

Appendix 2: The impact of the Naylor Report on Dorset CCG

“The NHS estate is vast. Taken together, it is worth tens of billions of pounds and the size of a small city. It costs over £8 billion each year to run, with NHS providers spending around £2.3 billion on capital investment to maintain and improve their estates and infrastructure (excluding IT and equipment). The NHS must manage and use its estate more efficiently and strategically, whether by selling land and buildings that it no longer needs to deliver clinical services or using that land to develop new services in line with modern thinking or to provide housing for NHS staff. NHS land and property is an important enabler of transformation in the health system and beyond, yet its potential is under-appreciated.”

The Government Response to the Naylor Review – January 2018

Naylor Review Theme	Naylor Review Key Points	Impact for Dorset
The Vision – an efficient, sustainable and clinically fit-for-purpose estate	A modern estate equal to delivering the vision of the 5YFV, the GPFV and new models of care.	Locality Strategic Estate Plans will need to define the fit-for-purpose primary care estate.
	Local strategic estates planning which reflects changing delivery models, particularly the shift of activity into primary care.	Primary Care must be actively engaged with the Dorset whole system strategic estate planning activity.
	Proactive maintenance of assets and a reduction in backlog maintenance. NHSI will now take forward a programme of work to support the whole of the NHS, including primary care, to tackle backlog maintenance.	In Dorset we will need to include a measure of Backlog Maintenance in our Primary Care Estates Data Set – and consider how we incentivise Practices and/or their Landlords to keep facilities in good repair.
	Replacement of estate that cannot be cost-effectively managed and disposal of property that is no longer needed.	Locality Strategic Estate Plans will need to identify any primary care properties that fall within these categories.

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	<p>The cost of estate must be understood - comprehensive, accurate and comparable information underpinning estates-related decision making.</p>	<p>As part of the development of Locality Strategic Estate Plans our Primary Care Estates Data Set will be expanded to incorporate a much wider range of information.</p>
	<p>Expert advisers should be used when needed, but the system must build its own capabilities to become an effective informed client on estates matters.</p>	<p>During 2017 the estate/property skills within the CCG's Primary Care Development Team have improved significantly – this development will continue, ensuring that the Team is able to act as the 'informed client'. When necessary expert advisors are being used and good networks have already been established within this relatively small group of specialists.</p>
<p>Delivery of the Vision – Leadership and Capability</p>	<p>The government has already established an NHS Property Board which draws together senior representatives from the Department, NHS England (NHSE), NHS Improvement (NHSI), wider Government, NHSPS and CHP to provide a single leadership focus for the system.</p>	<p>Single point of contact created.</p>

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<p>Delivery of the Vision – Leadership and Capability - Guidance</p>	<p>Estates policy and technical guidance to the NHS will be delivered on behalf of the NHS Property Board by NHSI. This programme will include:</p> <ul style="list-style-type: none"> • The provision of general estates policy and technical guidance on healthcare facilities, including primary care facilities • A review of the need for additional estates policy and technical guidance for primary care, working jointly with NHSE primary care leads. • 	<p>Existing primary care estates policy and technical guidance is out of date. Refreshed guidance would be welcomed.</p>
	<p>NHSI and NHSE will work together to make sure that evidence from new models of care, the vanguards programme and Estates and Technology Transformation Fund (ETTF) projects is used to inform future guidance.</p>	<p>The ETTF processes are complex and not fit for purpose. An evaluation of the Programme and associated processes would be welcomed.</p>

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<p>Delivery of the Vision – Leadership and Capability - Data</p>	<p>Access to timely and accurate estates data is a prerequisite for the NHS.</p> <p>NHSI and NHSE will work with NHS Digital, NHS providers and commissioners, the Valuation Office Agency, strategic estates advisers and the NHS property companies to develop a more comprehensive dataset on the primary care estate.</p>	<p>As part of the development of Locality Strategic Estate Plans our Primary Care Estates Data Set will be expanded to incorporate a much wider range of information.</p> <p>Ease of access to data needs to be improved.</p>
<p>Delivery of the Vision – Leadership and Capability – Strategic Estate Planning Capacity</p>	<p>Following on from the success of the SEPI pilot the government is now forming a full national Strategic Estates Planning service. This service will operate independently of the two NHS property companies (NHSPS and CHP) going forward, creating a clear separation between the functions of strategic planning advice on the one hand, and asset management and ownership on the other. It will work with NHSE and NHSI at national, regional and local level to support STPs.</p>	<p>Currently our Strategic Estates Advisor is Lauren Metcalf.</p>

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	<p>The role of this new strategic estates planning team will be to enable change at pace, helping STPs to navigate the complex process of capital planning, approval and delivery. Strategic estates planning advisers will work with STP partners and healthcare planners to translate clinical, workforce and technology strategies into a clear set of estates requirements, and to formulate a prioritised programme of capital projects to deliver them. The advisers will work with STPs to oversee delivery of those projects by NHSPS, CHP and other organisations.</p>	<p>The extent of the strategic estates planning support available to Dorset needs to be quantified (i.e. a) how many hours per month should we expect to see targeted at Dorset? And b) what skills are available to Dorset?)</p>
	<p>The strategic estates planning team will continue to provide expert advice on primary care estates to Clinical Commissioning Groups (CCGs) and local primary care commissioners, and will work with NHSE to develop commissioners as informed clients.</p>	<p>More information is required on the extent / exact nature of this support.</p>
	<p>The strategic estates planning team will work with commissioners and providers to optimise alternative sources of finance to supplement Treasury funding, where these provide value for money for the taxpayer.</p>	<p>More information is required on the extent / exact nature of this support.</p>

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Delivery of the Vision – Leadership and Capability - Continued Professional Development of the Estates Workforce	NHSE and NHSI will focus efforts on building capability in provider and commissioner organisations to improve the quality of business cases coming forward for approval	More information is required on the extent / exact nature of this support.
National Planning and Funding	In the recent Budget, the Chancellor of the Exchequer confirmed a further £3.5 billion of capital investment in estates transformation and improvement and efficiency schemes, on top of the £425 million already provided at the Spring Budget, so that the NHS can deliver more integrated care for patients and better meet demand.	The partner organisations within Dorset STP should work together to produce and agree a prioritised capital investment plan covering the whole STP footprint, drawing on the expertise of strategic estates planning advisers as necessary, and creating a pipeline of local capital development projects.
	All STPs should be continuing to develop their estates strategies with the support of their Strategic Estates Advisers. For those bids which have already been supported and those which hope to be in the future, STPs will be expected to agree and submit an estates strategy prior to any funding being released.	There must be clarity on which Executive member has responsibility for estates transformation, as well as clear estates representation and accountability within STP governance arrangements.
	STPs should, as part of the capital planning process, identify which projects could make effective use of private financing through LIFT, PF2 and public private partnerships (PPP).	

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	<p>The Government has set aside almost £4 billion of additional capital investment. The NHS must also play its part in generating capital. STPs seeking funding will be required to develop ambitious plans for surplus land disposal, as well as a clear delivery plan that will see receipts reinvested to fund agreed service and estates transformation in the STP area.</p>	<p>All STPs will have to agree to locally-derived targets for disposals, which will be informed by the benchmarks developed by the Naylor Review.</p> <p>Where agreed targets are not achieved, consideration will be given to recovering the public capital invested.</p>
<p>National Planning and Funding – Retaining Capital Receipts</p>	<p>Under current arrangements, where land or buildings are locally owned by an NHS trust or NHS foundation trust, the full capital receipt from its disposal is usually retained by that organisation to reinvest in the NHS in that area.</p> <p>It is planned that new bridging arrangements will be introduced which will allow NHS trusts to apply to "bank" land sales receipts with the Department, and draw them back (with interest) when needed to fund agreed STP health priorities.</p>	<p>All four of Dorset's Foundation Trusts own property which falls within this category</p>

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	<p>Currently, there are two types of property where all of the sale receipts do not remain with local NHS organisations. These are the former PCT estate and the NHS Property Services estate.</p> <p>With regard to the former PCT estate: NHS trusts and foundation trusts currently have to pay half of any profits from the sale of former PCT estate to the Secretary of State. These overage payments can create a disincentive for NHS providers to dispose of property. The government will introduce a new arrangement whereby NHS trusts and foundation trusts that hold such properties can apply to the Department in effect to retain the overage sum so as to fund STP capital priorities. This will apply to all disposals that required an overage payment since 1st April 2017.</p> <p>With regard to the NHS Property Services estate: Properties owned by NHS Property Services are national rather than local assets, and are rented to local providers. When moving out of those properties, rental payments stop which creates a financial benefit to the provider. Therefore, capital receipts from the sale of NHSPS properties will continue to be pooled at a national level and the</p>	<p>Many of the Dorset HealthCare FT owned community hospitals fall within this category</p> <p>NHSPS owns a number of properties in Dorset including 7 Health Centres. Wareham Health Centre is an example of a property where a disposal is planned – but under current rules the capital receipt would not be available for local reinvestment.</p> <p>Advice from the local Strategic Estates Advisor suggests that the final paragraph in this section indicates that, going forward, there will be an opportunity to make a case for a specific capital receipt to be reinvested locally in a specific project.</p>

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	<p>investment directed to where it is most needed by patients. Local NHS organisations should not assume that receipts generated from the disposal of NHSPS properties will be available for redeployment in their areas. However, NHSPS already has agreed mechanisms in place for identifying local investment priorities, including a process by which local Clinical Commissioning Groups can put forward a business case for local investment to NHS England for consideration.</p>	