



NHS Management Executive
St. Andrew's House
Edinburgh EH1 3DG
27 February 1996

Dear Colleague

ESTATE MANAGEMENT PERFORMANCE

Summary

1. This letter gives effect to changes in the central collection of estates information as announced by the Minister of State at the Conference of Trust Chairmen on 26 January. These changes are part of our commitment to increase Trust self-governance and minimise central returns. The first result of this action is that this year's estate management performance return is the last central return and has been significantly reduced to less than **10%** of last year's return.

2. Consequently this letter requests completion and return of the 1996 Estate Management Performance questionnaire (Form EMP 1/1996) - contained in the attached Annex A. The questionnaire will enable health bodies to compare their position against targets in key aspects of estate management, thereby measuring how well resources are being utilised. It will also allow the Management Executive to monitor progress towards national targets for the NHS in Scotland as a whole. As the return now includes information required by NAO for completion of the 1995-96 Appropriation Accounts the timetable has been brought forward. Every effort must be made to complete and return the questionnaire by the due date.

3. Annex B provides an update on progress, at March 1995, towards meeting the national targets; sets out plans for future Estate Management Performance monitoring; gives the latest on the NAO study of property disposals in the NHS in Scotland; announces a further increase in the delegation of responsibility for property transactions; and cancels plans for a quality survey of the 1995 Estate Management Performance returns.

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:

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Directorate of Trusts
Estates Division
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St Andrew's House
EDINBURGH EH1 3DG

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Action

4. Chief Executives and General Managers are asked to ensure that Form EMP 1/1996 is completed and returned by **Friday 19 April 1996** to:

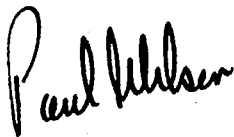
Mr Doug Riddell
NHS Management Executive
Room 353
St Andrew's House
EDINBURGH
EH1 3DG

5. It is imperative that returns are made timeously to allow collation of the information by the Management Executive prior to it being used for the Appropriation Accounts and other purposes.

Other Information

6. A copy of this letter is also being sent to the person who completed the 1995 return.

Yours sincerely



PAUL WILSON
Director of Trusts

ESTATE MANAGEMENT PERFORMANCE

at 31 March 1996

TABLE 1 GENERAL INFORMATION

Information Provided By:- [BLOCK CAPITALS]

Name _____ Holding Body _____
 Position _____ Tel No. _____
 Address _____ Fax No. _____
 _____ Principal Purchaser _____

TABLE 2 ESTATE CONDITION: ACCEPTABLE PERFORMANCE SUMMARY

Note: The Tables on the next page may assist with the completion of Table 2.

Total Hospital Building Area (m²) _____
 Essential Hospital Building Area (m²) _____

 Area with Acceptable Ranking (m ²)	 % with Acceptable Ranking (%)		National Target at 31/3/96 (%)
	Total	Essential	Total	Essential	
Statutory Standards	_____	_____	_____	_____	95%
Physical Condition	_____	_____	_____	_____	95%

TABLE 3 ESSENTIAL PROPERTY

	Actual at 31/3/96		Actual at 31/3/96
Total Land Area (Ha)	_____	Total Houses/Flats (units)	_____
Essential Land Area (Ha)	_____	Essential Houses/Flats (units)	_____
% Essential of Total*	_____	% Essential of Total	_____

* National Target of land holdings essential for operational use at 31/3/96 is 85%.

TABLE 4 PROPERTY DISPOSALS**All Property**

Actual Total Receipts (£000's) from Property Disposals 1995/96 _____
 Forecast Total Receipts (£000's) from Property Disposals 1996/97 _____

Sitting Tenant Sales Only

Total Discount (£000's) given to Sitting Tenants 1995/96 _____
 Total Number of Sales to Sitting Tenants 1995/96 _____

TABLE 5 VACANT PROPERTY: TOTAL ESTATE

Total Vacant Houses/Flats (units) at 31/3/96 _____

ESTATE CONDITION: HOSPITAL ESTATE SURVEYS

TOTAL HOSPITAL BUILDING AREA

Performance Ranking

 Hospital Building Area Ranking (m ²)						Not Surveyed (m ²)	Total Hospital Building Area (m ²)
	A	B	C	D	CX	DX		
Statutory Standards	_____	_____	_____	_____	_____	_____	_____	_____
Physical Condition	_____	_____	_____	_____	_____	_____	_____	_____

Note: The total of the figures in columns A, B, C, D, CX, DX and Not Surveyed should equal the Total Hospital Building Area.

ESSENTIAL HOSPITAL BUILDING AREA

Strategic Life

Short (%) _____ Medium/Long (%) _____

Note: The Essential Estate should be that judged to have a medium/long strategic life, i.e. likely to remain in operation beyond 1 April 2000.

Performance Ranking

 Hospital Building Area Ranking (m ²)						Not Surveyed (m ²)	Essential Hospital Building Area (m ²)
	A	B	C	D	CX	DX		
Statutory Standards	_____	_____	_____	_____	_____	_____	_____	_____
Physical Condition	_____	_____	_____	_____	_____	_____	_____	_____

Note: The total of the figures in columns A, B, C, D, CX, DX and Not Surveyed should equal the Essential Hospital Building Area.

GUIDANCE NOTES FOR THE COMPLETION OF FORM EMP 1/1996

INTRODUCTION

1. Form EMP 1/1996 should be completed in full by:-
 - all NHS Trusts;
 - Island Health Boards; and
 - the State Hospital.
2. Part returns (ie Tables 3, 4 and 5) should be provided by the **Common Services Agency** and all **mainland 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.
3. The information provided in Form EMP 1/1996 should cover the position at 31 March 1996.
4. Information is required in each location on the form where there is an unbroken horizontal line, please make an entry on each line. If the requested data is Not Available please enter N/A on the relevant line. If the figure is zero please enter 0 rather than inserting a dash.

TABLE 1 GENERAL INFORMATION

5. The term **Holding Body** should be taken to mean those bodies holding NHS property on behalf of the Secretary of State i.e. **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.)
6. The **Principal Purchaser** will normally mean the Health Board in the Holding Body's area.

TABLE 2 ESTATE CONDITION: ACCEPTABLE PERFORMANCE SURVEY

7. The Tables provided under the heading **ESTATE CONDITION: HOSPITAL ESTATE SURVEY** should help with the completion of Table 2, but it is not necessary to return these.
8. 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.

9. A **Hospital** is taken to mean any hospital i.e. 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.

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

11. **Essential Hospital Building Area** is the floor area of the buildings judged to have a medium or long term strategic operational life beyond 1 April 2000.

12. 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.

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

14. The figures inserted under the headings **Essential** should also be part of the figures under the **Total** headings and therefore the **Essential** amounts should not be higher than the **Totals**. The **% with Acceptable Ranking** is the **Area with Acceptable Ranking** divided by the **Hospital Building Area** multiplied by 100.

TABLE 3 ESSENTIAL PROPERTY

15. The information required here should in part amount to an update of **Form EMP 1/1995 (A)** (Annex A of MEL(1995)34 dated 9 June 1995).

16. 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.

17. **Total Land Area (Ha)** means the entire land of the Holding Body i.e. all hospital and non-hospital based property, including residential holdings. **Essential Land Area (Ha)** means that part of the Total Land which is essential for Health Service operations (see paragraph 19 below).

18. All estate property within the ownership or management responsibility of the Holding Body should be included in the **Land Area (Ha)** figures. 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.

19. The actual and forecast figures for **Essential Land Area (Ha)** 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 2000 should not therefore be regarded as essential land although it is accepted that land currently declared surplus and land likely declared surplus by 2000 may currently be in operational use and considered essential to current operations. Existing land allocated for NHS development by 1 April 2000 should be included.

TABLE 4 PROPERTY DISPOSALS

20. The **Sitting Tenant Sales Only** information is required by the National Audit Office for the Appropriation Accounts.

TABLE 5 VACANT PROPERTY: TOTAL ESTATE

21. **Vacant Property** data, for the avoidance of doubt, will also be included in the Table 3 data, although generally the **Total Vacant Houses/Flats (units)** figure is more likely to be within the Total rather than the Essential figure in Table 3. Medical residencies should not be recorded at all in Table 5.

ESTATE MANAGEMENT - FURTHER INFORMATION

1. As detailed in the covering MEL this Annex provides further information on the following:-

- National Estates Targets;
- future Estate Management Performance monitoring;
- NAO study on property disposals;
- increased delegation for property transactions; and
- quality survey on the 1995 Estates Management Performance returns.

National Estates Targets

2. In the short term, MEL(1995) 34 set out plans for March 1996 to be treated as a review date for all of the existing national targets.

3. The MEL clearly confirmed the following five national targets:-

- 95% of the essential estate should be compliant with **statutory standards** by March 1996;
- 95% of the essential estate should be in an acceptable **physical condition** by March 1996;
- 85% of **land holdings** should be essential for operational use by March 1996;
- **property receipts** should amount to £12m in 1995-96 and £13m in 1996-97; and
- total **housing stock** should be reduced to 950 units by March 1996.

4. Progress towards these national targets by 31 March 1995 was:-

- 53% of the essential estate was compliant with **statutory standards**;
- 74% of the essential estate was in an acceptable **physical condition**;
- 61% of **land holdings** were essential for operational use;
- **property receipts** amounted to £15.7m in 1994-95 compared to a target of £11m; and
- total **housing stock** had been reduced to 1166 units.

Future Estate Management Performance Monitoring

5. In the medium term, MEL(1995) 34 identified that the need for national estate targets should be reviewed and that alternative ways of measuring estate performance should be considered, ideally with significantly reduced central information requirements.

6. The outcome of this review has resulted in this year's Estate Management Performance questionnaire being considerably reduced by more than 90% of the size of last year's return. This year the aim has been to collect the minimum of information, consistent with measuring performance against the national targets and also collecting data on Sales to Sitting Tenants as required by the National Audit Office for the Appropriation Accounts.

7. Next year and in future years, with the exception of Sitting Tenant Sales where other arrangements will be made, there will not be a central collection of Estate Management Performance data. It is however expected that Holding Bodies will continue to measure and hold information on their estates performance in order to ensure that they are making effective use of available resources and providing a suitable environment for the delivery of quality patient care. As this core of data will be required for their own purposes, should there be a need for it at the centre, for example, to help answer Parliamentary Questions, then the Management Executive will expect it to be made available. Additionally, when preparing Business Cases, Holding Bodies will be expected to include key estates performance measurements. The specification of these performance measurements will be the subject of another MEL which will be issued in the near future.

8. As a consequence of the decision that this year's will be the last central collection of information, from 1 April 1996 there will not be a requirement to submit monthly returns to the Information and Statistics Division on the form headed "**PROPERTY DISPOSALS: MONTHLY RECEIPTS**" - in 1995 this form was numbered EMP 1/1995 (M).

National Audit Office Study on Property Disposals

9. MEL(1995) 34 mentioned that the National Audit Office (NAO) were considering a review of the management and disposal of NHS property in Scotland for their 1996-97 programme. NAO are due to meet with the Management Executive soon to discuss plans for the review and more information will be issued once the format of NAO's plans becomes clearer.

Increased Delegation of Responsibility for Property Transactions

10. As outlined in MEL(1995) 34, a review has considered a further increase in the delegation of responsibility for property transactions to Holding Bodies. It has concluded that, in view of the success of the existing delegation, significant increases in responsibility should pass to Holding Bodies. Details of these changes, together

with others which are to be made to the NHS Property Transactions Handbook, are currently being drafted and should issue in the near future.

Quality Survey on the 1995 Estate Management Performance Returns

11. An announcement was made in MEL(1995) 34 that the Management Executive would be commissioning an independent assessment of the quality and accuracy of the information contained in the 1995 returns

12. In view of the decision to scale down this year's return and not have any return to the centre at all in future years, the quality survey of the 1995 returns will now not be carried out.
