



THE SCOTTISH OFFICE

Department of Health

NHS
MEL (1998) 81

NHS Management Executive
St. Andrew's House
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17th December 1998

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Dear Colleague

DRAFT ESTATES MANAGEMENT POLICY AND ESTATES ENVIRONMENT FORUM

Summary

1. This letter distributes a draft statement of the Department's estates management policy in respect of the land and buildings occupied by the NHS in Scotland (Annex A). It also invites comment on the draft and advises colleagues of a planned workshop to be held early in 1999, the primary purpose of which will be to identify and debate ways in which strategic estates management can be properly addressed in the context of the White Paper, "Designed to Care", and of the priorities and planning guidance, HIP's, TIP's etc.

Background

2. The preparation of the draft estates management policy statement forms part of on-going work aimed at providing holding bodies with an up-to-date definition of Departmental policy on estates and related matters. A statement of fire safety policy was issued in February 1998 and statements of environmental and construction procurement policies will be issued in 1999. The statements are intended to assist NHS Trusts and other holding bodies by clearly and concisely articulating Departmental policy which holding bodies must have regard for when formulating their operational policies and commissioning operational guidance through the NHSiS Estates Environment Forum. (EEF).

December 1998

Addressees

For action:

Chief Executives, NHS Trusts
General Managers, Health Boards
General Manager, State Hospitals
Board for Scotland
General Manger, Common Services
Agency

For information:

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3. Arising from consultation with the NHSiS through representative groups, including the EEF, it has been agreed that holding bodies might benefit from further policy guidance on the implementation of the estates management policy, for example on how, whilst avoiding an "estates-led" approach, the impact of the existing estate on the realisation of necessary service change can be fully reflected in service planning. To this end I have agreed to lead a workshop in early 1999. This will be facilitated by the EEF. It is hoped that it will comprise a representative cross-section of NHSiS interests including Trust Chief Executives, Health Board General Managers, Trust Directors of Estate, Health Board and Trust service planners, Trust Medical and Finance Directors, along with a small Management Executive representation (Strategic and Performance Management Directorate, Primary Care Directorate, Medical Directorate, Finance Directorate).

Action

4. In the meantime I would be pleased to receive comment on the draft estates management policy statement and on the purpose and form of any necessary wider policy guidance. These views will be made available to the planned workshop and should therefore be sent to me by Monday 18 January 1999.

Other Matters

Estate Strategies

5. This letter provides an opportunity to remind holding bodies of the need to have updated estates strategies agreed by 30 June 1999. [Reference Priorities and Planning Guidance for the NHS in Scotland 1999-2002, MEL (1998)63].

NAO VFM Study of the NHSiS Estate

6. The report is expected to be published early in 1999.

Central Estates Performance Return

7. Colleagues will recall that the last central return was called for in 1996. It has now been concluded that a new return should be called for in the autumn of 1999 and thereafter at 3 year intervals. The intention is that the return should ensure that the Department has the necessary minimum of information to support its policy and strategic planning purposes, without imposing unreasonable burdens on holding bodies. The form of the return, its means of collection, and the dissemination of information arising, will be discussed with colleagues in due course. It is currently anticipated that this may also involve some reconsideration of existing guidance at the level of the analysis of estate performance included in the Estatecode suite of guidance, including the need to ensure that the assessment of compliance with safety and statutory standards is based upon a sound risk assessment approach as offered by Safecode-Plus. The necessary review of that part of the Estatecode guidance will also be discussed with EEF in due course.

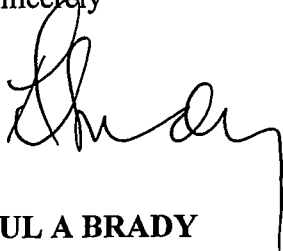
Estates Environment Forum (EEF)

8. Colleagues will be aware that the EEF, under the chairmanship of the late Paul Taylor and now of John Glennie, plays an important supporting role. The Department's recognition of this role is reflected in the provision of financial support, contingent on the delivery of an agreed business plan which takes proper account of any identified Departmental priorities; and of the importance it attaches to effective collaboration and liaison with the EEF. As mentioned before it is the Department's intention to issue new statements of environmental and construction procurement policy in 1999. These will involve such collaboration and liaison. The agreement of financial support will also underpin the continuing provision of Greencode to the NHSiS in Scotland. Although mainland Health Boards have a minor interest as holding bodies in EEF's technical support role, their role in relation to such matters as the approval of Trust estates strategies and business cases is very important. Having regard therefore for the EEF's collaborative supporting role it is recommended that all NHS in Scotland bodies should be members.

Safecode-Plus

9. As noted above the Department recognises the need for the assessment of compliance with safety and statutory standards to be based upon a consistent risk management approach. This was the basis of our survey of compliance with fire safety in 1997. To further facilitate this approach it has been agreed in principle that the provision of Safecode-Plus user licences to all NHSiS holding bodies, along with the basic introductory training, should be centrally funded. Further information will be provided in due course.

Yours sincerely



DR PAUL A BRADY
Director of Finance

**SCOTTISH OFFICE DEPARTMENT OF HEALTH (SODoH)
NHS IN SCOTLAND MANAGEMENT EXECUTIVE (NHSiSME)**

DRAFT ESTATES MANAGEMENT POLICY FOR NHSiS

Purpose

- The purpose of this document is to provide all NHSiS bodies with an unambiguous statement of estates management policy.

Policy Aims

- To ensure that the NHSiS estate is used efficiently, coherently and strategically to support Government plans.
- to provide an appropriate quality of health care facilities which complement and support the provision of quality health care.

Policy Statements

- Statement 1 All NHSiS bodies must comply with all requirements laid down by statutes bearing upon the safety of staff, patients and visitors in relation to and in respect of the management of the estate which they occupy.
- Statement 2 All NHSiS bodies must comply with all requirements laid down by statutes bearing upon the physical access of staff, patients and visitors, to and within the premises which they occupy.
- Statement 3 All NHSiS bodies commissioning new premises for owner occupation, newly constructed premises leased from another party or provided through a PFI contract, must be satisfied that such premises comply with all requirements laid down by statutes bearing upon the estates management of newly constructed premises.
- Statement 4 The SODoH must identify all mandatory requirements necessary to underpin statutory obligations and to promote the delivery of both wider government policies and policies and strategies for the NHSiS.
- Statement 5 All premises used for NHSiS purposes; new or existing, owner occupied, leased or provided through PFI contracts; must be managed in accordance with the mandatory requirements set out hereafter.
- Statement 6 The SODoH must provide guidance on compliance with those aspects of statutory and mandatory requirements which are particular to the estates management of healthcare premises. This will be generally effected through the NHSiS Estates Environment Forum with the exception of guidance on NHS property transactions which will be provided by SODoH.

[NB This policy must be seen alongside other related policy documents, in particular Fire Safety Policy for the NHSiS (issued under MEL(1998)8).]

Mandatory Requirements (Policy Statement 4)

Introduction

The mandatory requirements set out here apply to all NHSiS bodies, i.e. Health Boards, Trusts, CSA, State Hospitals and the Scottish Ambulance Service.

Requirements

1. A Holding Body¹ must have an Estates Strategy which must be reviewed and updated annually.
2. A Holding Body's Estates Strategy must be consistent with the extant HIP, where appropriate.
3. A Trust's Estates Strategy must be agreed with the Health Board having regard for its strategic direction and its contribution to wider Government objectives aimed at ensuring a co-operative and collaborative outcome across the NHSiS. That of the CSA, The State Hospitals and the Scottish Ambulance Service, with the Management Executive.
4. Following agreement of a Trust's Estates Strategy, its Health Board must also specifically agree the programme for implementation of the estate development control plan and the estate rationalisation plan.
5. The Estates Strategy of a Primary Care Trust (PCT) must include a section dealing with the non NHS estate from which primary care is delivered, e.g. GP premises, in order that decisions about need and relative priority can be made by the PCT based upon a proper and full understanding of the facts. Such decisions must be based upon working collaborations involving all relevant parties, ie Local Health Care Co-operatives, GPs, other relevant Family Health Services contractors, and local authorities.
6. A Trust's TIP must show how its Estates Strategy is to be implemented.
7. Holding Bodies must comply with the mandatory requirements for the disposal of property by sale, lease or excambion; and the acquisition of property by purchase, lease or excambion; as set out in Part B of NHS Property Transactions - A Handbook for Managers and Advisers. [*The latest edition (November 1997) was published and issued under MEL(1998)9. Guidance on the handling of property transactions is also contained in the aforementioned Handbook.*]
8. Holding Bodies must have regard for other policies, actions and guidance which bear upon estates management, e.g.
 - Retention of Capital Receipts [MEL(1997)39]
 - Fire Safety Policy [MEL(1998)8]
 - Approval of Capital Schemes [MEL(1998)14]
 - Management of Support Services in the NHS in Scotland : Quality and Value [MEL(1998)32]

¹ Bodies holding NHS property on behalf of the Secretary of State, ie Health Boards, Common Services Agency, State Hospitals Board for Scotland and the Scottish Ambulance Service, or in the case of NHS Trusts, on their own behalf.

- Human Resources Strategy issued under Towards a new Way of Working [MEL(1998)33]
 - Interim Capital Guidance [MEL(1998)46]
 - Priorities and Planning Guidance for the NHS in Scotland 1999-2002 [MEL (1998)63]
 - [Implementation of Section 21 of DDA - Amend ref once MEL issued]
9. A Holding Body must support national and local healthcare priorities by identifying its essential and non-essential estate [*The essential estate is defined as land holdings or buildings regarded as likely to remain operational beyond a 4 year planning horizon.*]
10. A Holding Body's Estates Strategy must include targets for the translation of non-essential to surplus and its subsequent disposal.
11. A Holding Body's Estates Strategy must contain a commitment to maintain compliance with existing statutory requirements and to achieve compliance as appropriate with new statutory requirements.
12. Where a Holding Body does not comply with existing statutory requirements its Estates Strategy must include targets agreed with the relevant regulatory body for addressing non-compliance using a risk management approach where appropriate.
13. A Holding Body's Estate Strategy must identify the physical condition, functional suitability and space utilisation of both its essential and non-essential estate.
14. A Holding Body's Estates Strategy must include targets for improving physical condition, functional suitability and space utilisation of its essential estate where that is considered necessary.
15. Holding Bodies must consider other relevant means of assessing estates performance, e.g. by appropriate use of benchmarking and performance indicators.
16. Holding Bodies must make effective use of available IT software to ensure that estates management data is held in a readily updateable form and that management reports and alternative scenarios can be readily provided.
17. Holding Bodies must ensure that staff are suitably qualified, experienced and up to date, and also able to act as informed clients when commissioning support from external sources.
18. A Holding Body must demonstrate that it is making effective use of its existing property or demonstrate through the business case process that its existing land and buildings are unsuitable, before acquiring new land or committing itself to capital investment in new buildings on new or existing land.
19. A Holding Body must provide its Estates Strategy and information on estates management performance to the Management Executive as and when required.

Policy Guidance: Estates Strategy

1. An Estates Strategy can be defined as a long term plan which supports forward planning for the delivery of healthcare services and the policy aims outlined before. It is not concerned with operational policies and procedures. It should provide, in a concise form, a clear description of the strategic-level changes planned for the estate and benchmarks in terms of key performance indicators that will enable the monitoring of progress towards the achievement of key objectives.

2. It aims to describe in one document:

- the existing estate, its condition and performance both as an asset and in relation to relevant service performance indicators;
- all the proposed changes to the estate over the next decade;
- estate development control plans;
- estate rationalisation plans;
- a comprehensive estate investment programme including all capital expenditure proposals for:
 - (i) new buildings;
 - (ii) adaptation of existing buildings
 - (iii) upgrading and refurbishment of existing buildings
- proposed acquisitions and disposals of land and buildings;
- plans for improvements in key estate performance indicators.

3. An Estate Strategy is one component of a Holding Body's overall vision of the future. Together with the service and other strategies it is a manifestation of strategic direction. Whilst the Estates Strategy must acknowledge the importance of local priorities and reflect local needs and circumstances, it must also be set in a national context and reflect the NHSIS priorities and planning guidance.

4. Whilst strategic planning in the NHS is essentially service-led, the implications for the estate must be properly evaluated at the decision-making stage, the overall aim being to develop strategies that:

- a. meet the healthcare needs of the population;
- b. make the best use of available resources (financial, property, manpower)
- c. are technically achievable;
- d. are financially affordable.

5. The benefits to a Holding Body of having a formal Estate Strategy include:

- it provides a plan for change that enables progress toward goals to be measured;
- it provides a strategic context in which detailed capital investment plans and business cases (including PFI) can be developed and evaluated;
- it demonstrates to the public, patients and staff that there are positive future plans to improve services and facilities.