



THE SCOTTISH OFFICE

National Health Service in Scotland Management Executive

NHS:
MEL(1994)60

3499

St. Andrew's House
Edinburgh EH1 3DG

Dear Colleague

SCOTMEG SURVEY OF NHS STAFF RESIDENTIAL ACCOMMODATION

Summary

1. This letter draws attention to a survey of NHS staff residential accommodation by the Scottish Health Management Efficiency Group; a copy of the report is attached. In the report, SCOTMEG raise a number of concerns about the management of staff accommodation, in particular inappropriate allocation. With the issue of this MEL, you are asked to take firm managerial action to address the problem of inappropriate allocation of staff accommodation, and to note the other issues raised in the SCOTMEG report.

Action

2. Chief Executives and General Managers are asked to:

2.1 take firm managerial action to address the problem of inappropriate allocation of residential stock in the light of current guidance and legal advice, and note the other issues raised in the SCOTMEG report;

2.2 bring this letter and the SCOTMEG report to the notice of all staff responsible for estate, accommodation and finance matters.

Background

3. SCOTMEG's survey report reviews the staff accommodation held by the NHS and the categories of occupant. It distinguishes between staff houses (self contained flats or houses which may or may not be in hospital grounds) and residential accommodation (rooms or suites of rooms let to staff on a board and lodging basis). Information is as at October 1992. The report contains a number of findings and recommendations. A particular concern is the inappropriate allocation of stock.

4. The report complements wider Government interest in the efficient management of public sector housing, and SCOTMEG's comments about inappropriate allocation of houses are of particular

23 May 1994

Addressees:

For action:
General Managers,
Health Boards

Chief Executives,
NHS Trusts

For information:
General Manager,
Common Services Agency

Legal Adviser,
Central Legal Office

General Manager,
State Hospital

General Manager,
Health Education Board
for Scotland

Enquiries to:

Mr G Bayne
NHS Management
Executive
Estates Division
Room 357A
St Andrew's House
EDINBURGH EH1 3DG
Tel: 031-244 2834
Fax: 031-244 2323

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concern to the Chief Executive as Accounting Officer, although it is recognised that the facts may have already changed substantially since October 1992.

5. The Management Executive is currently considering the issue of further guidance relating to certain aspects of the SCOTMEG report, including the 1986 circular mentioned in the report.

6. This letter should be copied to Unit General Managers for action as required.

Yours sincerely

A handwritten signature in black ink, appearing to read "Robert McCallum". The signature is written in a cursive style with a horizontal line underneath.

H R McCALLUM
Director of Estates

SURVEY OF UTILISATION OF STAFF ACCOMMODATION

1 Introduction and Background

1.1 In the light of poor staff housing occupancy in the 1991/92 property surveys, the Management Executive asked SCOTMEG to undertake a more detailed review of accommodation to determine how it was being utilised and why stocks were being retained by Boards.

1.2 SCOTMEG was asked to include in its review residential accommodation (eg nurses homes.). It is important to distinguish the difference between staff houses and residential accommodation:

- Staff houses are self-contained flats or houses which may or may not be in hospital grounds. They are rented to staff under the terms and conditions of a standard Missive or Let issued by the Central Legal Office.
- Residential accommodation comprises rooms, or suites of rooms, let to staff on a board and lodging charge basis. These charges include heating, lighting, cleaning and linen and are determined by the Nurses and Midwives and Doctors and Dentists Review Bodies. There is also a set scale of charges for ancillary staff determined by the ASC Whitley Council. Staff not coming within the purview of Whitley Councils generally have the N&M rates applied.

There are six categories of residential accommodation, ranging from A (single bed sit with 6 sharing common facilities) to E (self contained 2 apt. flat). Charges are determined by room type and not by grade of occupant, and discounts apply in the case of students (40%) or where accommodation is deemed to be substandard in terms of Circular 1981(PCS)11 and Building Note 24, e.g., if more than 6 rooms share common facilities. Examples of current charges are as follows:

A	£890 - £1,134 pa
B	£1,044 - £1,331 pa
C	£1,541 - £1,965 pa

1.3 Allocation of staff accommodation has been a matter for local determination, usually based on historical practices and local circumstances. Traditionally, large numbers of houses accompanied out-of-the-way hospitals (psychiatric, mental handicap, infectious diseases) and were necessary to recruit and retain staff. Similarly, residential accommodation was predominantly nurses homes or medical residencies whose prime function was to accommodate learners, incoming staff on a temporary basis, and a few others whose duties or circumstances warranted it.

1.4 Circular 1986(GEN)10 recognised that the provision of residential accommodation was not a prime function of the NHS, that more accommodation was owned than was necessary and that stocks should be reduced. Boards were requested to review their properties against a definition of essential needs and to dispose of those excess to requirements. The essential need categories were defined as:

- junior doctors, as required by the Medical Act 1983;
- nurses and midwives in training;
- trainee professional and paramedical staff;
- other staff but only in exceptional circumstances.

1.5 Monitoring of Boards progress towards achieving reductions in levels of staff accommodation has, in part, been undertaken by SCOTMEG since 1989. The twice yearly surveys of surplus and vacant property included staff houses and reports were made at December 1989 and September 1992. In this period, stocks of houses reduced from 1873 to 1392 or 25% and occupancy levels improved from 81% to 83%.

1.6 There has been no monitoring of the position with regard to residential accommodation since the work which preceded the issue of Circular 1986(GEN)10.

2 Findings

2.1 In September 1992, a detailed questionnaire was issued by ME2 to all Boards, under cover of Circular MEL(1992)52. This requested details of all houses and residences, their type, and occupancy. Additional information regarding grades and length of tenure was requested for staff in the "other" categories.

2.2 The information submitted by four Boards was analysed in some detail and the results are summarised in Appendix 1 - Staff Residencies, Appendix 2 - Staff Houses, Appendix 3 - All Boards Summary and Appendix 4 - Details of Operational Policies. At October 1992, there were 1392 houses and 8551 residency places owned and managed by the NHS in Scotland. The occupancy rates were 83% and 77% respectively, there being 237 vacant houses and 1949 vacant residency places.

2.3 Considering houses first, the proportions let to non-essential categories (in terms of Circular 1986 [GEN]10) were found in the four sample Boards to range from 45% to 56%.

Of the total 155 properties, 111 were described as 'short-term' or 'recruitment'. However, further analysis revealed that some 66 of the 111 lets had been commenced in 1991 or earlier, some going back to the 1970s. This does not indicate tenancy of a temporary nature.

The types of personnel accommodated medium to long term for ' recruitment' purposes were also not found to be particularly difficult to fill positions eg, staff nurses, tutors, works staff.

Of particular concern was the existence of 8 lets (in one Board) where the tenants were no longer Board employees, either through retiral or termination of employment. While it is acknowledged that the transition from hospital to local authority housing may take some months, indications were that several years had elapsed in some cases.

Recommendations

2.4 On the basis of this evidence, it is recommended that:

- current housing stock be much more strictly managed to prevent instances arising whereby persons no longer in the employ of the NHS continue to occupy houses.
- houses within the curtilage of hospital sites and so not amenable to individual sale should be identified and then utilised for essential need. Where there is no need for accommodation, alternative uses should be explored in order to ensure adequate returns on the capital asset.
- all other houses should be critically reviewed in terms of service need and a business case made for their retention. This survey has identified that some 40-50% of current stock is allocated to non-essential categories and so there should be scope for reductions in stock holdings of that order.
- where a sitting tenant does not wish to purchase the house, the scope for selling the leasehold to, for example, a housing association, should be explored, thus removing the stock and associated responsibilities from NHS holdings.
- with the removal of Crown Immunity, there is scope for the application of more realistic rents to NHS properties and this should be explored and implemented.

- 2.5 Turning to residencies, the proportions let to non-essential categories were found to range from 13% to 19%.

The proportion of these lets which were long-term varied from 11% to 78%.

The most predominant staff group involved in such lets was trained nurses, although this varied from Board to Board.

Across all four Boards, some 17% of stock was let to non-essential categories, and 40% of these lets were long term. If these figures were applied to the all-Scotland totals, one could estimate that some 1453 units are let to non-essential personnel, 581 of them long term. This represents a substantial amount of capital assets tied up in low priority/low income activity.

- 2.6 It is recommended that:

- a policy decision be made in Scotland regarding the largest occupancy group, student nurses. As Project 2000 students, these individuals are not NHS employees. In England and Wales this position has been accepted and accommodation arrangements and charges need no longer be tied to the Nurses and Midwives Whitley Council terms and conditions. This opens up scope for hospitals to let accommodation at self-financing rates to P2000 students and others, and also to enter into partnership arrangements to remove the capital responsibility from the NHS.
- a policy decision be made regarding the imminent changes to junior doctors accommodation requirements consequent upon their transition to shift working. This will remove the need for overnight accommodation (currently around 25% of essential use) for this group of staff who will no longer be on-call but instead on duty.
- in the light of revised policy, hospitals should critically review their accommodation requirements and ensure that there is a business case for all units retained.
- if the management of the residency is not contracted out, there should be strict local management control to ensure that fixed terms are adhered to.
- although there may be less scope to sell former residencies which are integral parts of hospital sites, the opportunity for alternative health use or leasing to third parties arises and should be explored as a more profitable return on the capital asset.

SCOTMEG

APPENDIX 1

SURVEY OF STAFF ACCOMMODATION - OCTOBER 1992

STAFF RESIDENCIES - SUMMARY

Board	Places	Occupied	%	Non Essential		
				As % Of Total	Short Term	Long Term
Forth Valley	309	240	78%	13% (40)	52% (21)	48% (19)
Grampian	1120	863	77%	19% (214)	22% (48)	78% (166)
Dumfries and Galloway	275	253	92%	13% (36)	89% (32)	11% (4)
Lothian	1349	1064	78%	15% (220)	94% (207)	6% (13)
TOTALS	3053	2420	79%	17% (510)	60% (308)	40% (202)

SURVEY OF STAFF ACCOMMODATION - OCTOBER 1992

STAFF HOUSES - SUMMARY

Board	Houses	Occupied	%	Non Essential		
				As % of Total	Short Term	Long Term
Forth Valley	43	38	88%	56% (24)	4% (1)	96% (23)
Grampian	184	127	69%	58% (107)	68% (73)	32% (34)
Dumfries and Galloway	53	44	83%	45% (24)	58% (14)	42% (10)
Lothian	127	119	93%	(Information not available)		
TOTALS	407	328	80%			

SURVEY OF STAFF ACCOMMODATION - OCTOBER 1992

SUMMARY OF ALL BOARDS

<u>Board</u>	<u>Houses</u>	<u>Occ</u>	<u>%</u>	<u>Residencies</u>	<u>Occ</u>	<u>%</u>
Argyll & Clyde	77	50	65%	477	332	70%
Ayrshire & Arran	144	125	87%	791	582	74%
Borders	99	91	92%	126	119	94%
Dumfries & Galloway	53	44	83%	275	253	92%
Fife	119	89	75%	486	315	65%
Forth Valley	43	38	88%	309	240	76%
Grampian	183	126	69%	1,020	781	77%
Greater Glasgow	110	91	83%	1,537	1,225	80%
Highland	102	76	75%	637	468	73%
Lanarkshire	86	77	90%	486	377	78%
Lothian	127	119	94%	1,349	1,064	78%
Orkney	17	17	100%	40	30	75%
Shetland	19	17	89%	66	45	68%
Tayside	161	152	94%	942	766	81%
W. Isles	52	43	83%	10	5	50%
TOTALS	1,392	1,155	83%	8,551	6,602	77%
Houses Vacant:		237	(17%)			
Residency Places Vacant:		1949	(23%)			

SURVEY OF STAFF ACCOMMODATION - OCTOBER 1992

POLICIES

1. Boards were asked to submit copies of operational policies where these were in force. Information was received from eight Boards:

Grampian : All new lets now on a Short Assured basis.

Lothian : All non-priority categories on 3 or 6 month maximum lets.

Ayr & Arran : Policy from 1/93 is no lets to non-priority categories; all lets on Short Assured basis.

Borders : Allocation as per 1986 (GEN)10 priorities and according to service need.

Fife : Allocation as per 1986 (GEN)10; 6 month maximum let other than training posts.

Glasgow : Students provided up to maximum 18 months; all others restricted to 6 months maximum.

Highland : Policies at unit level in accordance with 1986(GEN)10.

Lanarkshire : Policies at unit level in accordance with 1986(GEN)10. Students provided 1 year into training and thereafter by negotiation; others maximum stay 6 months.