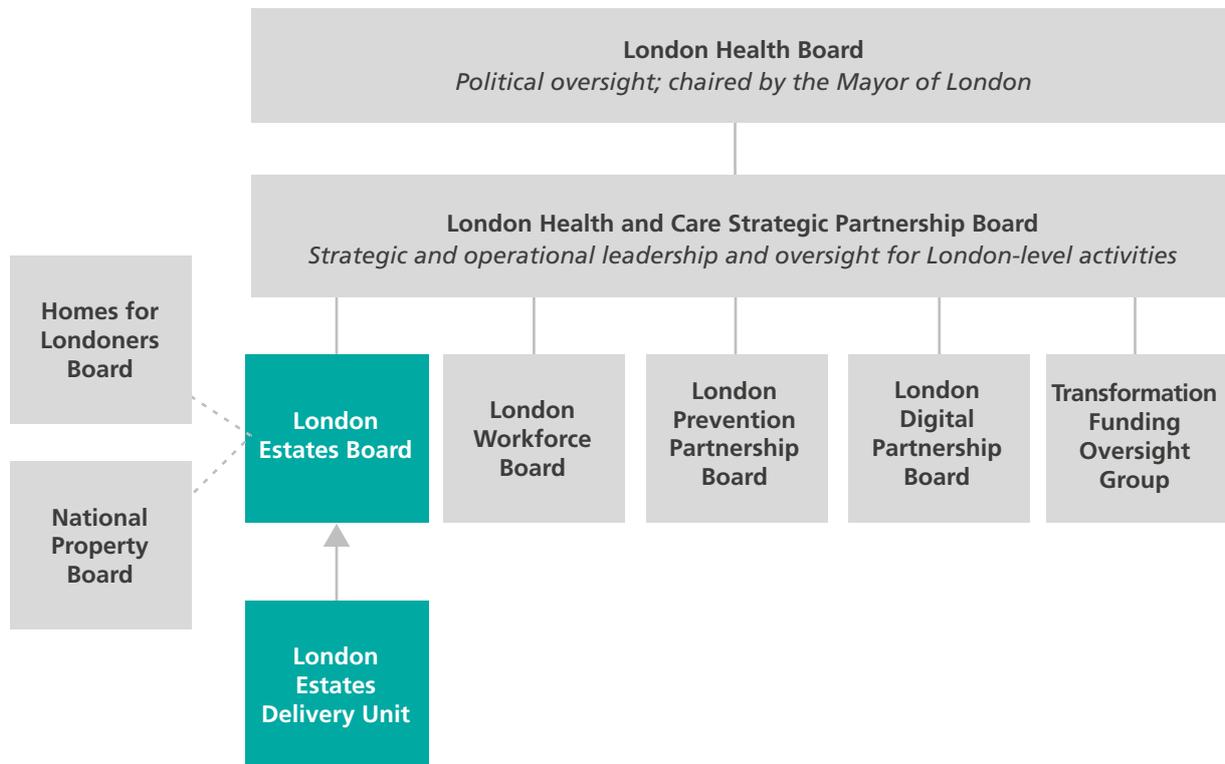
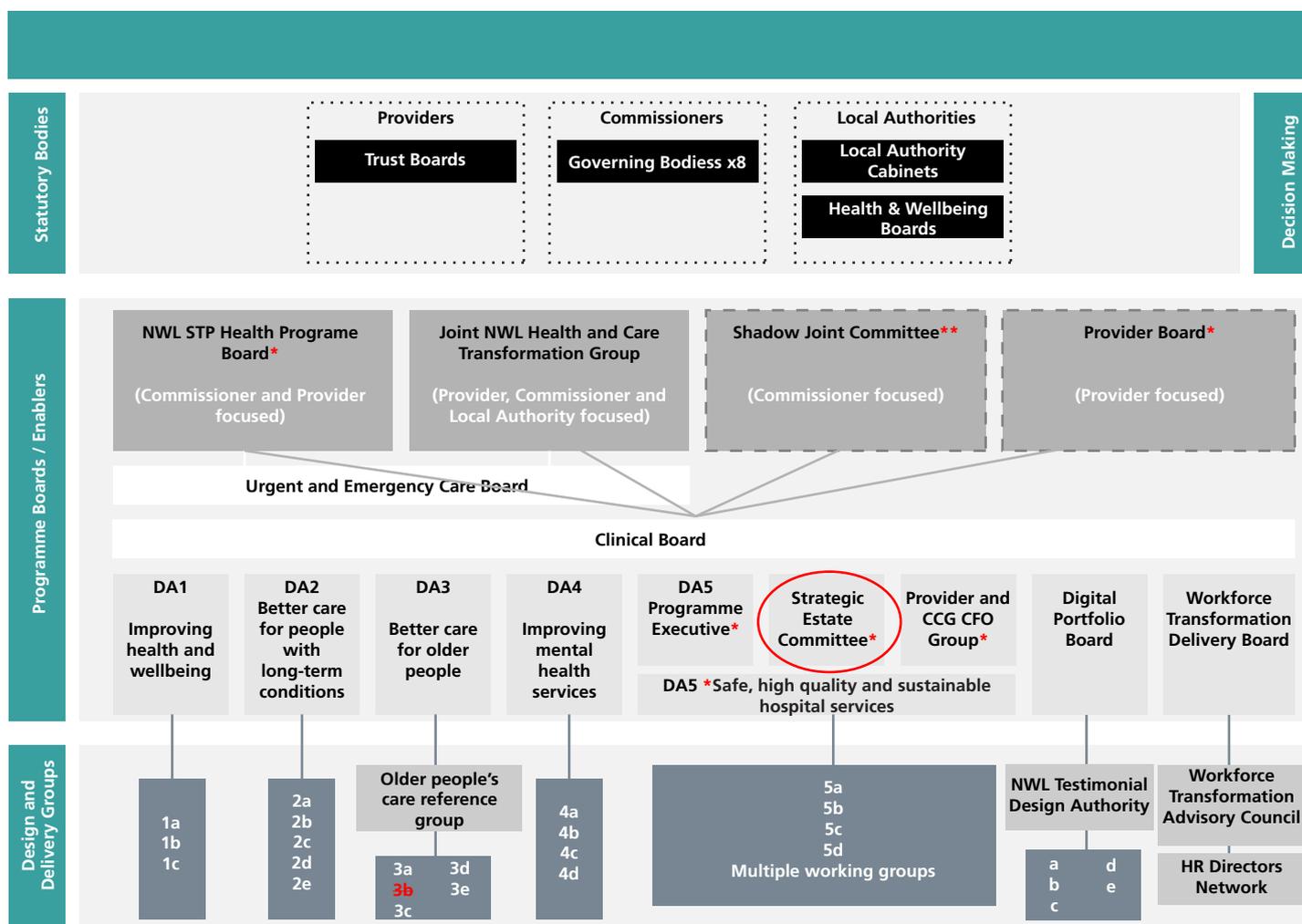


Figure X: London Estates Board and wider governance arrangements

The governance arrangements as detailed in the July 2018 STP estates strategies are set out below:



Please note:

- 3b repositioned to Accountable Care Systems enabler
- DA5* does not have a programme board but links to the Provider Board/Strategic Estates Committee / Provider and CCG CFO Group / DA5 Programme
- Executive and the STP Health Board depending on the workstream
- Shadow Joint Committee ** The expectation from December 2018 is that this board will become shared decision making

Figure Y: North West London (NWL STP)

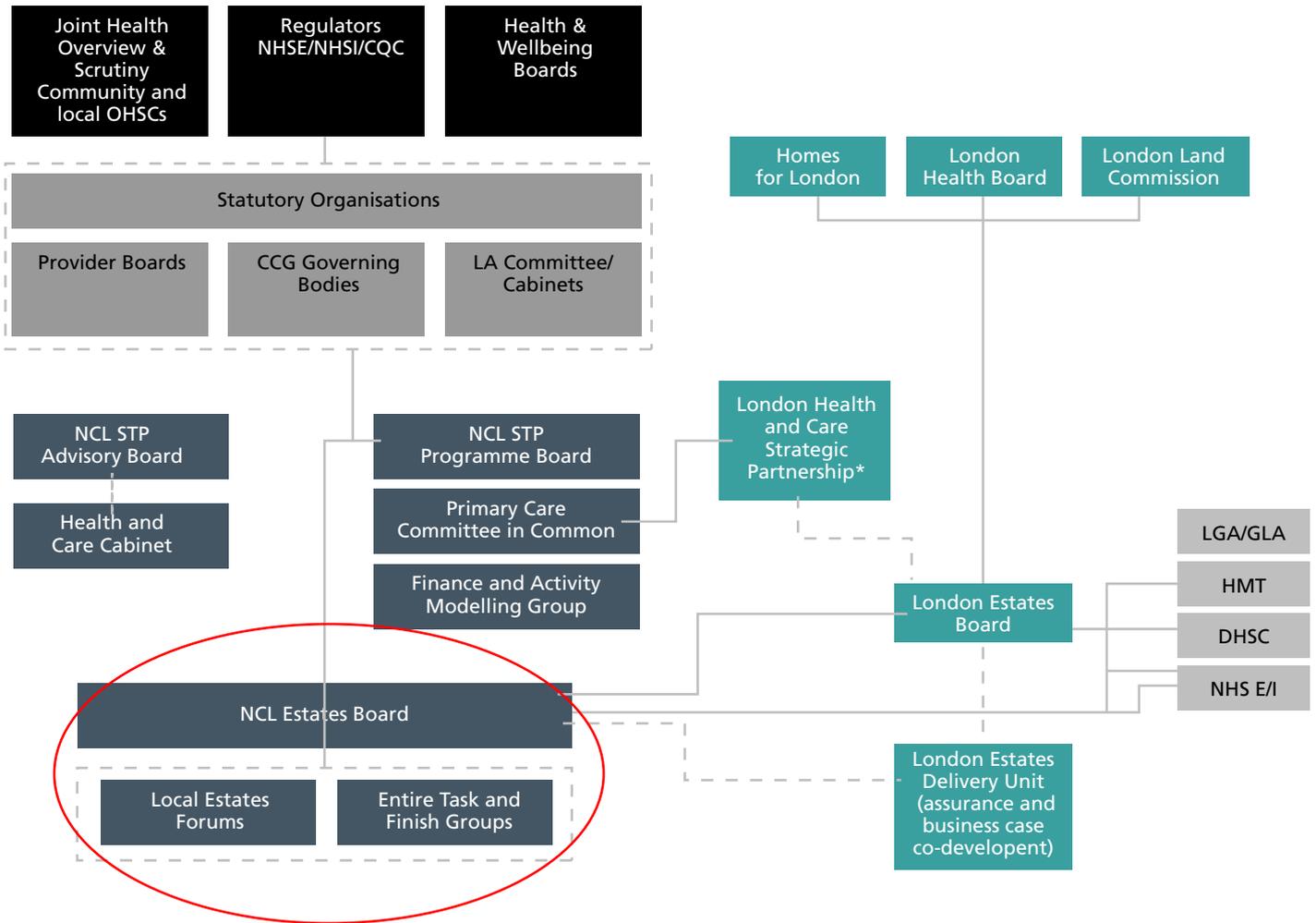


Figure Z: North Central London (NCL STP)

Regulators NHSE / NHSI / CQC

Strategic Partnership Board (London-wide)

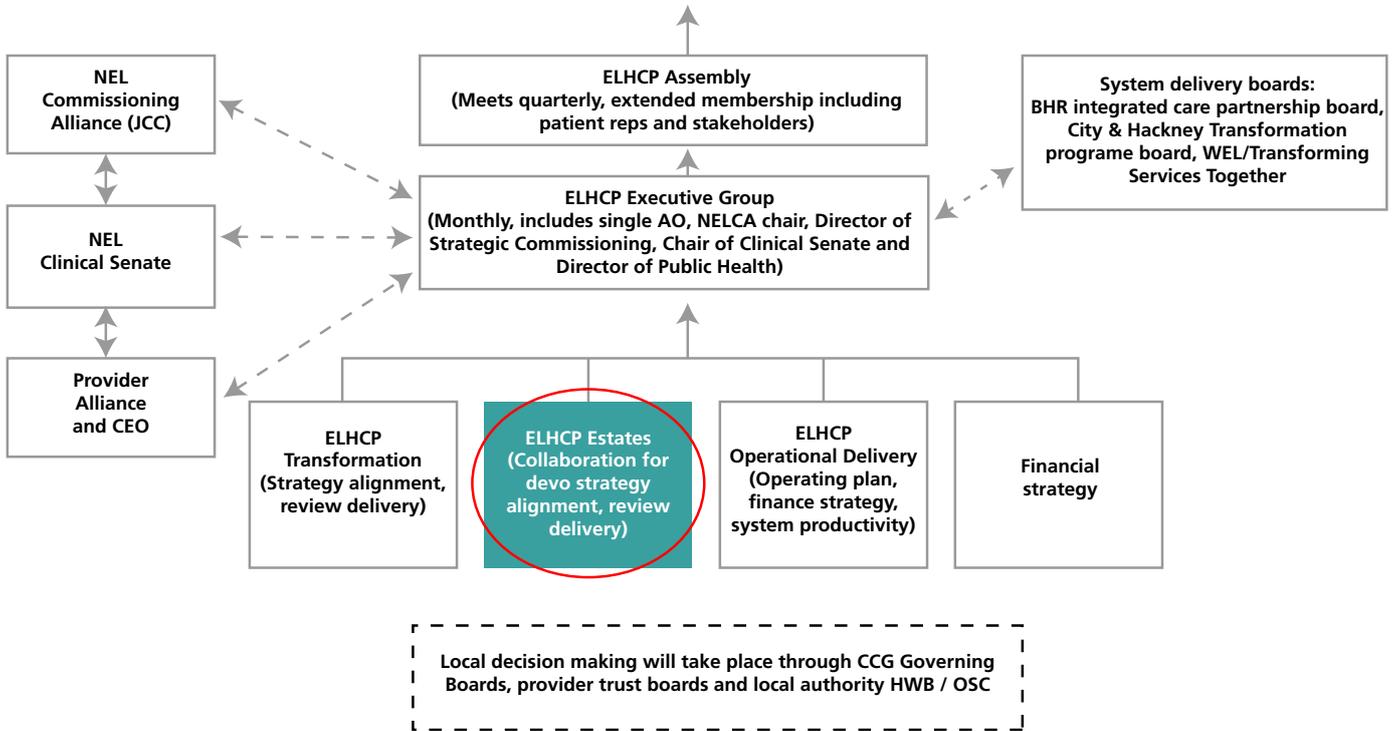


Figure AA: North East London (NEL STP)

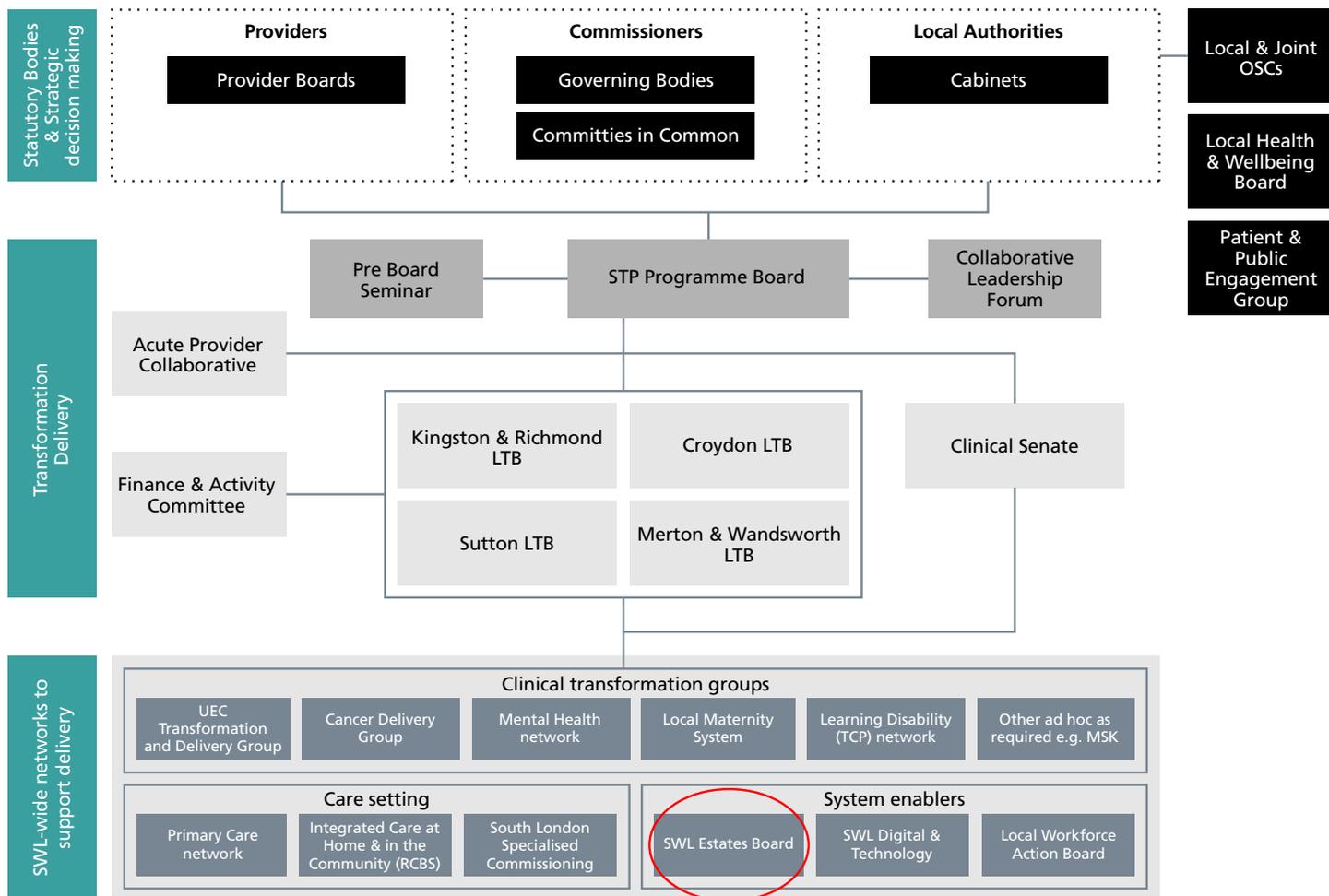
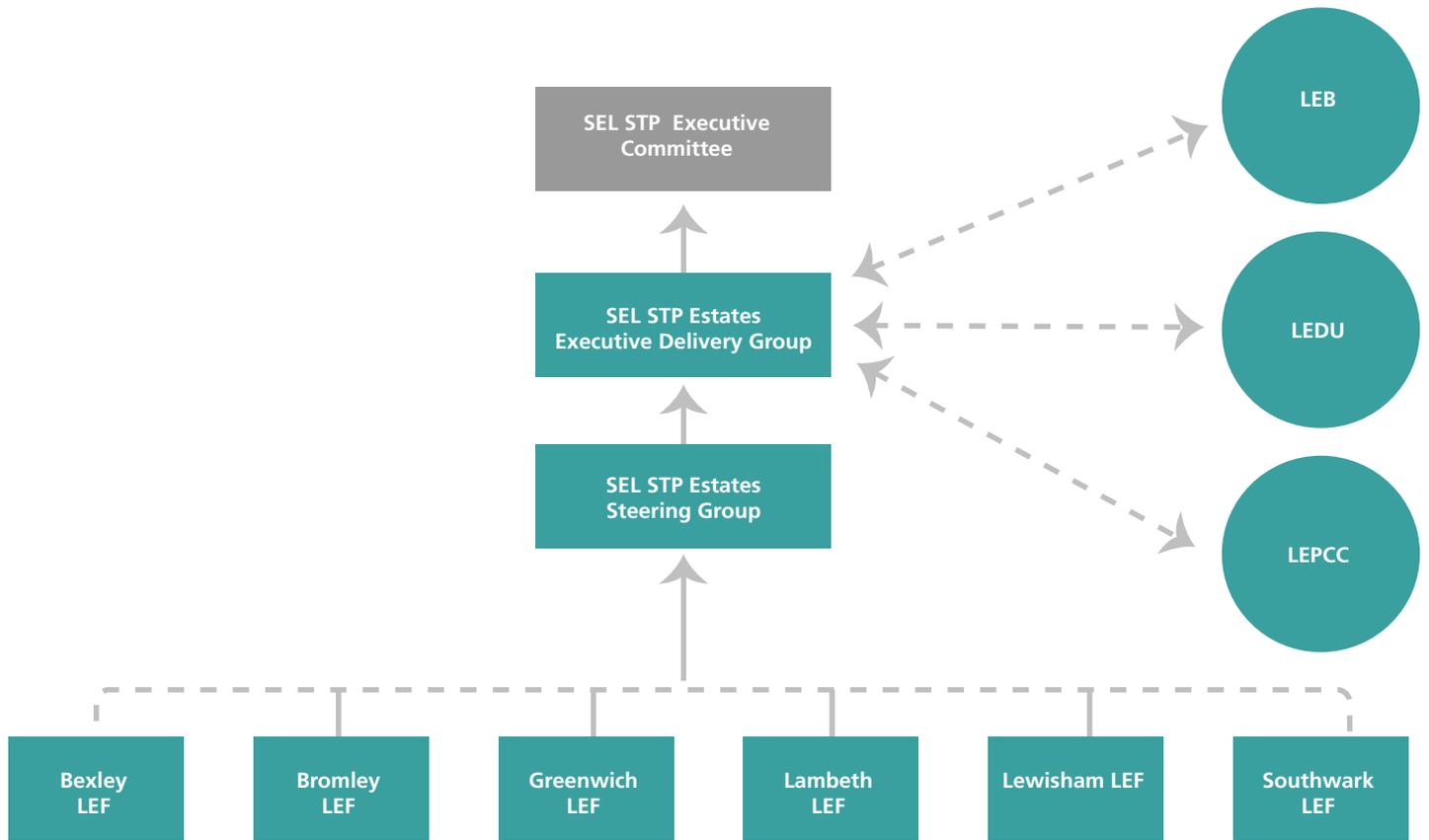


Figure BB: South West London (SWL STP)



A partnership of NHS providers and Clinical Commissioning Groups serving the boroughs of Bexley, Bromley, Greenwich, Lambeth, Lewisham and Southwark with NHS England

Figure CC: South East London (SEL STP)

Appendix D: The Mayor's Six Tests for NHS transformation plans

In 2017, following publication of the King's Fund/Nuffield Trust report into London's five sustainability and transformation plans (STPs), the Mayor of London announced six tests he expected to be met before he would give his support to any major health and care transformation or service reconfiguration proposals in London.

The Mayor's six tests are:

- **Health inequalities and prevention of ill health**

The impact of any proposed changes on health inequalities has been fully considered at an STP level. The proposed changes do not widen health inequalities and, where possible, set out how they will narrow the inequalities gap. Plans clearly set out proposed action to prevent ill-health.

- **Hospital beds**

Given that the need for hospital beds is forecast to increase due to population growth and an ageing population, any proposals to reduce the number of hospital beds will need to be independently scrutinised for credibility and to ensure these demographic factors have been fully taken into account. Any plans to close beds should also meet at least one of NHS England's newly introduced 'common sense' conditions:

- o Sufficient alternative provision (such as increased GP or community services) is being put in place ahead of bed closures and/or;
- o Specific new treatments or therapies will reduce specific categories of admissions and/or;

- o Where a hospital has been using beds less efficiently than the national average there is a credible plan to improve performance without affecting patient care.

- **Financial investment and savings**

Sufficient funding is identified (both capital and revenue) and available to deliver all aspects of plans including moving resources from hospital to primary and community care and investing in prevention work. Proposals to close the projected funding gap, including planned efficiency savings, are credible.

- **Social care impact**

Proposals take into account a) the full financial impacts on local authority services (including social care) of new models of healthcare, and b) the funding challenges they are already facing. Sufficient investment is available from Government to support the added burden on local authorities and primary care.

- **Clinical support**

Proposals demonstrate widespread clinical engagement and support, including from frontline staff.

- **Patient and public engagement**

Proposals demonstrate credible, widespread, on-going, iterative patient and public engagement, including with marginalised groups, in line with Healthwatch recommendations.

Glossary

BLM	Backlog maintenance	LEB	London Estates Board
CAPEX	Capital expenditure	LEDU	London Estates Delivery Unit
CBC	Community-based care	LNWUHT	London North West University Healthcare Trust
CCG	Clinical Commissioning Group	LTP	Long Term Plan
CHP	Community Health Partnerships	MoU	Memorandum of Understanding
CHS	Croydon Health Services Trust	NCL	North Central London
CIL	Community Infrastructure Levy	NEL	North East London
CMH	Central Middlesex Hospital	NHS	National Health Service
CNWL	Central and North West London NHS Foundation Trust	NHSE	NHS England
CQC	Care Quality Commission	NHSE/I	NHS England & Improvement
DHSC	Department of Health and Social Care	NHSI	NHS Improvement
ELHCP	East London Health and Care Partnership	NHS LTP	NHS Long Term Plan
ERIC	Estates Return Information Collection	NHSPS	NHS Property Services
ETTF	Estates and Technology Transformation Fund	NWL	North West London
ESTH	Epsom and St Helier University Hospitals NHS Trust	PPP	Public Private Partnership
FYFV	NHS Five Year Forward View	ROI	Return of Investment
GLA	Greater London Authority	OPDC	Old Oak and Park Royal Development Corporation
GP	General Practitioner	OPE	One Public Estate
GSTT	Guy's & St Thomas Hospital Foundation Trust	s106	Section 106
HDU	High Dependency Unit	SEL	South East London
HLP	Healthy London Partnership	SEP	Strategic Estates Planning
HUDU	Healthy Urban Development Unit	SPB	London Health and Care Strategic Partnership Board
ICHT	Imperial College Healthcare NHS Trust	STP	Sustainability and Transformation Partnership
ICS	Integrated Care Systems	SWL	South West London
ICU	Intensive Care Units	VfM	Value for Money
KH	Kingston Hospital NHS Foundation Trust	Wave 1 – 4	Wave 1 – 4 capital investment funding

About this document

Effective July 2019, due for review June 2020.
This strategy document is written and prepared by the London Estates Board (LEB), in partnership with health and care partners and supported by the London Estates Delivery Unit (LEDU).

For more information

You can stay up to date about the work of the London Estates Board and the London Estates Delivery Unit via the Healthy London Partnership website, where you can explore the programme's

FAQs and progress reports:

www.healthy london.org/our-work/london-estates-transformation/

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