



THE SCOTTISH OFFICE

National Health Service in Scotland Management Executive

COMMON SERVICES AGENCY	
JUN 1995	
FILL IN	
REFERRED TO	ACTION TAKEN

NHS
MEL(1995) 34

St. Andrew's House
Edinburgh EH1 3DG

9404

Dear Colleague

ESTATE MANAGEMENT PERFORMANCE

Summary

1. This letter requests completion and return of the 1995 Estate Management Performance questionnaire (Form EMP1/1995) [Annex A].
2. It also comments on the current national targets; draws attention to the voluntary benchmarking scheme managed by NHS Estates; provides advance information of a prospective value for money study by the National Audit Office; flags up plans to pursue further delegation of responsibility for property transactions; and gives notice of a quality survey of 1995 returns [Annex B].

Action

3. Chief Executives and General Managers are asked to ensure the return of Form EMP1/1995 to ISD by Friday 14 July 1995. It is important that returns are made timeously in order that ISD can meet its commitment to the Management Executive who in turn require the outcomes by mid-September to provide a more up-to-date basis in considering asset management during the assessment of business cases, and to inform the 1996-97 allocation of non-specific capital, and other considerations.

Other Information

4. The matters covered in this letter have been agreed with the Joint Working Group on Operations, which also agreed that future estates management performance should be considered as part of the remit of the working group set up to make recommendations on future submission of business plans to the Management Executive.

Yours sincerely

PAUL WILSON
Director of Trusts

9 June 1995

Addressees:

For action:
Chief Executives,
NHS Trusts

General Managers,
Health Boards

General Manager,
Common Services Agency

General Manager, State
Hospitals Board for
Scotland

For information:

General Manager,
Health Education Board
for Scotland

Executive Director,
SCPMDE

Enquiries to:

1. On completion of the questionnaire:
Mrs J Forrest
Information Statistics
Division
The National Health
Service in Scotland
Trinity Park House
South Trinity Road
Edinburgh
EH5 3SQ
Tel: (0131) 551 8046
Fax: (0131) 551 1392

2. On estates management policy:
Mr I Christie
NHS Management
Executive
Directorate of Trusts
Estates Division
Room 348
St Andrew's House
Edinburgh
EH1 3DG
Tel: (0131) 244 2050
Fax: (0131) 244 2323



Form EMP1/1995 and Guidance Notes

1. The attached guidance notes provide comprehensive information and advice. They have been amended in the light of experience and with advice from ISD.

2. The following points are emphasised:

2.1 Completed forms must be returned to

Mrs Joan Forrest
Information and Statistics Division
The National Health Service in Scotland
Trinity Park House
South Trinity Road
Edinburgh
EH5 3SQ.

2.2 The questionnaire must be completed by all holding bodies but partial returns only are required from mainland Health Boards and the Common Services Agency (see paragraph 8).

2.3 Although the returns seek information about the position at 31 March 1995, this date should be treated as 1 April 1995 in respect of Fourth Wave Trusts (see paragraph 7).

Information & Statistics Division
The National Health Service in Scotland

Form EMP 1/ 1995 (A)

ESTATE MANAGEMENT PERFORMANCE
at 31 March 1995

Information Provided By [*BLOCK CAPITALS*]

Certified As Correct By [*Director of Estates/Finance or equivalent*]

Name _____
Position _____
Address _____

Tel No. _____
Fax No. _____

Name _____
Position _____
Date _____
Signed _____

Holding Body

Holding Body _____
Main Care Group _____
Principal Purchaser _____

Purchaser/
Provider Code

TABLE 1 HOSPITAL ESTATE AND NON-HOSPITAL ESTATE

	Total	Essential	% Essential of Total
Hospital Estate Buildings			
Rateable Value (£000's)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Current Asset Register Value (£000's)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Capital Charges or Equivalent (£000's)	<input type="text"/>	<input type="text"/>	<input type="text"/>
No. of Individual Operational Sites	<input type="text"/>	<input type="text"/>	<input type="text"/>
Non-Hospital Estate Buildings (excluding residential stock)			
No. of Individual Buildings	<input type="text"/>	<input type="text"/>	<input type="text"/>
Area (m ²)	<input type="text"/>	<input type="text"/>	<input type="text"/>

TABLE 2(a) ESTATE CONDITION: ACCEPTABLE PERFORMANCE SUMMARY

Total Hospital Building Area (m²)

Essential Hospital Building Area (m²)

	Area with Acceptable Ranking (m ²)		Cost to Achieve Acceptable Ranking (£000's)		% with Acceptable Ranking (%) ^o		Target at 31/3/96*
	Total	Essential	Total	Essential	Total	Essential	
Statutory Standards	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	95 %
Physical Condition	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	95 %
Functional Suitability	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Space Utilisation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

SAFE CODE applied on Statutory Standards Survey YES / NO

* If Applicable

^o % to be calculated as a % of a) Total and b) Essential Hospital Building Area m².

* For essential Hospital Building Area.

TABLE 2(b) ESTATE CONDITION: HOSPITAL ESTATE SURVEYS

..... Hospital Building Area Ranking (m²) Not surveyed Hospital Building Area Ranking (%) Not surveyed (%)

	A	B	C	D	CX	DX	(m ²)	Cost to achieve B (£000's)	A	B	C	D	CX	DX	(%)
Total Hospital Building Area															
Statutory Standards															
Physical Condition															
Functional Suitability								*							
Space Utilisation	4	3	2	1				*	4	3	2	1			
Overall Ranking (ie A B C D)															

Please ensure components eg. A + B + C + D + CX + DX + Not Surveyed = TOTAL HOSPITAL BUILDING AREA Table 2a

Strategic Life Med/Long (%)

	A	B	C	D	CX	DX	(m ²)	Cost to achieve B (£000's)	A	B	C	D	CX	DX	(%)
Essential Hospital Building Area															
Statutory Standards															
Physical Condition															
Functional Suitability								*							
Space Utilisation	4	3	2	1				*	4	3	2	1			
Overall Ranking (ie A B C D)															

Please ensure components eg. A + B + C + D + CX + DX + Not Surveyed = ESSENTIAL HOSPITAL BUILDING AREA Table 2a

* If Applicable.
 Rank: A B C D CX DX [except for Space Utilisation: rank 4 3 2 1].
 Note: the Essential Estate should be that judged to have a medium/long strategic life, ie likely to remain in operation beyond 1 April 1999.

TABLE 2(c) ESTATE CONDITION: ESSENTIAL HOSPITAL BUILDING AREA FORECAST

	% with Acceptable Ranking			
	at end 1995/96	at end 1996/97	at end 1997/98	at end 1998/99
Statutory Standards	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Physical Condition	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Functional Suitability	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Space Utilisation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

TABLE 2(d) ESTATE CONDITION: INVESTMENT IN ESSENTIAL HOSPITAL ESTATE

Investment Required to Achieve National Targets (£000's)

	1994/95 actual	1995/96 planned	1996/97 forecast	1997/98 forecast	1998/99 forecast
Statutory Standards	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Physical Condition	+	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Totals	=	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Investment Proposed (if different from above) (£000's)

	1995/96	1996/97	1997/98	1998/99
Statutory Standards	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Physical Condition	+	<input type="text"/>	<input type="text"/>	<input type="text"/>
Totals	=	<input type="text"/>	<input type="text"/>	<input type="text"/>

TABLE 2(e) ESTATE CONDITION: HOSPITAL ESTATE AGE PROFILE

..... m ² m ² %		
Total Hospital Estate	Pre 1900	1900-1959	1960 onwards	Pre 1900	1900-1959	1960 onwards
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

TABLE 3 ESSENTIAL PROPERTY

* Essential for Health Service operations. Includes land occupied by buildings and land surrounding buildings used for access roads, car parks, etc

	Actual at 31/3/95 ⁽¹⁾	Forecast at 31/3/96	Forecast at 31/3/97
Land			
Total Estate Area (Ha)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Essential Estate Area (Ha)*	<input type="text"/>	<input type="text"/>	<input type="text"/>
% Essential of Total	<input type="text"/>	<input type="text"/>	<input type="text"/>
		Target 85% at 31/3/95	
Total Residential Stock			
Total Houses/Flats (Units)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Essential Houses/Flats (Units)	<input type="text"/>	<input type="text"/>	<input type="text"/>
% Essential of Total	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Residencies (Units)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Essential Residencies (Units)	<input type="text"/>	<input type="text"/>	<input type="text"/>
% Essential of Total	<input type="text"/>	<input type="text"/>	<input type="text"/>

⁽¹⁾ Figure should equal Target Stock Level 1994/95 actual Table 4(a)

TABLE 4(a) PROPERTY DISPOSALS : ANNUAL FORECASTS

Land & Buildings	1994/95 actual	1995/96 forecast	1996/97 forecast	1997/98 forecast	1998/99 forecast
* Total Stock (Ha) at 1 April	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Surplus (Ha) at 1 April	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Target Disposals (Ha) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Target Stock Level (Ha) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Target Receipts (£000's) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Houses/Flats	1994/95 actual	1995/96 forecast	1996/97 forecast	1997/98 forecast	1998/99 forecast
* Total Stock (Units) at 1 April	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Surplus (Units) at 1 April	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Target Disposals (Units) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Target Stock Level (Units) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Target Receipts (£000's) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Residencies	1994/95 actual	1995/96 forecast	1996/97 forecast	1997/98 forecast	1998/99 forecast
* Total Stock (Units) at 1 April	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Surplus (Units) at 1 April	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Target Disposals (Units) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
* Target Stock Level (Units) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Target Receipts (£000's) at 31 March	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

* Total stock - Target Disposals = Target Stock Level
 If there have been disposals in most cases there should be receipts, please indicate if this is not the case, eg change of use.

TABLE 4(b) PROPERTY DISPOSALS : MONTHLY RECEIPTS

	Land/Buildings		Houses/Flats		Residencies		Total Proceeds
	Ha	£000's	Units	£000's	Units	£000's	£000's
1994/95							
April							
May							
June							
July							
August							
September							
October							
November							
December							
January							
February							
March							
Totals							

SUBMITTED VIA EMP 1/1994(M)

Amendments to the monthly EMP 1/1994(m) can be made above if applicable.

TABLE 4(c) VACANT PROPERTY: TOTAL ESTATE

Vacant Land Unallocated (Ha)	<input type="text"/>	As % of Total Estate Area (at Table 3)	<input type="text"/>
Houses/Flats (Units)	<input type="text"/>	As % of Total Stock (at Table 3)	<input type="text"/>
Residencies (Units)	<input type="text"/>	As % of Total Stock (at Table 3)	<input type="text"/>

GUIDANCE NOTES FOR THE COMPLETION OF FORM EMP 1/1995

GENERAL

1. The information required in Form **EMP 1/1995** should cover the position at **31 March 1995**.
2. Where information is **not available** for any section (or element within a section) of the return, **please enter N/A** against that element or section.
3. Where the figure 0 is the answer to any element in the return, please enter 0. **Do not indicate 0 by inserting a dash.**
4. **Do not leave any boxes blank within an element or section.**

Reliability of Estates Data

5. **It is essential that decisions on estate performance, the development of policy, and estate investment needs are based on accurate and reliable information within the NEMP (see Annex B of NHS MEL (1994)72). Otherwise the Profile will have little credibility and it will be difficult to achieve national objectives. In addition, Purchasers will require reliable information to help them determine whether contract prices are unnecessarily high because of estate costs.**
6. Directors of Finance of Trusts and Islands Boards (for DMUs) are therefore asked to check that adequate internal control systems are in place to ensure that the estate performance and investment information supplied to the Management Executive (to be made available to purchasers and providers) under these arrangements **is accurate and consistent with national estates and financial guidance.** As in other areas, these control systems are part of the internal audit programme under the supervision of the Audit Committee concerned, with external support commissioned as appropriate.
7. **Fully completed returns** should be provided **after completion of in-house validation.** Returns should be provided by:

7.1 **all existing Trusts (ie including DMUs which formally became Trusts at 1 April 1995);**

7.2 **Islands DMUs;**

7.3 **the State Hospital.**

8. **Part returns** should be provided by:

8.1 **all Health Boards** which have retained land, or property, **including** that held for disposal in terms of MEL(1993)65 and MEL(1993)146 **and** including HQ property - by completing as necessary all sections **except** Tables 2(a), 2(b), 2(c), 2(d) and 2(e);

8.2 **the Common Services Agency (CSA)** by completing all sections **except** Tables 2(a), 2(b), 2(c), 2(d) and 2(e). **The 5 elements of Table 1** should be completed (no matter that the CSA has no hospital property) and should take account of **every** site on which CSA carries on business be it for example Trinity Park House, ambulance depots or Blood Transfusion Service premises.

9. **The term Holding Body** should be taken to mean those Bodies **holding NHS property on behalf of the Secretary of State** ie Health Boards, DMUs (on behalf of their parent Board), the CSA, the State Hospital **or, in the case of NHS Trusts**, on their own behalf. (The Health Education Board for Scotland is not covered by these arrangements).

10. **The term property** should be taken to mean land, buildings, houses, flats, nurses residency blocks and any other property within the control of the Holding Body, **and includes** temporary buildings which have service connections with the permanent building. **Endowment property** should normally be excluded unless there are particularly serious practical difficulties in doing so, which should be explained in the Holding Body's return.

11. **The term hospital estate** means the aggregate of hospital sites owned/managed by a Provider Holding Body unless defined otherwise in the detailed guidance notes that follow.

12. A **hospital** is taken to mean any hospital ie from the large major teaching hospital to the small cottage hospital and day hospitals within or outwith a main hospital site. Day hospitals which exist on health centre sites should also be included.

INTRODUCTORY SECTION

13. For the **Purchaser/Provider** (as appropriate) Code, please insert the 5-character number provided by Information and Statistics Division to each Holding Body. ISD's Data Administration Unit in Trinity Park House, Edinburgh can assist if necessary - Direct Dial 0131-551 8509.

14. **The Main Care Group** element (appropriate only to Providers) is defined as the **principal** (ie, not all) care activities within the Holding Body's territory by reference to the functional classification set out at Section 6A of Scottish Health Service Costs (the Blue Book) for the year ending 31 March 1994.

15. **Principal Purchaser** will normally mean the Health Board in the Holding Body's area.

TABLE 1/HOSPITAL ESTATE AND NON-HOSPITAL ESTATE

Hospital Estate Buildings

16. For all **but the CSA** (see paragraph 8.2 above), each **Provider** Holding Body should supply under each of the 4 **Hospital Estate** aspects listed separate aggregates for total and essential **hospital** estate (ie the sum of the relevant hospital sites) together with the percentage for the essential of the total.

17. **Rateable Value** is that sum agreed for the Holding Body's **hospital** site property by the relevant Regional Assessor (to which the rate per pound is applied for the relevant District). At completion of this form, Holding Bodies should use the latest **available** figures, even if the latter are more recent than the position at 31 March 1995.

18. **Current Asset Register Value** is the sum related to the Holding Body's **hospital estate** (as defined at paragraph 11 of these guidance notes - General section) which can be obtained from the last triennial asset register valuation exercise conducted in 1992 by the Inland Revenue's Valuation Office Agency (via the Holding Body's local District Valuer), taking account of any amendments thereto which have occurred since the last exercise.

19. **Total Capital Charges, or equivalent for Trusts**, can be obtained from a suitable abstract of the aggregate of the Holding Body's quarterly returns (Land and Buildings columns only) to the Management Executive's Finance Directorate.

20. **Number of Individual Operational Sites** means the number of **hospital** sites which were in **operational use at 31 March 1995**. Any hospital which carries out hospital-based health-care activities on more than one site should be counted as 2 or more sites (as appropriate).

Non-Hospital Estate Buildings

21. This can be taken to mean any building **outwith** the hospital estate (unless it provides direct support to hospital-based patient care activities) **except** houses, self-contained flats or a nurses residency block used for

staff residential accommodation purposes. (**But houses or flats used for non-hospital based healthcare purposes should be included here.**)

22. Some examples of buildings **to be included here** are administration offices, clinics, health centres and GPs surgeries (except where health centres or GP's surgeries are owned by a GP or a practice of GPs) and computer services units. **For the avoidance of doubt, clinics and health centres which are located within a hospital site should be included here.**

23. **Area (M²)** means the gross internal floor area in square metres of all ancillary buildings (**as defined at paragraph 21 above**).

TABLE 2(a)/ESTATE CONDITION: ACCEPTABLE PERFORMANCE SUMMARY

24. **A hospital is any hospital** as defined in paragraph 12 of these guidance notes (General section).

25. **Total Hospital Building Area** is defined as the total gross internal floor area in square metres of all buildings on hospital estate sites.

26. **Essential Hospital Building Area** is defined as at paragraph 25 above **except** that property in the **essential category** should be regarded as that likely to remain in operation **beyond** the current Public Expenditure Survey and Business Plan period ie remaining in operation **beyond 1 April 1999**.

27. The split between **Total and Essential** Hospital Building Area will facilitate the identification of what will remain the **essential core** of the existing hospital estate within current planning cycles, and thereby assist planning and investment decisions.

28. **Acceptable Ranking** is defined for each of the **Estatecode** survey categories in **SHHD/DGM(1988)40** (see also NHS MEL(1994)72), but **generally means** that portion of the hospital estate **which meets with Condition B criteria**, or higher (Condition A).

29. **The Cost to Achieve Acceptable Rankings** should take account of current requirements to upgrade to a sound and operationally safe condition (to B - see paragraph 28). **All costs quoted** should be as that at the **second quarter** in the Scottish Public Sector Building Tender Price Index for the **year immediately preceding** the (EMP1) year under review. Costs should **exclude** VAT.

30. In the **Total and Essential** boxes for the 4 survey categories:

30.1 the figures entered in the **Essential** boxes under all column headings (**except** the Target column) **should also** be part of the figures entered in the **Total** boxes;

30.2 the figures entered in the **Essential** boxes for **all but** % with Acceptable Ranking should normally **never be higher** than the figures in the **Total** boxes.

31. **SAFECODE** is the management tool introduced under cover of NHS:MEL(1993)64 dated 10 May 1993.

32. **Current guidance** for the 4 Estatecode surveys listed in Table 2(a) [and Tables 2(b), 2(c) and 2(d)] is set out in circular **SHHD/DGM(1988)40 dated 28 July 1988**. Holding Bodies will also wish to refer to the Estatecode documents enclosed with NHS MEL(1994)72 - copies of which are available on request from Estates Division of the Management Executive by telephoning **0131 244-2427**.

33. A guidance note on the **aggregation of data** to provide overall rankings is at **Appendix 3**.

TABLE 2(b)/ESTATE CONDITION: HOSPITAL ESTATE SURVEYS

34. Existing **Estatecode** guidance is set out in the circular SHHD/DGM(1988)40 (see also NHS MEL(1994)72). Holding Bodies should also refer to NHS MEL(1993)64, dealing with Safecode.

35. **This table seeks Estatecode** data for the **hospital estate** only as defined below:

35.1 The term **Total Hospital Building Area** is the total **gross internal floor area** in square metres of all buildings on hospital estate sites;

35.2 The term **Essential Hospital Building Area** is the portion of the Holding Body's hospital estate (ie the Total Hospital Building Area) **in gross internal floor area terms** likely to remain in operational use **beyond 1 April 1999**;

35.3 The term **Ranking (M²)** means the aggregate of the gross internal floor area (for each floor) in each building in the Holding Body's hospital estate within each survey category and for each element within these categories;

35.4 The term **Ranking (%)** means the percentage each column heading at paragraph 35.3 above represents of the aggregate gross internal floor area of the **Total** and the **Essential Hospital Estate**;

35.5 The term **Cost to Achieve B** means that cost considered necessary to raise to Condition B the condition of those elements of the Holding Body's estate classified at **31 March 1995 as Condition C, or lower**;

35.6 The column headings A, B etc are defined at **Appendix 4** attached to SHHD/DGM(1988)40.

35.7 The term **Overall Ranking** is defined at **Appendix 5** attached to **SHHD/DGM(1988)40** (scoring for **Energy** should be **excluded**).

TABLE 2(c)/ESTATE CONDITION: ESSENTIAL HOSPITAL BUILDING AREA FORECAST

36. **Essential Hospital Building Area** has the meaning defined at **paragraphs 25 and 26** of the guidance notes (completion of **Table 2(a)**).

37. **Acceptable Ranking** has the meaning defined at **paragraph 28** of the guidance notes (completion of **Table 2(a)**).

38. The period columns seek information for the **12 months ending 31 March 1996, 1997, 1998 and 1999**, and should be **based** on the position at **31 March 1995** listed in **Table 2(a)**.

TABLE 2(d)/ESTATE CONDITION: INVESTMENT IN ESSENTIAL HOSPITAL ESTATE

39. The National Targets are listed at **Table 2(a)**.

40. The column headings in both elements of this table are for the financial years ending 31 March in each case.

TABLE 2(e)/ESTATE CONDITION: HOSPITAL ESTATE AGE PROFILE

41. Holding Bodies should refer to their asset registers to provide the information requested in this table.

42. M² means **gross internal floor area** in square metres of the buildings which comprise the estate as broken down in this table (Column 1).

43. **Total Hospital Estate** is defined as the total gross internal floor area in square metres of all buildings on hospital estate sites (ie it is the **Total Hospital Building Area**).

44. Take the commissioning date for each part of the estate (as defined at paragraphs 42 and 43 above) and

allocate each in terms of area (M²) to the relevant (Column 2) time slots in this table. Sum each area (M²) time slot in Column 2, then complete the % time slots in Column 3 by expressing Column 2 time slots as a % age of Column 1 (Total Hospital Estate).

TABLE 3/ESSENTIAL PROPERTY

45. The information required here **should in part amount to an update of Form EMP 1/1994** (Annex A of MEL(1994)72 dated 22 July 1994) ie in respect of the "Actual" column; with additional information provided for residencies and forecasts for all categories. The EMP 1/1994 returns were discussed and agreed with the Service before the information was "published" in the National Estates Management Profile on National MIS.

46. **Total Estate Area** means the **entire** estate of the Holding Body ie **all** hospital and non-hospital based property, including residential holdings. **Essential Estate Area** means that part of the Total Estate which is essential for Health Service operations (see paragraph 50).

47. **All estate property** (see also paragraph 10 about Endowment Trust property) within the ownership or management responsibility of the Holding Body **should be included. This includes, for the avoidance of doubt, any land or buildings which are held on leasehold for any NHS use, or health-related use, and the land taken up by houses, flats and nurses' residency blocks.**

48. In preparing their information for Table 3, all Holding Bodies should have regard to the aide-memoires attached as Appendices 1 and 2 to these notes. The Appendices are along the lines of the monitoring forms used for the regular SCOTMEG surveys on vacant and surplus property now discontinued - see MEL(1992) 21 and MEL(1992)52. These forms should assist Holding Bodies in identifying Total and Essential Estate Areas. The key differences between the 2 sets of forms in this respect are that the EMP form requests forecasts and regular information on nurses' residency blocks (be they the traditional nurses home, houses or self-contained flats used to provide residential accommodation for single nurses sharing bathroom and kitchen facilities). Holding Bodies will have a record of their completion and return to SCOTMEG of Annex 3 attached to MEL(1992)52 which introduced such information needs in the context of the SCOTMEG survey of residential accommodation.

49. Although not all of the information requirements in Appendices 1 and 2 are sought in Table 3, Holding Bodies **are asked** to retain the information in this format since the Management Executive or ISD may seek additional details at a later date **for validation purposes.**

50. The actual and forecast figures for **Essential Estate Area** should reflect current plans for existing holdings,

including those requiring development of existing land, disposal of land currently surplus or to be declared surplus and acquisitions. Holding Bodies should include land occupied by buildings and land surrounding but essential to the use of buildings such as car parks, access roads etc. The requirement is figures indicating the future size of each Holding Body's estate. Land currently declared surplus to requirements and that likely to be declared surplus by 1 April 1999 should **not** therefore be regarded as essential land although it is accepted that land currently declared surplus and land likely to be declared surplus by 1999 may currently be in operational use and considered essential to current operations. Existing land allocated for NHS development by 1 April 1999 **should** be included.

51. **Residency Units** can be taken to mean the number of placements (ie of individual members of medical/nursing staff) in staff residential accommodation. Such accommodation is generally located within a nurses' residency block (eg the traditional nurses' home where a single bedroom occupant shares kitchen and bathroom facilities with other members of staff). But houses and self-contained flats can also be let on a sharing basis (in lieu of, or in addition to existing, residency blocks) or, less frequently, to one individual. Such lets can be distinguished from any other type of let (see **Note 1 of Appendix 2**) since the cost of shared accommodation is currently based on **Whitley terms and conditions.**

TABLE 4(a)/PROPERTY DISPOSALS: ANNUAL FORECASTS

52. **The term surplus** in all 3 elements of this table means that this property has been declared (1994-95 Actual column) surplus to the Holding Body's operational requirements or, in respect of Forecast columns, has already been/is likely to be so declared.

53. **The term units** in the Residencies element has same meaning as defined at paragraph 51 of the guidance notes (completion of **Table 3**), and as amplified by **Note 2 of Appendix 2.**

54. The disposal of residency units can be taken to mean the disposal of a nurses residency block, or a house or self-contained flat hitherto (currently in terms of the Forecast columns) used to provide shared accommodation as defined at **paragraph 51 and at Note 2 of Appendix 2.** For example, disposal of a traditional nurses home or residency block (whether free-standing within or outwith a hospital site or integrated with a hospital building) with 30 bedrooms would indicate a reduction, or potential reduction for the Forecast columns, of 30 units in the Holding Body's stock of this type of staff residential accommodation. A 3-bedroom house or self-contained flat used on the same sharing basis could mean a stock reduction of 3 units. But the disposal of a house or a self-contained flat **not hitherto or currently let**

on **Whitley terms and conditions** as nurses' accommodation would fall to be included in the relevant column of the **Houses/Flats** element of this table.

55. The figures for **Total Stock** entered for 1 April of each financial year should take account of any land acquired since 1 April of the previous financial year.

56. **Figures entered for each financial year should be consistent with those entered for the previous financial year(s).**

TABLE 4(b)/PROPERTY DISPOSALS: MONTHLY RECEIPTS

57. Do not complete this table as data is collected on form EPM1/1995(m) on a monthly basis by ISD.

TABLE 4(c)/VACANT PROPERTY: TOTAL ESTATE

58. The term **unallocated for development** can be determined by its context within the Notes at Appendix 1 to these guidance notes. Examples could be vacant land (with or without buildings on it) which is landlocked within a NHS site, and cannot formally be declared surplus to requirements until the rest of the NHS site is available for disposal. It could also cover land currently **not** in operational use but which cannot be declared surplus to requirements or put back into NHS use, until other strategic decisions are made - perhaps arising out of a business case.

59. The term **land** can also mean land with buildings on it.

60. The term **residency units** has the same meaning as defined at **paragraph 51 (completion of Table 3)** and as amplified at **Note 2 of Appendix 2**.

61. **Vacant Property** data, for the avoidance of doubt, will also be included within **Table 3** data, although generally it is likely to be more appropriate to the **Total** estate area element rather than the **Essential** element (but the latter element would be appropriate if the vacant land is one of the alternatives in a business case for a new capital development).

62. **Total Estate Area** is defined at paragraph 46 of these notes (completion of **Table 3**).

EMP1/1995

AIDE-MEMOIRE/WORKSHEET: ESSENTIAL LAND

1. CURRENT POSITION	Hectares
a. Holding Body's Total Estate
b. Land essential for Health Service operations (including land occupied by buildings and land surrounding but essential to use of buildings including car parks, access, roads etc), of which:
i. Land allocated for NHS development up to 31 March 1999
c. Land currently declared surplus to requirements
d. Land which is likely to be declared surplus to requirements by 31 March 1999
e. Vacant land unallocated
f. Other

2. PERFORMANCE INDICATORS

a. Land essential for Health Service operations as % of total stock (1b as % of 1a)
b. Vacant land unallocated to stock rate (1e as % of 1a)

Notes:

1. All land owned by the Secretary of State and managed by the Health Board, DMUs, or owned by the NHS Trust, should be included at 1a.
2. Area 1a should match the total of 1b to 1f. Bodies should therefore avoid double counting.
3. The figure for land essential for Health Service operations at 1b should reflect the Body's current plans for its existing holdings, including those requiring development of existing land and disposal of land currently surplus or to be declared surplus or acquisitions. Bodies should include land occupied by buildings and land surrounding but essential to the use of buildings such as car parks, access roads etc. The requirement at 1b is a figure indicating the future size of the Body's estate. Land recorded at 1c and 1d should **not** therefore be included at 1b although it is accepted that land currently declared surplus and land likely to be declared surplus by 1 April 1999 may currently be in

APPENDIX 1

operational use and considered essential to current operations. Existing land allocated for NHS development by 31 March 1999 **should** be included at 1b although noted separately at 1bi.

4. Any land separated from, but managed with the establishment, must be included.

5. The aggregated land holdings will show the total land within the Holding Body's management.

6. Land with buildings on it should be included for all categories.

7. Where land does not appear to fit neatly into any particular category, or appears to fall into more than one category, the category nearest the position should be used with an explanation added.

EMP1/1995
 AIDE-MEMOIRE/WORKSHEET: ESSENTIAL HOUSES/FLATS/NURSES
 RESIDENCY UNITS

CURRENT POSITION	Units	Comments
Housing Stock		
1. Total Housing Units	
2. of which:		
a. occupied by sitting tenant	
b. vacant	
3. of which:		
a. minimum stock essential for operational purposes	
b. declared surplus to requirements	
c. awaiting decision by Holding Body	
<u>Surplus Housing Stock</u>		
4. Of 3b.		
a. offer to sitting tenant declined	
b. in process of sale	
c. other (specify)	
<u>Vacant Housing</u>		
5. of 2b:		
a. vacant being sold	
b. awaiting re-allocation	
c. other (specify)	

CURRENT POSITION	Units	Comments
Residency Units		
6. Total Residency Units	
7. of which:		
a. vacant	
8. of which:		
a. minimum stock essential for operational purposes	
b. declared surplus for operational purposes	
c. awaiting decision by Holding Body	
<u>Surplus Residency Units</u>		
9. of 8(b)		
a. in process of sale	
b. other (specify)	
<u>Vacant Residency Units</u>		
10. of 7(a)		
a. vacant being sold	
b. awaiting re-allocation	
c. other (specify)	
11. PERFORMANCE INDICATORS		
a. Minimum stock essential for operational purposes as a % of total stock		
(i) Housing [3(a) as a % of 1]	
(ii) Residency Units [8(a) as a % of 6]	

CURRENT POSITION	Units	Comments
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b. Vacant units to stock rate

(i) Housing [2b as a % of 1]

(ii) Residency Units [7a as a % of 6]

Notes:

1. The term **housing** is defined as a house or a self-contained flat (such a flat being a self-contained residence which forms part of a building) within or outwith hospital sites which are currently rented to NHS (or non-NHS) employees. Occupation of this type of residential accommodation is regulated by a standard Missive of Let issued by the Scottish Health Service Central Legal Office or, if not the latter, by the Holding Body's appointed legal adviser.

2. **Residency Unit** is defined as a unit of staff residential accommodation let to staff **on a board and lodging basis** the cost of which has hitherto been determined either by the Nurses/Midwives/Doctors/Dentists Review Bodies or, in some cases, by the ASC Whitley Council. Such a unit of accommodation can vary in size - see scales A to F in the paragraph headed Residential Category in Annex 3 to NHS MEL(1992)52 dated 9 September 1992.

3. The figures provided at 2 to 5 and 7 to 10 should reconcile with the figures for total stock at 1 and 6 respectively. Holding Bodies should therefore avoid double counting, particularly in dealing with the vacant and surplus categories. Where a unit does not appear to fit neatly into any particular category, or appears to fall into more than one category, the category nearest the position should be used. Interpretation of forms will be facilitated by Holding Bodies identifying surplus houses which are also vacant and vacant houses which are also surplus.

4. For the avoidance of doubt and any possibility of double counting, **housing** provided to staff on a **board and lodging basis** should **not** also be included in Total Housing Units Stock at 1 of the table.

5. Holding Bodies may find it helpful to note if disposal prospects are affected by special factors such as occupation by sitting tenants who refuse to purchase or by housing (eg, on hospital sites) being part of wider disposal plans.

Examples of percentages calculated on Building Area m2

HEALTH BOARD

	<u>BUILDING AREA M2</u>	<u>PERCENTAGE</u>	<u>PHYSICAL CONDITION RANKING</u>
HOSPITAL 1	4638	29.63	C
HOSPITAL 2	2468	15.77	C
HOSPITAL 3	3684	23.54	B
HOSPITAL 4	4863	31.07	A
TOTAL	15653	100.00	
ACCEPTABLE	8547	54.60	

TRUST

	<u>BUILDING AREA M2</u>	<u>PERCENTAGE</u>	<u>PHYSICAL CONDITION RANKING</u>
HOSPITAL 5	9472	62.71	A
HOSPITAL 6	5632	37.29	C
TOTAL	15104	100	
ACCEPTABLE	9472	62.71	

TOTAL BOARD AREA

	<u>BUILDING AREA M2</u>	<u>PERCENTAGE</u>	<u>PHYSICAL CONDITION RANKING</u>
HOSPITAL 1	4638	15.08	C
HOSPITAL 2	2468	8.02	C
HOSPITAL 3	3684	11.98	B
HOSPITAL 4	4863	15.81	A
HOSPITAL 5	9472	30.80	A
HOSPITAL 6	5632	18.31	C
TOTAL	30757	100.00	
ACCEPTABLE	18019	58.59	

	<u>BUILDING AREA M2</u>	<u>PERCENTAGE</u>
HEALTH BOARD	8547	27.79
TRUST	9472	30.80
ACCEPTABLE	18019	58.59

NOTE: ACCEPTABLE = B OR BETTER

Estate Management - Further Information

1. As referred to in paragraph 2 of the covering letter, this Annex provides further information on the following:

- 1.1 National Estate Targets (Appendix 1)
- 1.2 Voluntary Benchmarking Scheme (Appendix 2)
- 1.3 Prospective NAO Value for Money Study (Appendix 3)
- 1.4 Further delegation of responsibility for Property Transactions (Appendix 4), and
- 1.5 Quality Survey of the 1995 Returns (Appendix 5).

National Estate Targets

Progress Report

Introduction

1. The NHS estate is a major asset, both at the national and NHS Trust level. It has a current asset value of some £2.5bn (£2.2bn essential), upon which capital charges of some £236m are levied (£202m essential) and upon which Trusts are obliged to make a 6% return. The more effective use of the estate as an asset is therefore a matter of importance to NHS Trusts and to purchasers. It is also of importance to the ME both because of its impact on the business of Trusts, on contract prices and because it is a publicly owned asset with its associated accountabilities.

2. Our common goal is an estate fit for its purpose, no larger than is operationally essential, and one that is safe and provides a good quality health care environment.

3. Our current national targets are not inconsistent with this goal but may not be the most appropriate vehicle for pursuing national policies and strategies in an all Trust environment (see paragraphs 10-15). The current targets are a product of circumstances prevailing at the time, including

- a) the removal of Crown Immunity
- b) the ending of the Special Allocation
- c) the need to focus attention on the importance of right sizing the estate at a stage when capital charging had not had any significant impact
- d) general government concerns about the management of the publicly owned housing stock, particularly that in the "ownership" of Departments.

4. Addressing these targets is not simply a matter of affording the money or about estate led initiatives. Indeed, much of the improvement must inevitably flow from service led actions including the implementation of service strategies and care in the community policy.

5. The Management Executive has contributed towards meeting the statutory standards target, most recently by taking account of performance in this area in the formula for distribution of the non-specific element of capital allocations.

6. The national estates targets are:

- 6.1 95% of essential estate compliant with estates related statutory standards by March 1996.
- 6.2 95% of essential estate in acceptable physical condition by March 1996.
- 6.3 80% of total land holdings essential for operational use by March 1994 (85% by March 1995).

6.4 Achieve £36m receipts from disposal of surplus property between 1 April 1994 and 31 March 1997 (£11m in 1994/95, £12m in 1995/96 and £13m in 1996/97).

6.5 Reduce NHS housing stock to 1150 units by March 1994 (950 by March 1995).

7. The position at 31 March 1994 was:

<u>National Target</u>	<u>Achievement</u>
# 95% of essential estate compliant with statutory standards by March 1996	53%
# 95% of essential estate in acceptable physical condition by March 1996	70%
# 80% of land holdings essential for operational use by March 1994	62%
# Achieve at least £11m from property receipts in 1994/95	£11.5m in 1994/95 to date (end February)
# Reduce NHS housing stock to 1150 units by March 1994	1233 units

Comment

8. Overall, the conclusion is that the position on physical condition, property receipts and housing stock is encouraging. The national figures for statutory standards and essential land holdings are of some concern, although they disguise some real progress at the level of individual Trusts. Where figures are currently disappointing, there are important factors to bear in mind. These include the fact that most NHS Trusts are relatively new and have a substantial and wider business agenda to address; and that progress on "estates issues" must be strongly influenced in some cases by other matters such as referred to in paragraph 4.

9. Greater detail, to the level of individual Trusts is available on MIS.

Proposed Review

Principle

10. The general principle is that the Management Executive's involvement in estate management performance must stem from national policy and mandatory requirements, while recognising Trust freedoms and the respective responsibilities of purchasers and providers. This should be done by establishing the essential national requirements within a broad framework. In this way purchasers and providers will have the freedom

to deliver estate objectives in the light of local business needs and circumstances, but against the background of national priorities. Although it will primarily be for providers to find the solutions and take the decisions, the Management Executive should provide appropriate support as necessary and encourage innovation and the use of expert external input where appropriate.

Plans

11. In the short term, it has been agreed that March 1996 be treated as a review date for all of the existing national targets.

12. As a consequence, and taking into account the position at 31 March 1994, it has also been agreed that the national targets be confirmed as follows:

12.1 The national targets for statutory standards (95% of essential estate compliant by March 1996) and physical condition (95% of essential estate in acceptable condition by March 1996) be reconfirmed.

12.2 The figure for the national target for essential land holdings (85% of land holdings essential for operational use by March 1995) also to be used as the target for March 1996.

12.3 The national target for property receipts (12m in 1995/96 and £13m in 1996/97) be reconfirmed.

12.4 The figure for the national target for housing stock (reduce stock to 950 units by March 1995) also to be used as the target for March 1996.

13. In the medium term it has been agreed that all the national estate targets should be reviewed in the light of:

13.1 1995 estate performance information;

13.2 an independent review of the quality of estate data (see Appendix 5);

13.3 experience of Estates Division's new role within the new Trust Directorate;

13.4 the outcomes from the working group on the future of business planning set up under the auspices of the JWG on Operations (see paragraph 4 of letter).

14. The review to consider the need for national targets as the contract process matures and also alternative ways of measuring estate performance, ideally with significantly reduced central information requirements. Agreed new arrangements to be operational from 1 April 1996 or as soon after as is practicable, ie final agreement could not be reached before seeing the outcomes at March 1996.

15. Without anticipating the outcome of the proposed review, it is not unreasonable to speculate that national targets of the existing kind may not be the appropriate way to measure estate performance in the future. Some work has been done within the Division on the development of estate performance ratios and benchmarking. It is possible to envisage circumstances in which the development of a set of estate ratios and voluntary benchmarking arrangements, together with limited estate condition and capital investment information, might together distil the essential performance data required for ME purposes.

Voluntary Benchmarking Scheme

1. NHS Estates (an Executive Agency of the Department of Health) manage a voluntary estates and facilities management benchmarking scheme. It is one element of a benchmarking initiative launched by the NHS Executive in England.

2. Its purpose is described by NHS Estates as being "to provide Trusts with information to define their strategic direction, business and operational plans in order to match the demand for health care with the available resources". Information from each Trust is treated confidentially and is not used for any other purpose. In return for information on their own Trust, managers receive information which has been nationally compiled and analysed, enabling them to gauge their performance for key parameters against other bodies of a similar size, activity, contract income etc.

3. For further information Trusts should contact:

Terry Wagstaff
NHS Estates
Department of Health
1 Trevelyan Square
Board Lane
Leeds
LS1 6AE
Tel: (0113) 254 7000

National Audit Office Value for Money Programme

1. The National Audit Office (NAO) have indicated that they are considering a value for money examination of arrangements for the management and disposal of NHS property in Scotland. The Management Executive, a few Trusts and one Board have recently provided some briefing to the NAO on this topic. Further substantive work is not expected in the immediate future.
2. The NAO expect to review the topic again in Spring 1996. At that stage they will assess in detail the prospects and merits of a full examination leading to a published report, and the NAO will consult the Management Executive about the conclusions from this work. Should a full examination proceed, the NAO would not expect to complete this before 1997-98.
3. The Estates Division contact point for any issue arising from this proposal is Ian Christie (Ext 2050).

Further Delegation of Responsibility for Property Transactions

1. The ME Property Transactions Handbook issued in May 1993 introduced very significant delegation of responsibility for NHS property sales, acquisition and leasing. Under the Handbook, Holding Bodies (defined as Trusts, Health Boards/Directly Managed Units, Common Services Agency and the State Hospital) are required to notify the Chief Executive only in fairly exceptional circumstances. These include proposed disposal at below open market value, disagreement between professional advisers, certain health centre sales and compulsory purchase.

2. Existing delegation has been successful. A further review is therefore appropriate. The focus of such a review will be to reduce the issues requiring notification to the Chief Executive in terms of the Property Transactions Handbook, for example by limiting these issues to those where notification is required for statutory or Parliamentary reasons (eg compulsory purchase of land or contingent liabilities). The Trust Directorate will consider the scope for further delegation of responsibility for property transactions by reducing the issues requiring notification to the Chief Executive in terms of the Property Transactions Handbook. This will require consultation with Treasury. Any agreed changes will be introduced later in the year.

Quality Survey of the 1995 Returns

1. As stated in the covering letter the estate management performance as recorded in the EMP questionnaire and published in the National Estates Management Profile (NEMP) plays an important part in satisfying Accounting Officer requirements; in the assessment of business cases and in the allocation of non-specific capital. It is therefore important that the outcomes are reliable.
2. To ensure that this is the case an independent assessment of the quality and accuracy of the 1995 returns will be commissioned by the Management Executive this year. More information will be provided and the cooperation of Trusts will be sought in due course.